

FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

(EXPRESSED IN CANADIAN DOLLARS)

Crowe MacKay LLP
1400 - 1185 West Georgia Street
Vancouver, BC V6E 4E6
Main +1 (604) 687-4511
Fax +1 (604) 687-5805
www.crowemackay.ca

Independent Auditor's Report

To the Shareholders of Heritage Mining Ltd.

Opinion

We have audited the financial statements of Heritage Mining Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and December 31, 2024 and the statements of comprehensive loss, changes in equity (deficit) and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and December 31, 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.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 Diana Huang.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
April 30, 2026

HERITAGE MINING LTD.
Statements of Financial Position
As at December 31, 2025 and 2024
(Expressed in Canadian dollars)

		2025		2024
ASSETS				
Current assets				
Cash	**$**	**209,669**	$	558,277
GST/HST receivable		**154,923**		144,164
Prepaids (Note 12)		**177,289**		183,818
		541,881		886,259
ROU assets (Note 7)		**357,200**		218,338
Total assets	**$**	**899,081**	$	1,104,597
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Notes 5 and 12)	**$**	**1,031,324**	$	311,108
Lease liabilities (Note 7)		**123,220**		170,677
Flow-through liabilities (Note 6)		**26,747**		-
		1,181,291		481,785
Lease liabilities (Note 7)		**56,117**		-
Total liabilities		**1,237,408**		481,785
EQUITY (DEFICIT)				
Share capital (Note 8)		**11,557,743**		9,120,498
Reserves (Notes 8 and 9)		**1,578,264**		742,983
Subscription received in advance		**25,200**		-
Subscription receivable (Note 8)		**(2,500)**		-
Commitment to issue shares (Note 4)		**-**		100,000
Deficit		**(13,497,034)**		(9,340,669)
Total (deficit) equity		**(338,327)**		622,812
Total liabilities and equity (deficit)	**$**	**899,081**	$	1,104,597

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

Approved and authorized for issue by the Board of Directors on April 30, 2026:

"Peter Schloo" — Peter Schloo, Director

"Patrick Mohan" — Patrick Mohan, Director

Accompanying notes are an integral part of the financial statements.

HERITAGE MINING LTD.

Statements of Comprehensive Loss
For the years ended December 31, 2025 and 2024
(Expressed in Canadian dollars)

	2025	2024
Expenses		
Promotion and investor relations	**$ 301,458**	$ 308,000
Capital market advisory	**51,667**	68,333
Consulting (Note 12)	**67,237**	315,775
Depreciation (Note 7)	**146,471**	95,453
Exploration expenditures (Note 4)	**2,869,337**	1,253,887
General and administrative (Note 12)	**127,172**	128,729
Management and director consulting fees (Note 12)	**405,096**	304,374
Professional fees (Note 12)	**215,499**	164,081
Regulatory, filing and transfer agent fees	**32,562**	33,489
Share-based payments (Notes 8 and 12)	**208,920**	356,591
	(4,425,419)	(3,028,712)
Other Items		
Expenses before other items		
Gain (loss) on settlement of debt (Note 5)	**58,728**	(24,217)
Flow-through premium recovery (Note 6)	**79,088**	38,501
Other income/expense	**131,238**	-
Net and comprehensive loss	**$ (4,156,365)**	$ (3,014,428)
Loss per share - basic and diluted	**$ (0.03)**	$ (0.04)
Weighted average number of shares outstanding – basic and diluted	**146,173,934**	72,782,204

Accompanying notes are an integral part of the financial statements.

Heritage Mining Ltd.

