



(An Exploration-Stage Company)

Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)



NOTICE TO READER

THE ISSUER'S AUDITORS HAVE NOT REVIEWED OR BEEN INVOLVED IN THE PREPARATION OF THESE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Pacific Ridge Exploration Ltd. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

	Note	June 30, 2026	December 31, 2025
		\$	\$
ASSETS			
Current assets			
Cash		5,239,660	2,194,173
Amounts receivable		13,804	4,276
Prepays		425,612	59,452
		5,679,076	2,257,901
Equipment and furniture		1,481	2,718
Investment	3	56,000	-
Resource properties	3	4,319,922	4,325,625
Reclamation bonds		68,642	68,642
		10,125,121	6,654,886
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	6	229,379	90,435
Financial liability	3	4,817	4,817
Flow-through income tax liability	4	296,834	-
		531,030	95,252
SHAREHOLDERS' EQUITY			
Share capital	5	76,826,526	72,981,624
Reserves	5	7,346,550	7,152,039
Deficit		(74,578,985)	(73,574,029)
		9,594,091	6,559,634
		10,125,121	6,654,886

Nature of operations and going concern uncertainty (Note 1)

Subsequent events (Note 10)

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 condensed interim consolidated financial statements

		Three months ended June 30,		Six months ended June 30,	
	Note	2026	2025	2026	2025
		\$	\$	\$	\$
Administrative expenses					
Amortization		518	1,255	1,237	6,407
Finance lease interest		-	1,303	-	2,447
Insurance		4,579	2,565	9,439	3,580
Professional and consulting fees	6	210,036	55,912	232,475	64,466
Property investigation		-	6,141	-	6,141
Management and administrative	6	31,059	101,382	191,652	247,670
Office operations and facilities		92,748	78,007	241,486	114,068
Shareholder communications		237,617	69,232	289,532	106,085
Share-based payments		-	439,937	-	439,937
Transfer agent and regulatory fees		17,582	21,450	33,948	46,344
		594,139	777,184	999,769	1,037,145
Exploration expenses					
Exploration and evaluation costs	3	198,499	93,459	261,872	130,060
Mining tax credit		(93,003)	(13,122)	(93,003)	(13,122)
Gain on exploration and evaluation assets option		(148,160)	-	(148,160)	-
		(42,664)	80,337	20,709	116,938
Other expenses (income)					
Interest		(6,911)	(153)	(15,724)	(289)
Foreign exchange		(263)	1,329	1,866	1,367
Amortization of flow-through premium		(1,664)	(2,935)	(1,664)	(2,935)
		(8,838)	(1,759)	(15,522)	(1,857)
Net loss and comprehensive loss for the period		(542,637)	(855,762)	(1,004,956)	(1,152,226)
Basic and diluted loss per common share		(0.01)	(0.03)	(0.02)	(0.05)
Weighted average number of common shares outstanding		64,093,369	25,209,647	63,471,447	21,399,262

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

Pacific Ridge Exploration Ltd.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - expressed in Canadian Dollars)



	Number of common shares	Share Capital	Contributed surplus	Deficit	Total
		\$	\$	\$	\$
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	4,180,115	710,620	-	-	710,620
Non-flow-through units issued for cash	16,816,924	2,354,369	-	-	2,354,369
Flow-through premium	-	(121,250)	-	-	(121,250)
Share issuance costs, cash	-	(111,439)	-	-	(111,439)
Share issuance costs, finders warrants	-	(53,498)	53,498	-	-
Share-based payments	-	-	439,937	-	439,937
Net loss for the period	-	-	-	(1,152,226)	(1,152,226)
Balance, June 30, 2025	38,393,496	68,841,786	6,505,322	(68,871,642)	6,475,466
Balance, December 31, 2025	62,628,964	72,981,624	7,152,039	(73,574,029)	6,559,634
Flow-through units issued for cash	11,012,174	2,477,739	55,061	-	2,532,800
Non-flow-through units issued for cash	9,920,000	1,934,400	49,600	-	1,984,000
Flow-through premium	-	(298,498)	-	-	(298,498)
Share issuance costs, cash	-	(241,746)	-	-	(241,746)
Share issuance costs, finders warrants	-	(89,850)	89,850	-	-
Shares issued on exercise of warrants	314,286	62,857	-	-	62,857
Net loss for the period	-	-	-	(1,004,956)	(1,004,956)
Balance, June 30, 2026	83,875,424	76,826,526	7,346,550	(74,578,985)	9,594,091

