



(An Exploration-Stage Company)

Consolidated Financial Statements

For the Years ended December 31, 2025 and 2024

(Expressed in Canadian dollars)



Independent auditor's report

To the Shareholders of Pacific Ridge Exploration Ltd.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Pacific Ridge Exploration Ltd. and its subsidiary (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about 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 judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. 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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of impairment indicators of resource properties</p> <p>Refer to note 2 – Summary of material accounting policies and note 3 – Resource properties to the consolidated financial statements.</p> <p>The carrying value of resource properties, comprised of exploration and evaluation assets, amounted to \$4,325,625 as at December 31, 2025. Management applies judgment in reviewing the carrying value of the resource properties for impairment indicators on a quarterly basis, or whenever events</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Evaluated the judgment made by management in assessing the impairment indicators for the resource properties, which included the following:<ul style="list-style-type: none">– Obtained, for all existing claims, by reference to mining licences and permits and licence renewal applications, evidence to support (i) the right to explore the area and (ii) claim expiration dates.

Key audit matter

How our audit addressed the key audit matter

or circumstances indicate that their carrying value may not be recovered. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the resource properties is unlikely to be recovered in full from successful development or by sale. During the year ended December 31, 2025, the Company determined not to proceed with its Chuchi Property and Orbison Property and accordingly, recorded an impairment loss of \$116,518 to write down both properties to \$nil. No impairment indicators were identified by management on its other properties as of December 31, 2025.

We considered this a key audit matter due to (i) the significance of the resource properties balance and (ii) the judgments made by management in its assessment of indicators of impairment related to its resource properties, which have resulted in subjectivity in performing audit procedures related to these judgments applied by management.

- Read the Board of Directors' minutes and obtained budget exploration spending to evidence the determination to not proceed with the Chuchi Property and Orbison Property and to evidence continued and planned substantive expenditures on further exploration for and evaluation of mineral resources in the remaining resource properties and whether the rights to explore will not be renewed or whether the Company has decided to discontinue exploration and evaluation activities in the area.
- Assessed whether the exploration for and evaluation of mineral resources in specific areas have not led to the discovery of commercially viable quantities of mineral resources, or whether sufficient data exists to indicate that the carrying value of resource properties is unlikely to be recovered in full, from successful development or by sale, based on evidence obtained in other areas of the audit.

Other information

Management is responsible for the other information. The other information comprises the 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 identified above 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.

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 Accounting Standards, 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 to 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 the 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 judgment 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 risk 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 group 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 audit 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 adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kelsey Binns.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia

April 22, 2026

	Note	December 31, 2025	December 31, 2024
		\$	\$
ASSETS			
Current assets			
Cash		2,194,173	12,095
Amounts receivable		4,276	45,375
Prepays		59,452	48,790
		2,257,901	106,260
Equipment and furniture		2,718	8,167
Resource properties	3	4,325,625	4,324,143
Reclamation bonds		68,642	78,142
Right-of-use assets	10	-	3,909
		6,654,886	4,520,621
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	7	90,435	156,146
Financial liability	3	4,817	4,817
Lease liabilities – current	10	-	4,203
		95,252	165,166
SHAREHOLDERS' EQUITY			
Share capital	5	72,981,624	66,062,984
Reserves	5	7,152,039	6,011,887
Deficit		(73,574,029)	(67,719,416)
		6,559,634	4,355,455
		6,654,886	4,520,621

Nature of operations and going concern uncertainty (Note 1)

Subsequent events (Note 14)

Approved and authorized for issue on behalf of the Board of Directors

/s/ "Bruce Youngman"

Director

/s/ "Blaine Monaghan"

Director & CEO

The accompanying notes are an integral part of these consolidated financial statements

	Note	Year ended December 31,	
		2025	2024
		\$	\$
Administrative expenses			
Amortization	10	9,358	61,693
Finance lease interest	10	62	2,710
Insurance		13,580	23,114
Professional and consulting fees	7	288,959	65,684
Property investigation		6,359	-
Management and administrative	7	442,326	398,554
Office operations and facilities		193,304	155,457
Shareholder communications		605,974	162,833
Share-based payments	5,7	805,335	5,458
Transfer agent and regulatory fees		117,643	73,625
		2,482,900	949,128
Exploration expenses (income)			
Exploration and evaluation costs	3	3,490,986	2,503,061
Write-off resource property		116,518	61,000
Mining tax credit	6	(13,122)	(31,677)
		3,594,382	2,532,384
Other expenses (income)			
Interest		(11,330)	(25,669)
Foreign exchange		7,825	4,163
Amortization of flow-through premium	4,5	(219,164)	(151,125)
		(222,669)	(172,631)
Net loss and comprehensive loss for the year		(5,854,613)	(3,308,881)
Basic and diluted loss per common share		(0.16)	(0.21)
Weighted average number of common shares outstanding		37,100,877	15,939,632

The accompanying notes are an integral part of these consolidated financial statements

Pacific Ridge Exploration Ltd.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)



