Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

TABLE OF CONTENTS

	Page
Consolidated Statements of Financial Position	1
Consolidated Statements of Operations and Comprehensive Loss	2
Consolidated Statements of Change in Shareholders' (Deficit) Equity	3
Consolidated Statements of Cash Flows	4
Notes to the Consolidated Financial Statements	5 - 22

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Independent Auditor's Report

To the Shareholders of High Tide Resources Corp.

Opinion

We have audited the consolidated financial statements of High Tide Resources Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2025 and 2024, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in shareholders' (deficit) equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended June 30, 2025 and, as of that date, the Company has an accumulated deficit and a working capital deficiency. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Except for the matter described in the *Material uncertainty related to going concern* section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

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adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
October 28, 2025

HIGH TIDE RESOURCES CORP.
Consolidated Statements of Financial Position
As at June 30, 2025 and 2024

(Expressed in Canadian Dollars)

	2025	2024
	$	$
Assets		
Current		
Cash	**9,710**	84,885
Amounts receivable and prepaids	**3,153**	3,029
Total assets	**12,863**	87,914
Liabilities		
Current		
Trade payables and accrued liabilities (Note 8)	**692,104**	447,839
Total liabilities	**692,104**	447,839
Shareholders' (Deficit) Equity		
Share capital (Note 5(b))	**7,786,548**	7,786,548
Warrants (Note 6)	**243,827**	496,600
Contributed surplus	**774,405**	450,819
Deficit	**(9,484,021)**	(9,093,892)
Total (deficit) equity	**(679,241)**	(359,925)
Total liabilities and shareholders' (deficit) equity	**12,863**	87,914

DESCRIPTION OF BUSINESS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Note 10 and 12)
SUBSEQUENT EVENTS (Note 13)

APPROVED BY THE BOARD OF DIRECTORS

Original signed by Stephen Altmann, Director

Original signed by Steve Roebuck, Director

See accompanying notes to the consolidated financial statements

HIGH TIDE RESOURCES CORP.

Consolidated Statements of Operations and Comprehensive Loss

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

	2025	2024
	$	$
Operating Expenses		
Exploration and evaluation expenditures (Note 10)	**32,529**	176,570
General and administrative (Note 9)	**286,787**	300,134
Share-based compensation	**70,813**	197,261
Net loss before other income	**390,129**	673,965
Other income		
Interest income	**-**	(3,110)
Total other income	**-**	(3,110)
Net loss and comprehensive loss for the year	**390,129**	670,855
Net loss per share - basic and diluted (Note 7)	**0.00**	0.01
Weighted average number of shares outstanding - basic and diluted (Note 7)	**78,727,194**	78,290,239

See accompanying notes to the consolidated financial statements

HIGH TIDE RESOURCES

HIGH TIDE RESOURCES CORP.

Consolidated Statements of Change in Shareholders' (Deficit) Equity

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

	Number of shares	Share capital	Warrants	Contributed surplus	Deficit	Total (Deficit) Equity
		$	$	$	$	$
Balance - June 30, 2023	**77,481,190**	**7,724,248**	**496,600**	**253,558**	**(8,423,037)**	**51,369**
Net loss and comprehensive loss for the year	-	-	-	-	(670,855)	(670,855)
Share-based compensation	-	-	-	197,261	-	197,261
Shares issued for property acquisition - Labrador West (Note 5(b) and 10)	1,246,004	62,300	-	-	-	62,300
Balance - June 30, 2024	**78,727,194**	**7,786,548**	**496,600**	**450,819**	**(9,093,892)**	**(359,925)**
Net loss and comprehensive loss for the year	-	-	-	-	(390,129)	(390,129)
Warrants expired	-	-	(252,773)	252,773	-	-
Share-based compensation	-	-	-	70,813	-	70,813
Balance - June 30, 2025	**78,727,194**	**7,786,548**	**243,827**	**774,405**	**(9,484,021)**	**(679,241)**

See accompanying notes to the consolidated financial statements

HIGH TIDE RESOURCES CORP.