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

	June 30, 2026	June 30, 2025
	\$	\$
Cash flows provided by (used in) operating activities		
Loss for the period	(1,004,956)	(1,152,226)
Items not affecting cash:		
Amortization	1,237	6,407
Finance lease interest	-	62
Share-based payments	-	439,937
Interest received	(15,724)	(289)
Gain on exploration and evaluation assets option	(48,160)	-
Flow-through tax recovery	(1,664)	(2,935)
Changes in non-cash working capital:		
Other receivables	(9,528)	30,615
Prepays	(366,160)	(52,413)
Trade payables and accrued liabilities	138,944	(44,655)
	(1,306,011)	(775,497)
Cash flows used in investing activities		
Resource property acquisition costs	(2,137)	(35,000)
Reclamation bond	-	7,000
Interest received	15,724	289
	13,587	(27,211)
Cash flows provided by financing activities		
Proceeds from share issuances	4,516,800	3,064,989
Share issuance costs	(241,746)	(111,439)
Finance lease – principal payments	-	(4,265)
Warrants exercised	62,857	-
	4,337,911	2,949,285
Change in cash during the period	3,045,487	2,146,577
Cash, beginning of period	2,194,173	12,095
Cash, end of period	5,239,660	2,158,172

The accompanying notes are an integral part of these condensed interim 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 3123 – 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1J1.

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 condensed interim 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 June 30, 2026, 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 June 30, 2026, the Company had cash of \$5,239,660 and working capital of \$5,444,880, which is calculated as current assets less current liabilities, and accumulated deficit of \$74,578,985. For the six months ended June 30, 2026, the Company incurred a net loss of \$1,004,956 and used cash in operating activities of \$1,257,851. 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 condensed interim 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. Basis of preparation and summary of material accounting policies

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2025.

The condensed interim consolidated financial statements were approved by the Board of Directors on August 20, 2026.

Critical accounting estimates

The preparation of condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates. In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2025.

Management applies judgment in reviewing for impairment indicators the carrying value of the 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. No impairment indicators were identified by management during the six months ended June 30, 2026.

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	
	\$	\$	\$	\$	\$	\$	\$	
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	-	-	-	-	-	-	35,000	35,000
Balance, June 30, 2025	3,637,106	35,000	412,230	12,261	155,449	7,840	99,257	4,359,143
Option payments in cash	-	-	-	-	-	-	15,000	15,000
Option payments in shares	-	-	-	-	78,000	-	-	78,000
Write-off	-	-	-	(12,261)	-	-	(114,257)	(126,518)
Balance, December 31, 2025	3,637,106	35,000	412,230	-	233,449	7,840	-	4,325,625
Option payments in cash	2,137	-	-	-	-	-	-	2,137
Option of exploration asset	-	-	-	-	-	(7,840)	-	(7,840)
Balance, June 30, 2026	3,639,243	35,000	412,230	-	233,449	-	-	4,319,922

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

Property	Province/ Territory	Six months ended June 30,	
		2026	2025
		\$	\$
Kliyul	BC	85,262	17,092
Chuchi	BC	4,199	17,285
Mariposa	YT	16,134	8,394
Eureka Dome	YT	7,980	8,380
Redton	BC	-	956
Chuchi South	BC	-	956
Onjo	BC	2,755	956
RDP – Portion incurred by the Company	BC	98,382	60,843
General exploration		47,160	15,198
Total exploration expenses incurred by the Company:		261,872	130,060

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.

On May 8, 2026, the Company granted Labrador Gold Pty ("LabGold") an exclusive option to earn 100% undivided interest in the property. In consideration, LabGold shall earn interest in the Property by making payments as follows:

Cash payments	Shares	Exploration Expenses	Due on or before	Status
\$	#	\$		
100,000	800,000	N/A	On Closing	Completed
100,000	1,000,000	150,000	First Anniversary Date	
100,000	1,270,000	1,500,000	Second Anniversary Date	
100,000	1,500,000	1,750,000	Third Anniversary Date	
100,000	2,100,000	2,000,000	Fourth Anniversary Date	
500,000	6,670,000	5,400,000		

During the six months ended June 30, 2026, the Company received the 800,000 common shares, valued at \$56,000, of LabGold and the \$100,000 in cash. The consideration was recorded against the carrying value of the Mariposa property resulting in a gain on option of exploration and evaluation assets of \$148,160.

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").

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.

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, 2025	-
Liability incurred on flow-through shares issued	330,365
Flow-through issuance costs	(31,867)
Settlement of flow-through liability on incurred expenditures	(1,664)
Balance at June 30, 2026	296,834

As at June 30, 2026, the Company has to incur \$2,518,677 of flow-through expenditures by December 31, 2027 to fulfill its flow-through obligations.

5. Share capital

a. Common Shares

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

During the six months ended June 30, 2026, the Company had the following share issuances:

- i) On June 26, 2026, the Company closed the first tranche of a non-brokered private placement issuing 11,012,174 flow-through units ("FT Units") at a price of \$0.23 per FT Unit for gross proceeds of \$2,532,800 and 9,920,000 non-flow-through units ("NFT Units") at a price of \$0.20 per NFT Unit for gross proceeds of \$1,984,000.