	Number of common shares	Share Capital	Contributed surplus	Deficit	Total
		\$	\$	\$	\$
Balance, December 31, 2023	13,048,679	63,182,638	5,752,729	(64,410,535)	4,524,832
Flow-through units issued for cash	2,371,968	1,847,120	162,500	-	2,009,620
Shares issued for mineral property	55,000	11,000	-	-	11,000
Non-flow-through units issued for cash	1,895,810	1,393,111	65,269	-	1,458,380
Flow-through premium	-	(151,125)	-	-	(151,125)
Share issuance costs, cash	-	(220,079)	-	-	(220,079)
Share issuance costs, finders warrants	-	(46,807)	46,807	-	-
Option exercises	25,000	47,126	(20,876)	-	26,250
Share-based payments	-	-	5,458	-	5,458
Net loss for the year	-	-	-	(3,308,881)	(3,308,881)
Balance, December 31, 2024	17,396,457	66,062,984	6,011,887	(67,719,416)	4,355,455
Flow-through units issued for cash	7,710,549	1,504,579	18,040	-	1,522,619
Non-flow-through units issued for cash	36,013,658	6,079,816	113,900	-	6,193,716
Flow-through premium	-	(219,164)	-	-	(219,164)
Share issue costs, cash	-	(563,374)	-	-	(563,374)
Share issue costs, finders warrants	-	(204,592)	204,592	-	-
Shares issued for resource property	300,000	78,000	-	-	78,000
Shares issued on exercise of warrants	1,208,300	243,375	(1,715)	-	241,660
Share-based payments	-	-	805,335	-	805,335
Net loss for the year	-	-	-	(5,854,613)	(5,854,613)
Balance, December 31, 2025	62,628,964	72,981,624	7,152,039	(73,574,029)	6,559,634

The accompanying notes are an integral part of these consolidated financial statements

	December 31, 2025	December 31, 2024
	\$	\$
Cash flows provided by (used in) operating activities		
Loss for the year	(5,854,613)	(3,308,881)
Items not affecting cash:		
Amortization	9,358	61,693
Finance lease interest	62	2,710
Share-based payments	805,335	5,458
Interest received	(11,330)	(25,669)
Write-off of resource property	116,518	61,000
Flow-through premium recovery	(219,164)	(151,125)
Changes in non-cash working capital:		
Other receivables	41,099	35,608
Prepays	(10,662)	451
Flow-through tax liability	-	(162,342)
Trade payables and accrued liabilities	(63,212)	(1,991)
	<u>(5,186,609)</u>	<u>(3,483,088)</u>
Cash flows used in investing activities		
Resource property acquisition costs	(40,000)	(23,306)
Acquisition of equipment and furniture	-	(4,110)
Reclamation bond	7,000	(13,500)
Interest received	11,330	25,669
	<u>(21,670)</u>	<u>(15,247)</u>
Cash flows provided by financing activities		
Proceeds from share issuances	7,716,335	3,468,000
Share issuance costs	(563,374)	(220,080)
Proceeds from option exercise	-	26,250
Advances received for exploration	-	(195,000)
Amounts expensed from advances received	-	(49,360)
Finance lease – principal payments	-	(61,220)
Finance lease – interest payments	(4,265)	-
Warrants exercised	241,660	-
	<u>7,390,356</u>	<u>2,968,590</u>
Change in cash during the year	2,182,078	(529,745)
Cash, beginning of year	12,095	541,840
Cash, end of year	<u>2,194,173</u>	<u>12,095</u>
Supplemental cash flow information (Note 13)		

The accompanying notes are an integral part of these consolidated financial statements

1. Nature of operations and going concern uncertainty

Pacific Ridge Exploration Ltd. and its wholly owned subsidiary Pacific Ridge Exploration (US) Inc. (together the “Company” or “Pacific Ridge”) are in the business of acquiring and exploring resource properties in Canada and the United States. Pacific Ridge is incorporated and domiciled in Canada under the *Business Corporations Act* (British Columbia). The address of its registered office is Suite 1100 – 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6.

The Company has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for resource properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary capital to finance operations including contributions from future joint venture partners. The carrying value of the Company’s mineral properties does not reflect current or future value.

The Company’s annual consolidated financial statements have been prepared using accounting principles applicable to a going concern basis, which contemplates that the Company will be able to continue its operations for at least twelve months from December 31, 2025, and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business as they come due. The Company has not generated revenue from operations to date and will require additional financing to undertake further advanced exploration of its mineral properties, as well as for general administrative activities and operations. Future operations of the Company are dependent upon its ability to raise additional equity financing and maintain sufficient working capital or proceeds from the dispositions of its mineral property interests.

As of December 31, 2025, the Company had cash of \$2,194,173 and working capital of \$2,162,649, which is calculated as current assets less current liabilities, and accumulated deficit of \$73,574,029. For the year ended December 31, 2025, the Company incurred a net loss of \$5,854,613 and used cash in operating activities of \$5,186,609. The Company’s operations to date have been financed by the issuance of common shares, the exercise of share purchase warrants, and the exercise of stock options. Despite this, there can be no assurance that the Company will be able to continue to secure additional financings in the future, and if it does, it cannot assure that the terms be favourable. This gives rise to a material uncertainty that may raise significant doubt about the Company’s ability to continue as a going concern.

These annual consolidated financial statements do not give effect to any adjustments to the carrying values of the assets and liabilities, the reported expenses, and the statements of financial position classifications used that would be necessary should the Company be unable to continue as going concern. Such adjustments could be material.

2. Summary of material accounting policies

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Except for investments carried at fair value through other comprehensive income, these consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, the Company’s functional currency.

The consolidated financial statements were approved by the Board of Directors on April 22, 2026.