Consolidated Statements of Cash Flows

For the years ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

	2025	2024
	$	$
Operating activities		
Net loss for the year	**(390,129)**	(670,855)
Items not involving cash:		
Shares issued for property acquisition - Labrador West (Note 5(b))	**-**	62,300
Share-based compensation	**70,813**	197,261
	(319,316)	(411,294)
Changes in non-cash working capital		
(Increase) decrease in amounts receivable and prepaids	**(124)**	381,746
Increase in trade payables and accrued liabilities	**244,265**	82,060
Change in non-cash operating working capital	**244,141**	463,806
Net cash flows from (used in) operating activities	**(75,175)**	52,512
Financing activities		
Due to related company	**-**	(36,882)
Net cash flows (used in) financing activities	**-**	(36,882)
(Decrease) increase in cash	**(75,175)**	15,630
Cash, beginning of year	**84,885**	69,255
Cash, end of year	**9,710**	84,885

See accompanying notes to the consolidated financial statements

1. DESCRIPTION OF BUSINESS AND GOING CONCERN

High Tide Resources Corp. ("High Tide" or the "Company") was incorporated by Certificate of Incorporation issued pursuant to the provisions of the *Ontario Business Corporations Act* on October 18, 2018. The registered head office of the Company is located at 110 Yonge Street, Suite #1601, Toronto, Ontario, M5C 1T4. High Tide is in the business of acquiring and exploring iron ore and electric vehicle ("EV") battery metal projects. Avidian Gold Corp. ("Avidian") owns approximately 28% of High Tide at June 30, 2025 (2024 – 28%).

The consolidated financial statements of the Company for the years ended June 30, 2025 and 2024 were reviewed, approved, and authorized for issue by the Board of Directors on October 28, 2025.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and currency exchange fluctuations and restrictions.

These consolidated financial statements have been prepared on a going concern basis assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

The Company's property interests are at an early stage of exploration and it makes effort to raise financing for its exploration and evaluation activities in discrete tranches as required. The Company has incurred a loss for the year ended June 30, 2025 of $390,129 (2024 - $670,855), has an accumulated deficit of $9,484,021 (2024 - $9,093,892), and a working capital deficiency as at June 30, 2025.

To continue as a going concern, the Company must secure new funding. Although the Company has been successful in raising funds to date, there can be no assurance that adequate or sufficient funding will be available in the future, or available under terms acceptable to the Company. In the event that the Company is unable to secure further financing, it may not be able to complete the development of its mineral projects. There can be no assurance that these initiatives will be successful. These material uncertainties cast significant doubt as to the ability of the Company to meet its business plan and obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. See Note 13.

These consolidated financial statements do not include adjustments to the recoverability and classifications of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") effective for the Company's reporting for the years ended June 30, 2025 and 2024.

Basis of presentation

These consolidated financial statements have been prepared on an accrual basis except for cash flow information. These consolidated financial statements are based on historical costs except for those financial instruments carried at fair value and, except where otherwise stated, do not take into account changing money values, fair values of assets and liabilities, or recoverable amounts. The policies set out below have been consistently applied to all years presented.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Ferrum Exploration Corp., a company incorporated in Ontario. Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases.

These consolidated financial statements include all assets, liabilities, revenues, expenses, and cash flow of the Company and its subsidiary after eliminating inter-entity balances and transactions.

Presentation and functional currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency. The functional currency of Ferrum Exploration Corp. is also the Canadian dollar.

Critical accounting judgments and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management ("Management") to make judgments, estimates, and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements.

Although these estimates are based on Management's best knowledge of the amount, event, or actions, actual results may differ from those estimates and these differences could be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The areas that require Management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Functional currency determination

The functional currency for the Company and its subsidiary is the currency of the primary economic environment in which the entity operates. This has been determined to be the Canadian dollar for all companies in the group.