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-half common share purchase warrant. Each NFT Unit is comprised of one common share of the Company and one-half warrant. Each warrant is exercisable to purchase one additional non-flow-through common share at an exercise price of \$0.30 any time on or before June 26, 2028. The Company incurred share issuance costs for this private placement of \$241,746. The warrants were fair valued at \$89,850 using the residual value method and recorded a FT premium of \$330,365 offset by the allocation of \$31,867 of share issuance costs based on the share price on the date of issuance.

- ii) The Company issued 314,286 shares for gross proceeds of \$62,857 pursuant to the exercise of warrants, the share price was \$0.20.

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

- iii) 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 – 3 years; forfeiture rate – nil, expected dividends – nil.

- iv) 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.

- v) 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.

- vi) 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

- vii) 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)).
- viii) 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.

b. Share Purchase Warrants

A summary of the warrants outstanding is as follows:

	Number of Warrants	Weighted Average Exercise Price
		\$
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
Issued	11,201,817	0.30
Expired	(4,369,517)	1.18
Exercised	(314,286)	0.20
Balance, June 30, 2026	55,134,396	0.26

As at June 30, 2026, the summary of warrants outstanding and exercisable are as follows:

Number of Warrants Outstanding	Exercise Price	Expiry Date
	\$	
35,000 ¹	1.20	August 6, 2026
1,059,753	0.20	March 28, 2028
97,220	0.20	March 28, 2028
18,431,500	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
10,466,087	0.30	June 26, 2028
735,730	0.30	June 26, 2028
55,134,396	0.26	

¹ Subsequent to June 30, 2026, 35,000 warrants expired unexercised.

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.

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, 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
Expired	(40,000)	1.05
Balance, June 30, 2026	5,297,500	0.51

Stock options outstanding and exercisable are as follows:

Number of Share Options Exercisable	Exercise Price	Expiry Date
	\$	
80,000 ¹	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
5,297,500	0.51	

¹ Subsequent to June 30, 2026, 80,000 options expired unexercised.

6. 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:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Management fees Chairman	14,175	10,000	33,285	14,400
Management fees CEO	54,905	46,603	109,809	93,206
Management fees CFO	22,665	22,500	45,220	45,000
Share-based payments	-	251,560	-	251,560
	91,745	330,663	188,314	404,166

All related party transactions were in the normal course of business and as at June 30, 2026, the Company had \$7,933 (December 31, 2025 - \$21,302) owing to related parties.

7. 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 six months ended June 30, 2026.

8. 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 June 30, 2026, 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 in active 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 June 30, 2026, the Company had cash of \$5,239,660 (December 31, 2025 - \$2,194,173), trade payable and accrued liabilities of \$229,379 (December 31, 2025 - \$90,435), a financial liability of \$4,817 (December 31, 2025 - \$4,817) corresponding to cash provided by Antofagasta Minerals for exploration at RDP (note 3(d)). At June 30, 2026, there exists material uncertainty with respect to the Company's ability to continue as a going concern. Refer to Note 1 of these condensed interim consolidated financial statements.

Currency risk

As at June 30, 2026, 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 June 30, 2026.

9. Segmented information

The Company has one business segment, the exploration of mineral properties, further subdivided into geographic regions. As at June 30, 2026, and throughout 2025, all of the Company's non-current assets were held in Canada.

10. Subsequent Events

On July 2, 2026, the Company closed the first tranche a non-brokered private placement issuing 13,400,000 charitable flow-through units ("CFT Units") at a price of \$0.294 per FT Unit for gross proceeds of \$3,939,600. The shares were issued to Minsur S.A. ("Minsur") through its subsidiary Cumbres del Sur S.A.C ("Cumbres") and were acquired by Cumbres on the back-end of the charitable flow through financing. Upon completion of the transaction Minsur, through Cumbres, owns approximately 13.8% of the issued and outstanding common shares of the Company.

The Company has also entered into an investor rights agreement (the "IRA") with Cumbres, pursuant to which, subject to the terms and conditions of the IRA and for so long as Cumbres and its affiliates hold at least 5.0% of the issued and outstanding common shares of the Company, the Company has granted Cumbres: (i) a participation right to maintain its proportionate shareholding in the Company in connection with future equity financings and non-cash transactions; (ii) a top-up right to subscribe for additional common shares following dilutive issuances; (iii) the right to receive participation rights substantially equivalent to those granted to any third party in connection with the purchase of the Company's equity securities; and (iv) access to technical information regarding the Company's RDP project. The IRA will terminate when Cumbres' ownership falls below 5% of the outstanding common shares of the Company.

The Company also entered into a right of first refusal (the "ROFR") with Cumbres pursuant to which, (i) the Company has granted Cumbres a right of first refusal, for a period of nine months to acquire the RDP project and (ii) the parties have agreed to engage in good faith negotiations regarding a potential strategic transaction in respect of the RDP project.