The summary of material accounting policies used in the preparation of these consolidated financial statements is described below:

a) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary Pacific Ridge Exploration (US) Inc. Subsidiaries are entities over which the Company has control. The Company controls a subsidiary when it is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Inter-company balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

The Company's subsidiary is:

Name of subsidiary	Jurisdiction of incorporation	Percent ownership	Principal activity
Pacific Ridge Exploration (US) Inc.	U.S.A.	100%	Mineral exploration

b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held with banks, and other short term highly liquid investments with original maturities of three months or less.

d) Foreign currency translation

The presentation currency and the functional currency of the Company is the Canadian dollar ("C\$"). The Company's foreign currency transactions are translated into the Canadian dollar at the rate of exchange in effect at the date of the transaction. Monetary assets and liabilities are translated using period end exchange rates with any gains and losses included in the determination of operating results.

e) Resource property acquisition costs

Resource properties consist of payments to acquire exploration and mining claims, including staking costs, and property option payments. Acquisition costs are capitalized and deferred until such a time as the property is put into production or the property is disposed of either through sale or abandonment, or the property becomes impaired. If a property is put into production the costs of the acquisition will be amortized over the life of the property on a unit-of-production basis based on the estimated proven and probable reserves. Proceeds received from the sale or option of an interest in a property will be credited against the carrying value of the property, with any difference recorded as a gain or loss on sale. Option payments received in excess of the carrying value of a property are recorded as property option payments in the statement of comprehensive income (loss). If a property is abandoned or has become impaired, the acquisition costs will be written off or written down to its recoverable amount.

f) Exploration and evaluation costs

Exploration and evaluation expenditures are expensed as incurred, until the property reaches the development stage. The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. Once rights to resource properties are obtained, all direct acquisition-related costs are capitalized. Development expenditures incurred subsequent to a development decision, and to increase or to

extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

g) Government grants and mining tax credits

Government grants and mining tax credits are assistance in cash based on eligible mineral exploration expenditures incurred. Government grants are recorded in profit and loss in the same period as the relevant exploration expenditures when reasonable assurance of their receipt has been obtained.

h) Flow-through shares

The Company finances a portion of its exploration activities through financings in which flow-through common shares are issued. These shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance of flow-through shares, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and ii) share capital. Upon qualifying expenditures being incurred, the premium liability is de-recognized to other income.

i) Share-based payments

The Company has a stock option plan that is described in note 5. Share-based payments to employees are measured at the fair value of the instruments issued and are amortized over the vesting periods using a graded attribution approach. Share-based payments to non-employees are measured at the fair value of the goods or services received or at the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. If and when the stock options or warrants are ultimately exercised, the applicable amounts of contributed surplus are transferred to share capital.

j) Income taxes

Deferred income tax assets and liabilities are determined based on the differences between the tax basis of assets and liabilities and the amounts reported in the financial statements. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax assets or liabilities are calculated using substantively enacted tax rates and laws that are expected to be in effect in the periods in which the deferred income tax assets or liabilities are expected to be settled or realized. Deferred tax assets are recognized only to the extent that it is probable that they will be realized.

k) Earnings/(loss) per common share

Basic earnings (loss) per share are computed by dividing income (or loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period.

The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The effect of potential issuances of shares from the exercise of outstanding options and warrants would be anti-dilutive for the periods presented and accordingly, basic and diluted loss per share are the same.

l) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. The Company’s accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of (loss) income in the period.

Financial assets at FVTOCI: The Company has elected to classify investments in equity instruments at FVTOCI and these are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset’s contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

The following table shows the classification of the Company’s financial assets:

Financial asset	Classification
Cash	Amortized cost
Other receivables	Amortized cost
Trade payables and accrued liabilities	Amortized cost

m) Impairment

Non-financial assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

n) Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the arrangement and whether it has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

As a lessee, the Company recognized a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term or useful life of the asset.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, by the Company's incremental borrowing rate.

o) Accounting policy judgements

The preparation of these financial statements requires making judgments that affect the amounts reported. Accounting judgements that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- Management applies judgement in reviewing for impairment indicators on the carrying value of resource properties on a quarterly basis, or whenever events or circumstances indicate that their carrying value may not be recovered. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed, (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned, (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the resource properties is unlikely to be recovered in full from successful development or by sale.

p) Significant estimates

No significant estimates were made in the preparation of these financial statements.

q) New IFRS Accounting standards and interpretations not yet applied

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements

in IAS 1. IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions: i) Three defined categories for income and expenses (operating, investing and financing) to improve the structure of the income statement, and require all companies to provide new defined subtotals, including operating profit; ii) Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; iii) Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. IFRS 18 requires retrospective application with specific transition provisions. The Company is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted. The Company is currently evaluating the impact of IFRS 18 on its consolidated financial statements.

3. Resource properties

The Company has interests in mineral properties in British Columbia and Yukon in Canada. A summary of capitalized acquisition costs is as follows:

	Company-owned properties						Properties on option from third parties		Total
	Kliyul BC	Redton BC	Onjo BC	Orbison BC	RDP BC	Mariposa YT	Chuchi BC	Chuchi South BC	
Balance, December 31, 2023	\$ 3,635,681	\$ 35,000	\$ 412,230	\$ 12,261	\$ 155,449	\$ -	\$ 50,216	\$ 50,000	4,350,837
Option payments in cash	-	-	-	-	-	-	5,000	-	5,000
Option payments in shares	-	-	-	-	-	-	-	11,000	11,000
Other payments in cash	1,425	-	-	-	-	7,840	9,041	-	18,306
Write-off	-	-	-	-	-	-	-	(61,000)	(61,000)
Balance, December 31, 2024	3,637,106	35,000	412,230	12,261	155,449	7,840	64,257	-	4,324,143
Option payments in cash	-	-	-	-	-	-	40,000	-	40,000
Option payments in shares	-	-	-	-	78,000	-	-	-	78,000
Write-off	-	-	-	(12,261)	-	-	(104,257)	-	(116,518)
Balance, December 31, 2025	3,637,106	35,000	412,230	-	233,449	7,840	-	-	4,325,625