Determination of functional currency is conducted through an analysis of the consideration factors identified in *IAS 21 - The Effects of Changes in Foreign Exchange Rates,* and may involve certain judgments to determine the primary economic environment. The Company reconsiders the functional currency of its entities if there is a change in events and conditions that determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

Estimation of decommissioning and restoration costs and the timing of expenditure

The cost estimates are updated annually during the life of a project to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals. Decommissioning, restoration, and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value.

Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration, or similar liabilities that may occur upon decommissioning of the mine. Management must make a number of assumptions about the amount and timing of future cash flows, discount rate and inflation rate to be used. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. The current estimate for restoration costs at June 30, 2025 and 2024 is $nil.

Income, value-added, withholding and other taxes

The Company is subject to income, value-added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

The determination of the Company's income, value-added, withholding and other tax liabilities requires interpretation of complex laws and regulations.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Income, value added, withholding and other taxes (continued)

The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Government tax credit estimate

Tax credits are recorded at their estimated recoverable amount based on interpretation of eligibility by the Company and remain subject to government audits of such interpretations and amounts.

Share-based compensation and warrants

Management is required to make certain estimates when determining the fair value of share-based compensation. These estimates affect the amount recognized as share-based compensation in the consolidated financial statements and are based on the estimated current share price of the Company's shares. The valuation of stock options and warrants is also based on expected volatility and the expected lives of the underlying options and warrants.

Contingencies

See Note 12.

Cash and cash equivalents

Cash in the consolidated statement of financial position comprises cash held in approved banks. Cash equivalents consists of cashable guaranteed investment certificates, or those with original maturities of 3 months or less.

Financial instruments

Financial assets and liabilities

Initial recognition and measurement
Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either fair value through profit or loss ("FVPL") or fair value through other comprehensive income ("FVOCI"), and "financial assets at amortized costs", as appropriate.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Cash and amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost
After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statements of operations.

Subsequent measurement – financial assets at FVPL
Financial assets measured at FVPL include financial assets that management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of operations. The Company does not have any financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI
Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of operations and comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition
A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets

The Company's financial assets subject to impairment are other amounts receivable which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due.

An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortized cost unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost
After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of operations. The Company's trade payables and accrued liabilities and amount due to related company are measured at amortized cost.

Subsequent measurement – Financial liabilities at FVPL
Financial liabilities measured at FVPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in the consolidated statements of operations. The Company does not measure any financial liabilities at FVPL.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of operations.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations.

Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Provisions

A provision is recognized in the consolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from such contracts are lower than the unavoidable cost of meeting its obligations under the contracts.

Decommissioning, restoration and similar liabilities

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and included in profit or loss as extraction progresses.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Flow-through shares

The Company may, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource properties to investors.

On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the fair value of the Company's common shares is allocated to premium on flow-through shares liability. If renouncement is retrospective, the Company derecognizes the premium liability when the paperwork to renounce is filed. If the renouncement will occur at a future date, the Company derecognizes the premium liability as qualifying flow-through expenditures are incurred. The reduction to the premium liability in the period of renunciation is recognized through operations.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the lookback rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is reflected as a financial expense.

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in "other comprehensive income", in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to taxes payable related to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize any asset.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Loss per share (continued)

Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Share-based compensation

Management determines costs for share-based compensation using market-based valuation techniques. The fair value of the market-based and performance-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, and expected dividend yield. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Equity-settled share-based compensation to employees and others providing similar services is measured at the fair value of the equity instruments at the grant date.

Equity-settled share-based compensation transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Segment reporting

The Company operates in a single reportable operating segment, namely the acquisition, exploration, and development of mineral exploration projects.