In addition to the above capitalized acquisition costs, the Company has incurred the following exploration and evaluation expenses:

Property	Province/ Territory	Years ended December 31,	
		2025 \$	2024 \$
Kliyul	BC	1,195,978	410,547
Chuchi	BC	14,783	1,785,381
Mariposa	YT	101,124	88,561
Eureka Dome	YT	8,380	-
Redton	BC	956	110,888
Chuchi South	BC	956	9,514
Onjo	BC	956	1,534
Orbison (Gap)	BC	-	-
RDP – Portion incurred by the Company	BC	2,133,889	-
RDP - Project management fees*	BC	-	(2,083)
General exploration		33,964	98,719
Total exploration expenses incurred by the Company:		3,490,986	2,503,061

A description of the relevant projects follows:

Company-owned properties:

a. Kliyul and Redton properties, British Columbia

Kliyul is subject to 2% net smelter return royalties. Redton is subject to (i) a 2.5% net smelter return royalty, with the right of reducing it to 1% for \$2,000,000, and (ii) a 2% royalty.

b. Onjo property, British Columbia

On January 27, 2022, the Company entered into an agreement to acquire a 100% interest in the Onjo copper-gold porphyry project (“Onjo”) in north-central British Columbia. The Company paid \$50,000 in cash and issued 75,000 common shares with a fair value of \$3.50 per share, equivalent to \$262,500. The vendor of Onjo retains a 2% NSR, with the Company having an option to purchase one quarter of the NSR at any time for USD \$1,500,000.

On February 22, 2022, the Company entered into an agreement to acquire a 100% interest in four internal claims at Onjo by paying \$25,000 cash and issuing 25,000 common shares with a fair value of \$2.65 per share equivalent to \$66,250 to the vendor. With the acquisition of these claims, Pacific Ridge now owns 100% of the claims within the project boundary.

c. Orbison property, British Columbia

The Orbison project (also known as Gap project) is a reconnaissance porphyry Cu-Au exploration project in central British Columbia. During the year ended December 31, 2025, the Company did not renew the Orbison project claims and wrote-off acquisition costs of \$12,261.

d. RDP Property, British Columbia

On May 3, 2021 (amended on January 14, 2022), the Company entered into an agreement to acquire 100% of the RDP copper-gold porphyry project ("RDP").

Under the terms of the Agreement, the Company has the option to earn a 100% interest in RDP by making payments as follows:

Cash payments	Shares	Exploration expenses	Due on or before	Status
\$	#	\$		
5,000	10,000	-	Upon execution and regulatory approval	Completed
10,000	10,000	60,000	November 30, 2021	Completed
30,000	30,000	250,000	December 15, 2022	Completed
80,000	70,000	550,000	December 15, 2023	Completed
125,000	120,000	860,000		

Additionally, the Company will issue 300,000 shares to the vendor on completion of 5,000 m of drilling and an additional 500,000 shares upon defining a 1,000,000 ounces of gold equivalent resource in the inferred or greater category. The property is also subject to a 2% NSR payable to the vendor, half of which can be purchased at any time for \$1.5 million.

On September 22, 2025, the Company issued 300,000 common shares at a fair market value of \$0.26 per share as it had completed drilling of 5,000m.

On February 10, 2022, the Company entered into an earn-in agreement on RDP (the "Agreement") with Antofagasta Minerals S.A. ("Antofagasta"), a wholly owned subsidiary of Antofagasta PLC. Antofagasta could earn a 75% interest in RDP by making cash payments in an aggregate amount of \$1,350,000, plus a success payment of \$800,000 upon exercise of the option, and spending \$10,000,000 on exploration over eight years, with a firm commitment to spend \$1,000,000 in year one, and delivering a NI 43-101 compliant preliminary economic assessment report. During the option period, Antofagasta would fund all exploration and Pacific Ridge would be the initial operator.

During the year ended December 31, 2024, Antofagasta terminated the Agreement on the RDP property and will no longer pursue the property. During the year ended December 31, 2024, \$195,000 of Antofagasta advances were applied against expenditures on the project. As at December 31, 2024 the Company has \$4,817 owing to Antofagasta regarding funds they advanced for exploration expenses on the RDP property.

e. Mariposa property, Yukon

The Company acquired a 100% interest in the Mariposa property, Dawson Mining District, Yukon, in 2014.

On December 31, 2022, the Company set up an accrual of \$50,000 for reclamation work. During 2023, reclamation work for \$44,505 was carried out, with the remaining \$5,495 remaining as a liability at December 31, 2024. During the year ended December 31, 2025, the Company incurred the remaining \$5,495 of reclamation work.

Company-owned properties sold to third parties

f. Fyre Lake property, Yukon

The Company owned a 100% interest in the Fyre Lake property, located in the Watson Lake Mining District, Yukon. On January 18, 2017, the Company closed an option agreement with BMC Minerals (No. 1) Ltd. ("BMC"), amended on December 19, 2018, on April 10, 2020, December 12, 2021, and on December 20, 2022. The Company will receive an additional \$1,000,000 if BMC's Kudz Ze Kayah property reaches a commercial stage for one year.

As there was no carrying value for Fyre Lake on the Company's statement of financial position, these payments were recorded as property option payments on the statement of loss and comprehensive loss.

Third party properties being optioned to the Company

g. Chuchi property, British Columbia

On May 6, 2022, the Company entered into a property earn-in agreement (the "Earn-In Agreement") with AuRico for the acquisition of up to a 75% interest in the Chuchi porphyry copper-gold project ("Chuchi"). The terms of the option agreement in order to acquire a 51% interest in Chuchi are as follows:

Cash payments	Shares	Exploration expenses	Due on or before	Status
\$	#	\$		
10,000	-	-	Upon Exchange approval	Paid
-	-	150,000	May 06, 2023	Complete
-	-	750,000	May 06, 2024	Complete
-	-	1,500,000	May 06, 2025	Complete
50,000	200,000	2,600,000	May 06, 2026	
60,000	200,000	5,000,000		

The Company then has the right to increase its interest in Chuchi to 75% by making additional payments as follows:

Cash payments	Shares	Exploration expenses	Due on or before	Status
\$	#	\$		
50,000	-	1,500,000	May 06, 2027	
50,000	150,000	3,500,000	May 06, 2028	
100,000	150,000	5,000,000		

Various claims are subject to up to 6% in net smelter royalties, which can be brought down to 2.1% through cash payments of up to \$5,000,000. An annual royalty advance of \$20,000 will be paid during the fourth quarter of each year until production is reached.

The Company also paid a finder's fee of \$15,000 on signing of the agreement and will pay \$5,000 every six months thereafter plus 2% on exploration expenditures after certain other property payments have been made. During the year ended December 31, 2025, the Company incurred \$40,000 in finders fee costs. During the year ended December 31, 2024 the Company incurred \$14,041 in acquisition costs at Chuchi.

During the year ended December 31, 2025, the Company made the decision to not continue with the Chuchi project and wrote-off acquisition costs of \$104,257.

h. Chuchi South property, British Columbia

On March 3, 2023, the Company entered into an Amended and Restated Mineral Property Option Agreement (the "Chuchi South Agreement") pursuant to which the Company could acquire a 51% interest in Chuchi South by making certain cash payments and incurring certain exploration expenses. The Company made cash payments of \$100,000 and issued 55,000 common shares pursuant to the Chuchi South Agreement.

During the year ended December 31, 2024, the Company determined not to proceed with Chuchi South Property and accordingly, recorded an impairment loss of \$61,000 to write down Chuchi South Property to \$Nil.

4. Flow-through

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances:

	\$
Balance at December 31, 2024	-
Liability incurred on flow-through shares issued	231,317
Flow-through issuance costs	(12,153)
Settlement of flow-through liability on incurred expenditures	(219,164)
Balance at December 31, 2025	-

As at December 31, 2025, the Company has no flow-through liability.

5. Share capital

a. Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

On January 23, 2025, the Company consolidated its outstanding common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation common share. All historical amounts have been re-stated to reflect the share consolidation.

During the year ended December 31, 2025, the Company had the following share issuances:

- i) On March 26, 2025, the Company closed the first tranche of a non-brokered private placement issuing 618,823 flow-through units ("FT Units") at a price of \$0.17 per FT Unit for gross proceeds of \$105,200 and 1,632,430 non-flow-through units ("NFT Units") at a price of \$0.14 per NFT Unit for gross proceeds of \$228,540

Each FT Unit is comprised of one common share of the Company issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one common share purchase warrant. Each NFT Unit is comprised of one common share of the Company and one warrant. Each warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of \$0.20 any time on or before March 28, 2028. The Company incurred share issuance costs for this private placement of \$33,927. The warrants were valued at \$nil using the residual value and the Company recorded a flow-through premium of \$18,565 offset by the allocation of \$924 of share issuance costs.

The Company also issued 114,020 finder's warrants with each warrant being exercisable at \$0.20 per warrant, expiring on March 28, 2028. The Company fair valued the finder's warrants at \$11,642 using the Black-Scholes Option Pricing Model using the following assumptions: risk free rate – 2.51%; expected volatility – 110.93%, useful life – 3years; forfeiture rate – nil, expected dividends – nil.

- ii) On June 4, 2025, the Company closed the second tranche of a non-brokered private placement issuing 3,561,292 flow-through units ("FT Units") at a price of \$0.17 per FT Unit for gross proceeds of \$605,420 and 15,184,494 non-flow-through units ("NFT Units") at a price of \$0.14 per NFT Unit for gross proceeds of \$2,125,829.

Each FT Unit is comprised of one common share of the Company issued as a FT Share and one common share purchase warrant. Each NFT Unit is comprised of one common share of the Company and one warrant. Each warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of \$0.20 any time on or before June 4, 2028. The Company incurred share issuance costs for this private placement of \$131,009. The warrants were valued at \$nil using the residual value method and recorded a FT premium of \$106,839 offset by the allocation of \$3,230 of share issuance costs based on the share price on the date of issuance.

The Company also issued 373,872 finder's warrants with each warrant being exercisable at \$0.20 per warrant, expiring on June 4, 2028. The Company fair valued the finder's warrants at \$41,856 using the Black-Scholes Option Pricing Model using the following assumptions: risk free rate – 2.62%; expected volatility – 113.01%, useful life – 3 years; forfeiture rate – nil, expected dividends – nil.

- iii) On September 4, 2025, the Company closed the first tranche of a private placement issuing 1,804,000 flow-through units (“FT Units”) at a price of \$0.23 per FT Unit for gross proceeds of \$414,920 and 11,390,000 non-flow-through units (“NFT Units”) at a price of \$0.20 per NFT Unit for gross proceeds of \$2,278,000.