Issued capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Quebec refundable tax credit and refundable mining duty

The Company is entitled to a credit on duties refundable under the Mining Duties Act in certain circumstances. This credit on duties on exploration costs incurred in the Province of Quebec is recognized as a reduction to exploration and evaluation expenditures in the consolidated statement of operations. Furthermore, the Company is entitled to a refundable tax credit on certain qualified expenditures incurred in Quebec. The Company estimates the benefits to be recognized from refundable tax credits relating to qualified expenditures incurred.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Quebec refundable tax credit and refundable mining duty (continued)

These receivables are recognized to the extent that it is probable that the Company has met all eligibility requirements for the expenditures in the period they are incurred.

New and amended accounting policies during the year

The Company has adopted the following revised IFRS amendments effective July 1, 2024. These changes were made in accordance with the applicable transitional provisions and had no impact on the financial statements of the Company.

IAS 1 – Presentation of Financial Statements and IFRS 2 Practice Statement 2

Effective July 1, 2024, the Company adopted the IASB's amendment to IAS 1, Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to management's intentions or expectations of exercising the right to defer settlement of the liability. Management would classify debt as non-current only when the Company complies with all the conditions at the reporting date. The amendments further clarify that settlement of a liability refers to the transfer of cash, equity instruments, other assets or services to the counterparty. The adoption of these amendments did not have an impact on the Company's financial statements.

New accounting standards issued but not effective

IFRS 18 – Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

3. CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of mineral exploration assets.

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of Management to sustain the future development of the business. The Company considers its capital to be equity, which comprises share capital, warrants, contributed surplus and deficit, which at June 30, 2025, totaled ($679,241) (2024 – ($359,925)).

The Company invests all capital not required for its immediate needs in short-term, liquid, and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with select major Canadian financial institutions.

The Company is currently attempting to identify an economic mineral resource and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned acquisitions and exploration, as well as pay for administrative costs, the Company will spend its existing working capital and expects to raise additional amounts as needed.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

a. maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
b. minimizing discretionary disbursements; and
c. exploring alternative sources of liquidity.

In light of the above, the Company will continue to assess new properties if the Company believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no significant changes in the Company's approach to capital management during the years ended June 30, 2025 and 2024.

4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (specifically commodity price risk).

Risk management is carried out by the Company's Management with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

4. FINANCIAL RISK FACTORS (continued)

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is attributable to cash. Cash is held with a reputable financial institution, from which Management believes the risk of loss to be remote.

Included in amounts receivable is sales tax receivable from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

The Company generates cash flow primarily from its financing activities. As at June 30, 2025, the Company had cash of $9,710 (2024 - $84,885) to settle current liabilities of $692,104 (2024 - $447,839). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance and liquidity. All the Company's current financial liabilities as at June 30, 2025 have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Commodity price risk

The Company is exposed to commodity price risk with respect to iron ore and precious metals prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to price movements and volatilities.

Sensitivity Analysis

As of June 30, 2025 and 2024, both the carrying and fair value amounts of the Company's financial instrument are approximately equivalent due to their short-term nature. Management does not believe the Company is exposed to any significant interest rate or currency exchange risks with respect to its financial instruments.

Fair value hierarchy and liquidity risk disclosure

The three levels of the fair value hierarchy are as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At June 30, 2025 and 2024, the Company did not hold any financial assets in the fair value hierarchy.

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares, with no par value.

(b) Issued

(i) On November 6, 2023, the Company issued 1,246,004 common shares to satisfy its final obligation under the Labrador West Option Agreement (See Note 10). The common shares have an estimated value of $62,300 based on the quoted market price of the Company's shares at the date of issuance.

(c) Share-based compensation

On January 2, 2024, the Company granted 3,500,000 stock options to directors, officers, consultants and an employee of the Company to purchase 3,500,000 common shares of the Company at an exercise price of $0.10 per share, expiring on January 2, 2029. A total of 3,000,000 stock options vest 1/3 upon granting, 1/3 on the first anniversary of the date of grant and the remaining 1/3 on the second anniversary of the date of grant. The remaining 500,000 stock options vest three months after the grant date. A total of 1,550,000 stock options were issued to key management and directors of the Company.