Each FT Unit is comprised of one common share of the Company issued as a “flow-through share” within the meaning of the Income Tax Act (Canada) (each, a “FT Share”) and one common share purchase warrant. Each NFT Unit is comprised of one common share of the Company and one warrant. Each warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of \$0.28 any time on or before September 5, 2028. The Company incurred share issuance costs for this private placement of \$206,525. The warrants were valued at \$0.01 using the residual value method and recorded a FT premium of \$54,120 offset by the allocation of \$4,865 of share issuance costs based on the share price on the date of issuance.

The Company also issued 651,480 finder’s warrants with each warrant being exercisable at \$0.28 per warrant, expiring on September 5, 2028. The Company fair valued the finder’s warrants at \$81,139 using the Black-Scholes Option Pricing Model using the following assumptions: risk free rate – 2.55%; expected volatility – 111.79%, useful life – 3 years; forfeiture rate – nil, expected dividends – nil.

- iv) On September 26, 2025, the Company closed the second tranche of a private placement issuing 1,726,434 flow-through units (“FT Units”) at a price of \$0.23 per FT Unit for gross proceeds of \$397,080 and 7,806,734 non-flow-through units (“NFT Units”) at a price of \$0.20 per NFT Unit for gross proceeds of \$1,561,347.

Each FT Unit is comprised of one common share of the Company issued as a “flow-through share” within the meaning of the Income Tax Act (Canada) (each, a “FT Share”) and one common share purchase warrant. Each NFT Unit is comprised of one common share of the Company and one warrant. Each warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of \$0.28 any time on or before September 26, 2028. The Company incurred share issuance costs for this private placement of \$115,555. The warrants were valued at \$nil using the residual value method and recorded a FT premium of \$51,793 offset by the allocation of \$3,134 of share issuance costs based on the share price on the date of issuance.

The Company also issued 556,586 finder’s warrants with each warrant being exercisable at \$0.28 per warrant, expiring on September 5, 2028. The Company fair valued the finder’s warrants at \$69,955 using the Black-Scholes Option Pricing Model using the following assumptions: risk free rate – 2.51%; expected volatility – 113.01%, useful life – 3 years; forfeiture rate – nil, expected dividends – nil. 5

- v) On September 22, 2025, the Company issued 300,000 common shares at a fair value of \$0.26 per share under the RDP agreement (note 3(d)).
- vi) During the year ended December 31, 2025, the Company issued 1,208,300 shares for gross proceeds of \$241,660 pursuant to the exercise of warrants. The Company reclassified \$1,715 of contributed surplus to share capital upon exercise of the warrants.

During the year ended December 31, 2024, the Company had the following share issuances:

- i) On March 22, 2024, the Company closed the first tranche of a non-brokered private placement originally announced on February 22, 2024, and on March 4, 2024. The Company issued 746,968 flow-through units (“FT Units”) at a price of \$0.95 per FT Unit for gross proceeds of \$709,620. The Company also issued 1,207,250 non-flow-through units (“NFT Units”) at a price of \$0.80 per NFT Unit for gross proceeds of \$965,800.

Each FT Unit is comprised of one common share of the Company issued as a “flow-through share” within the meaning of the Income Tax Act (Canada) (each, a “FT Share”) and one common share purchase warrant. Each NFT Unit is comprised of one common share of the Company and one warrant. Each warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of \$1.20 any time on or before March 22, 2026. The Company incurred share issuance costs for this private placement of \$83,781. The warrants were valued at \$nil using the residual value method and allocated a FT premium of \$nil based on the share price on the date of issuance.

- ii) On April 4, 2024, the Company closed the second and final tranche of a non-brokered private placement originally announced on March 4, 2024. The Company issued 105,875 NFT Units for gross proceeds of \$84,700. The Company incurred an additional \$23,108 in cash share issuance costs relating to the first and second tranches. The Company valued the warrants at \$nil using the residual value method.
- iii) On June 7, 2024, the Company closed the first tranche of a non-brokered private placement, originally announced on May 23, 2024. The Company issued 1,625,000 FT Units at a price of \$0.80 per FT Unit for gross proceeds of \$1,300,000. The Company also issued 547,686 NFT Units at a price of \$0.70 for gross proceeds of \$383,380. The Company incurred total cash issue costs of \$111,775. Each FT Unit consists of one FT Share and one common share purchase warrant and each NFT Unit consists of one common share and one common share purchase warrant. The warrants have an exercise price of \$1.20 and expire on June 7, 2026. The Company valued the warrants at \$217,269 using the residual value method.

The Company recorded a flow-through premium on the FT Units of \$161,500 offset by the allocation of \$11,375 of share issuance costs. The Company also issued 136,738 finder’s warrants with each warrant being exercisable at \$0.70 per warrant, expiring on June 7, 2024. The Company fair valued the finder’s warrants at \$46,807 using the Black-Scholes Option Pricing Model using the following assumptions: risk free rate – 3.93%; expected volatility – 115.62%, useful life – 2 years; forfeiture rate – nil, expected dividends – nil.

- iv) On August 6, 2024, the Company closed the second tranche of a non-brokered private placement, originally announced on May 23, 2024. The Company issued 35,000 non-flow-through units (“NFT Units”) at a price of \$0.70 per NFT Unit for gross proceeds of \$24,500. Each NFT Unit is comprised of one common share of the Company and one warrant. Each warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of \$1.20 any time on or before December 7, 2024. The Company incurred share issuance costs of \$1,416.
- v) On November 12, 2024, the Company issued 55,000 common shares with a fair value of \$0.20 per share (equivalent to \$11,000) for the acquisition of Chuchi South property (note 3(h)).

vi) During the year ended December 31, 2024, the Company issued 25,000 shares for gross proceeds of \$26,250 pursuant to the exercise of stock options, the share price on the date of exercise was \$1.10. The Company reclassified \$20,876 of contributed surplus to share capital upon exercise of the options.

b. Share Purchase Warrants

A summary of the warrants outstanding is as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, December 31, 2023	2,919,883	3.49
Issued	4,404,517	1.19
Expired	(2,552,617)	3.61
Balance, December 31, 2024	4,771,783	1.30
Issued	45,420,165	0.24
Expired	(367,266)	2.70
Exercised	(1,208,300)	0.20
Balance, December 31, 2025	48,616,382	0.33

As at December 31, 2025, the summary of warrants outstanding and exercisable are as follows:

Number of Warrants Outstanding	Exercise Price	Expiry Date
	\$	
1,954,218	1.20	March 22, 2026
105,875	1.20	April 5, 2026
2,172,686	1.20	June 7, 2026
22,988	0.70	June 7, 2026
113,750	0.70	August 6, 2026
35,000	1.20	August 6, 2026
1,059,753	0.20	March 28, 2028
97,220	0.20	March 28, 2028
18,745,786	0.20	June 4, 2028
373,872	0.20	June 4, 2028
13,194,000	0.28	September 5, 2028
651,480	0.28	September 5, 2028
9,533,168	0.28	September 26, 2028
556,586	0.28	September 26, 2028
48,616,382	0.33	

c. Stock Options

The Company has a stock option plan in place authorizing the granting of stock options to qualified optionees to purchase a total of up to 10% of the then issued and outstanding common shares of the Company. Stock options generally are granted for a maximum term of five years and expire 90 days

following the termination of the optionee's agreement. The exercise price for the options is set at the closing market price of the common shares on the grant date. The vesting periods of options vary with terms determined by the board of directors.

During the year ended December 31, 2025, the Company granted 4,750,000 stock options to directors, officers, employees and consultants of the Company and recorded share-based payments expense of \$805,335 (2024 - \$5,458). The options were fair valued using the Black-Scholes Option Pricing Model using the following assumptions: risk-free rate – 2.83%, dividend yield – nil, expected life – 5 years, volatility – 118%.

Stock option transactions and the number of stock options outstanding and exercisable are summarized below:

	Number of Share Options	Weighted Average Exercise Price
		\$
Balance, December 31, 2023	807,500	2.70
Exercised	(25,000)	1.10
Expired	(45,000)	2.64
Forfeited	(50,000)	3.19
Balance, December 31, 2024	687,500	2.69
Expired	(100,000)	0.56
Granted	4,750,000	0.20
Balance, December 31, 2025	5,337,500	0.52

Stock options outstanding and exercisable are as follows:

Number of Share Options Exercisable	Exercise Price	Expiry Date
	\$	
40,000	1.05	March 9, 2026
80,000	2.50	July 15, 2026
220,000	3.60	May 12, 2027
30,000	3.60	June 14, 2027
217,500	3.00	February 1, 2028
2,250,000	0.17	June 5, 2030
650,000	0.19	June 26, 2030
1,850,000	0.250	November 28, 2030
5,337,500	0.52	

6. Government grants and tax credits

During the year ended December 31, 2025, the Company received \$13,122 corresponding to the British Columbia Mining and Exploration Tax Credit (“BCMETC”) corresponding to qualifying exploration expenses incurred during 2023.

7. Related parties

Related parties include the board of directors and officers, close family members and enterprises that are controlled by these individuals as well as certain consultants performing similar functions.

The Company has no compensation arrangements with its board of directors other than non-cash stock option grants. In the case of senior officers of the Company, which include the President & CEO, and the CFO, the Company provides certain compensation for termination without cause and for a change of control of the Company, in addition to their base compensation.

Key management includes the board of directors and executive officers.

Compensation awarded to key management is listed below:

	2025	2024
	\$	\$
Management fees Chairman	37,600	36,240
Management fees CEO	203,015	205,892
Management fees CFO	90,000	89,000
Share-based payments	458,948	-
	789,563	331,132

All related party transactions were in the normal course of business and as at December 31, 2025 the Company had \$21,302 (December 31, 2024 - \$38,308) owing to related parties.

8. Capital management

The Company’s objective in managing its capital is to maintain the ability to continue as a going concern and to continue to explore the various properties for the benefits of its shareholders. The Company’s operations have been and will continue to be funded by the sale of equity to investors.

The Company’s capital includes the components of shareholders’ equity. Capital requirements are driven by the Company’s exploration activities on its mineral property interests and associated administration expenses. To effectively manage the Company’s capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals.

The Company monitors actual expenses relative to the approved budget on all exploration projects and overheads to manage costs, commitments, and exploration activities. There were no changes in the Company’s approach to capital management during the year ended December 31, 2025.

9. Financial instruments

Fair values

The Company's financial instruments consist of cash and trade payables and accrued liabilities. Financial instruments are initially recognized at fair value with subsequent measurement depending on classification as described below. Classification of financial instruments depends on the purpose for which the financial instruments were acquired or issued, their characteristics, and the Company's designation of such instruments.

As at December 31, 2025, the recorded amounts for cash, other receivables and trade payable and accrued liabilities approximate their fair values due to their short maturity.