Share-based payment activity for the years ended June 30, 2025 and 2024 is summarized as follows:

	Number of stock options	Weighted average exercise price
		$
Balance, June 30, 2023	**2,875,000**	**0.15**
Granted	3,500,000	0.10
Balance, June 30, 2024 and 2025	**6,375,000**	**0.12**

Summary of options outstanding as at June 30, 2025:

							Black-Scholes inputs			
Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Share-based compensation amount for the year ended June 30, 2025	Grant date fair value per option	Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
1,875,000	1,875,000	1-Jun-22	1-Jun-27	$ 0.15	-	$ 0.10	115%	5	0%	2.83%
500,000	500,000	1-Feb-23	1-Feb-28	$ 0.15	3,841	$ 0.08	115%	5	0%	3.16%
500,000	500,000	12-Apr-23	12-Apr-28	$ 0.15	6,521	$ 0.10	115%	5	0%	3.14%
3,500,000	2,500,000	2-Jan-24	2-Jan-29	$ 0.10	60,451	$ 0.06	135%	5	0%	3.25%
6,375,000	5,375,000				$ 70,813					

The weighted average remaining time to expiry for all outstanding options as of June 30, 2025, is 2.91 years (2024 – 3.91 years).

6. WARRANTS

The following is a summary of warrant activity for the years ended June 30, 2025 and 2024:

	June 30, 2025		June 30, 2024	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Balance, beginning of year	**8,416,389**	**0.18**	8,416,389	0.18
Expired during the year	**(3,733,615)**	**(0.20)**	-	-
Balance, end of year	**4,682,774**	**0.16**	8,416,389	0.18

Summary of warrants outstanding at June 30, 2025:

Warrants	**Exercise price**	**Grant date fair value of warrants**	**Expiry date**
#	$	$	
242,133	0.10	18,976	December 23, 2025
2,000,000	0.16	112,237	November 16, 2027
2,440,641	0.16	112,614	December 23, 2027
4,682,774		243,827	

7. BASIC AND DILUTED NET LOSS PER SHARE

The calculation of basic and diluted earnings per share for the years ended June 30, 2025 and 2024 was based on the net loss of $390,129 (2024 - $670,855) and the weighted average number of common shares outstanding of 78,727,194 (2024 – 78,290,239).

For the years ended June 30, 2025 and 2024, the stock options and warrants were anti-dilutive.

8. RELATED PARTY TRANSACTIONS

a) The remuneration of key management personnel is comprised of

	June 30, 2025	June 30, 2024
Consulting fees	**$ 76,000**	$ 5,125
Share-based compensation	**31,233**	77,967
	$ 107,233	$ 83,092

8. RELATED PARTY TRANSACTIONS (continued)

Key management personnel include directors, officers and former directors/officers. During the year ended June 30, 2024 certain key management personnel agreed to cancel previously charged consulting fees in the amount of $91,750. The amounts were recorded as a credit to consulting fee expense in the statement of operations.

b) Trade payables and accrued liabilities as at June 30, 2025 include $146,575 (2024 - $89,575) owed to officers of the Company. Such amounts are unsecured, non-interest bearing and with no fixed terms of payment.

9. GENERAL AND ADMINISTRATIVE

	June 30, 2025	June 30, 2024
Consulting fees, wages and investor relations	**$ 152,500**	$ 145,750
Office supplies, bank charges and transfer agent	**47,300**	55,023
Professional fees	**86,987**	95,202
Travel	**-**	4,159
	$ 286,787	$ 300,134

10. EXPLORATION AND EVALUATION EXPENDITURES

Labrador West

On August 20, 2019, the Company entered into an option agreement (together with the Amendment Agreement, the Second Amendment Agreement and the Third Amendment Agreement, each as defined herein below, the "Labrador West Option Agreement") with Altius Resources Inc. ("Altius") pursuant to which the Company was granted the Labrador West Option to acquire up to a 100% interest in the Labrador West iron ore project, located in the Labrador Trough.