The Company is required to make disclosures about the inputs to fair value measurements, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are:

- a) Level 1- Unadjusted quoted prices inactive markets for identical assets and liabilities;
- b) Level 2 – Inputs other than quoted prices that are observable for the asset or liability, directly or indirectly; and
- c) Level 3 – Inputs that are not based on observable market data.

Interest rate risk

The Company's cash held in financial institutions earns interest at variable interest rates. However, due to the short-term nature of these financial instruments, fluctuations in market rates do not have a material impact on the expected cash flows.

Credit risk

The Company has its cash deposited at one of Canada's largest banks with an AA rating, and therefore exposed to minimal credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities and through the management of its capital structure. At December 31, 2025, the Company had cash of \$2,194,173 (December 31, 2024 - \$12,095), trade payable and accrued liabilities of \$90,435 (December 31, 2024 - \$156,146), a financial liability of \$4,817 (December 31, 2024 - \$4,817) corresponding to cash provided by Antofagasta Minerals for exploration at RDP (note 3(d)), and lease liabilities of \$nil (December 31, 2024 - \$4,203). At December 31, 2025, there exists material uncertainty with respect to the Company's ability to continue as a going concern. Refer to Note 1 of these consolidated financial statements.

Currency risk

As at December 31, 2025, the Company kept less than 1% of its cash in US dollars. A change in the value of the US dollar by 10% relative to the Canadian dollar would affect the Company's working capital by an immaterial amount.

Price risk

As the Company no longer holds any marketable securities, there is no price risk at December 31, 2025.

10. Right-of-use assets and lease liabilities

The Company recognizes lease liabilities in relation to a sublease agreement for office space, and a lease for a truck used for assisting Company personnel in exploration activities.

An office sublease agreement was entered into on February 1, 2023, with a term ending on August 31, 2024. The office lease liability is measured at the present value of the remaining lease payments starting on February 1, 2023, by using the Company's incremental borrowing rate. The weighted average incremental borrowing rate applied to the office lease liability was 10%. The associated lease liability recognized as at February 1, 2023, was \$96,627.

An associated right-of-use asset for the office lease was measured at the amount equal to the lease liability on February 1, 2023. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

On April 1, 2023, a truck was leased for support of exploration activities. The term of the truck lease ended on March 31, 2025. The weighted average incremental borrowing rate applied to the truck lease liability was 8.49% as per the corresponding lease contract. The associated truck lease liability recognized as at April 1, 2023, was \$31,278, with a corresponding right-of-use asset being depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The following table summarizes the lease transactions:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of year	4,203	62,713
Lease payments	(4,265)	(61,220)
Interest expense	62	2,710
	-	4,203
Less: current portion of lease liability	-	(4,203)
Non-current portion of lease liability	-	-
	December 31, 2025	December 31, 2024
	\$	\$
Value of right-of-use asset	3,909	60,234
Amortization	(3,909)	(56,325)
Value of right-of-use asset	-	3,909

The Company recorded \$9,358 of amortization of which \$5,449 is for depreciation of equipment and furniture.

11. Segmented information

The Company has one business segment, the exploration of mineral properties, further subdivided into geographic regions. As at December 31, 2025, and throughout 2024, all of the Company's non-current assets were held in Canada.

12. Income Taxes

Reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax (recovery) expense for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
	\$	\$
Loss for the year	(5,854,612)	(3,308,881)
Statutory tax rate	27%	27%
Expected income tax expense	(1,580,746)	(893,398)
Differences between Canadian and foreign tax rates	117	-
Non-deductible expense	973,723	22,039
True up from prior years tax return	(1,770,621)	-
Change in unrecognized deferred income tax benefits	2,377,527	871,359
Income tax expense	-	-

An unrecognized deferred income tax asset of approximately \$9,385,169 arises from the following:

	2025	2024
	\$	\$
Non-capital loss carryforwards	2,597,332	1,977,844
Capital loss carryforwards	10,365	5,740
Property, plant and equipment	12,648	-
Mineral property	6,503,003	4,757,656
Deferred financing costs	261,821	266,402
Total unrecognized deferred income tax assets	9,385,169	7,007,642

The Company has not recorded potential deferred income tax assets as it is more likely than not that the deferred tax assets will not be recognized.

At December 31, 2025, included in the computation of the deferred tax assets noted above, the Company had approximately \$9,665,730 of losses available for carry-forward, \$76,781 of capital loss carry forwards and \$28,410,820 of resource pools.

The loss carry-forward can be offset against income for Canadian income tax purposes in future years and will expire between 2029 and 2045 as below:

2029	153,737
2030	239,449
2031	183,166
2032	76,150
2033	100,133
2034	785,069
2035	227,119
2036	251,004
2037	233,502
2038	241,016
2039	224,646
2040	237,734
2041	954,260
2042	1,544,249
2043	652,843
2044	1,378,678
2045	1,976,063
Indefinite	206,912
	9,665,730

13. Supplementary information with respect to cash flows

	2025	2024
Non-cash investing activities		
Shares issued for resource properties	(78,000)	(11,000)
Non-cash financing activities:		
Value transfer on option exercises	-	20,876
Value transfer on warrants exercises	1,715	-
Share issuance costs incurred through trade payables and accrued liabilities	-	-
Finder's warrant valuations	204,592	-

14. Subsequent Events

Subsequent to December 31, 2025, the Company issued 214,286 common shares pursuant to the exercise of warrants for gross proceeds of \$42,857.