In accordance with the Labrador West Option Agreement, the Company issued shares to Altius as follows:

- 13,427,507 common shares were issued on November 5, 2021.
- 1,246,004 common shares were issued on November 6, 2023. Refer to Note 5.

The Company was also required to incur $2,000,000 in exploration expenditures which was completed.

The Company has acquired a 100% interest in the project, and has granted to Altius a 2.75% gross sales royalty ("GSR") on all iron ore produced, removed and recovered from the project.

10. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Lac Pegma

The Company purchased a 100% interest in the Lac Pegma copper-nickel-cobalt sulphide deposit located approximately 50 kilometres south of Fermont, Quebec from Globex Mining Enterprises Inc. ("Globex"). Globex retained a 2% gross metal royalty with a 1% buyback option for $1,500,000 exercisable at any time at the discretion of the Company.

The following table summarizes exploration and evaluation expenditures for each of the Company's respective properties.

Labrador West	**June 30, 2025**	June 30, 2024
Acquisition and holding costs	**$ -**	$ 64,775
Exploration and evaluation expenditures	**32,529**	120,116
	$ 32,529	$ 184,891
Lac Pegma		
Acquisition and holding costs	**$ -**	$ 2,431
Exploration and evaluation expenditures	**-**	-
	$ -	$ 2,431
Other	**$ -**	$ 6,930
Quebec Tax Credit for Eligible Exploration Expenses	**$ -**	$ (17,682)
TOTAL EXPLORATION AND EVALUATION EXPENDITURES	**$ 32,529**	$ 176,570

11. INCOME TAXES

The Company utilizes the asset and liability method of accounting for incomes taxes. The estimated taxable income for the years ended June 30, 2025 and 2024 is $Nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Company will realize deferred income tax assets.

11. INCOME TAXES (continued)

(a) Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2024 – 26.5%) to the effective tax rate is as follows:

	2025 $	2024 $
(Loss) before income taxes	(390,129)	(670,855)
Expected income tax recovery based on statutory rate	(103,000)	(178,000)
Adjustment to expected income tax benefit:		
Share-based compensation and other	19,000	52,000
Flow-through renunciation	-	10,000
Change in benefit of tax assets not recognized	84,000	116,000
Deferred income tax provision (recovery)	-	-

(b) Deferred income taxes

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

Canada	2025 $	2024 $
Non-capital loss carry-forwards	3,213,000	2,869,000
Mineral exploration property costs	2,511,000	2,495,000
Share issue costs	33,000	64,000
Total	5,757,000	5,428,000

The tax losses expire from 2039 to 2045. The other temporary differences do not expire under current legislation.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

11. INCOME TAXES (continued)

(b) Deferred income taxes (continued)

The Company has approximately $3,213,000 (2024 - $2,869,000) of non- capital losses in Canada as at June 30, 2025, which under certain circumstances can be used to reduce the taxable income of future years.

The non-capital losses in Canada will expire as follows:

2039	$	37,000
2040		974,000
2041		164,000
2042		616,000
2043		744,000
2044		334,000
2045		344,000
Total	$	3,213,000

12. CONTINGENCIES

Environmental contingencies

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations.

Flow-through commitment

Flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures ("CEE") incurred on the Company's mineral properties to flow-through participants. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation. The Company has indemnified the subscribers for certain tax-related amounts that become payable by the subscribers should the Company not meet its expenditure commitments.

13. SUBSEQUENT EVENTS

a) On August 22, 2025, the Company closed a non-brokered private placement offering of 7,500,000 common shares of the Company at a price of $0.05 per common share for aggregate gross proceeds of $375,000.
b) On October 1, 2025, the Company granted 1,800,000 incentive stock options to directors, officers and select consultants of the company. These options are exercisable into common shares of the company at a price of $0.125 per share for a period of five years and are subject to vesting provisions.