Statements of Changes in Equity (Deficit)
For the years ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Reserves	Subscription Receivable	Subscription received in advance	Commitment to issue shares	Deficit	Total Equity
Balance, December 31, 2023	48,467,503	$ 6,114,428	$ 306,092	$ -	$ 87,000	$ -	$ (6,326,241)	$ 181,279
Private placements	44,803,440	2,287,006	-	-	(87,000)	-	-	2,200,006
Shares issued for properties	9,099,999	475,000	-	-	-	-	-	475,000
Commitment to issue shares for properties	-	-	-	-	-	100,000	-	100,000
Share issue costs – cash	-	(137,306)	-	-	-	-	-	(137,306)
Share issue costs – warrants and compensation options	-	(80,300)	80,300	-	-	-	-	-
Flow-through premium	-	(38,501)	-	-	-	-	-	(38,501)
Share issued for debt settlement	3,912,573	227,171	-	-	-	-	-	227,171
Shares issued for services	4,200,000	273,000	-	-	-	-	-	273,000
Share-based payments	-	-	356,591	-	-	-	-	356,591
Net loss for the year	-	-	-	-	-	-	(3,014,428)	(3,014,428)
Balance, December 31, 2024	110,483,515	9,120,498	742,983	-	-	100,000	(9,340,669)	622,812
Private placements	66,836,318	2,015,308	487,561	(2,500)	-	-	-	2,500,369
Shares issued for properties	12,016,667	433,500	-	-	-	(100,000)	-	333,500
Share issue costs – cash	-	(152,103)	-	-	-	-	-	(152,103)
Share issue costs – warrants and compensation options	-	(138,800)	138,800	-	-	-	-	-
Flow-through premium	-	(105,835)	-	-	-	-	-	(105,835)
Share issued for debt settlement	9,098,855	297,975	-	-	-	-	-	297,975
Shares issued for services	2,180,000	87,200	-	-	-	-	-	87,200
Subscription received in advance	-	-	-	-	25,200	-	-	25,200
Share-based payments	-	-	208,920	-	-	-	-	208,920
Net loss for the year	-	-	-	-	-	-	(4,156,365)	(4,156,365)
Balance, December 31, 2025	200,615,355	$ 11,557,743	$ 1,578,264	$ (2,500)	$ 25,200	$ -	$ (13,497,034)	$ (338,327)

Accompanying notes are an integral part of the financial statements.

HERITAGE MINING LTD.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

For the years ended	2025	2024
Operating Activities		
Net loss for the year	**$ (4,156,365)**	$ (3,014,428)
Items not affecting cash:		
Depreciation	**146,471**	95,453
Accrued interest expense	**27,838**	13,282
Share-based payments	**208,920**	356,591
Shares issued for properties	**333,500**	475,000
Shares to be issued for properties	**-**	100,000
Shares issued for services	**87,200**	273,000
Loss (gain) on settlement of debt	**(58,728)**	24,217
Flow-through premium recovery	**(79,088)**	(38,501)
Changes in non-cash working capital items related to operations:		
GST/HST receivable	**(10,759)**	77,231
Prepaids	**6,529**	(123,366)
Accounts payable and accrued liabilities	**1,076,919**	245,420
Cash used in operating activities	**(2,417,563)**	(1,516,101)
Financing Activities		
Shares issued for cash	**2,500,369**	2,200,006
Share issuance costs	**(152,103)**	(137,306)
Subscription received in advance	**25,200**	-
Lease payments	**(304,511)**	(160,535)
Cash provided by financing activities	**2,068,955**	1,902,165
Change in cash during the year	**(348,608)**	386,064
Cash, beginning of year	**558,277**	172,213
Cash, end of the year	**$ 209,669**	$ 558,277
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Non-cash financing activities		
ROU assets	$ 285,333	$ 232,210
Shares for debt settlement	$ 297,975	$ 227,171
Fair value of finder's warrants and compensation options	$ 138,800	$ 80,300

Accompanying notes are an integral part of the financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Heritage Mining Ltd. (the "Company") was incorporated on October 18, 2019, under the Business Corporations Act (British Columbia). The Company is engaged in the business of exploration for gold and other metals across Canada. The Company's principal objectives are to explore and develop the Drayton - Black Lake Property and to identify other properties worthy of investment and exploration.

The Company's registered and head office is located at 2300 – 550 Burrard Street, Vancouver, British Columbia, V6C 0B3

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has no source of revenue and incurred losses since its inception and had an accumulated deficit of $13,497,034 at December 31, 2025 (2024 - $9,340,669). This indicates the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The continuing operations of the Company are dependent upon obtaining necessary financing to meet the Company's commitments as they come due and to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, tariffs, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with the IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and are based on historical costs except for certain financial instruments which are measured at fair value.

Significant accounting estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments

Information about critical judgments, apart from those involving estimates, in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statement are discussed below:

Going Concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding availability for its exploration projects and working capital requirements.

3. MATERIAL ACCOUNTING POLICIES

Exploration and evaluation expenditures

Exploration and evaluation expenditures, including acquisition costs, are expensed in the year in which they are incurred. Mining exploration tax credits are accrued and recorded against exploration and evaluation expenditures when the related expenditures are incurred, unless collectability cannot be reasonably assured.

When equity instruments are issued as part of mineral property acquisition costs, they are recorded at the fair value of the goods and services received, unless the fair value of the goods and services received cannot be reasonably measured, in which case they are measured using the fair value of the equity instruments issued.

Once the technical feasibility and commercial viability of extracting the mineral resources has been determined, the property is considered to be a mine under development and development costs are capitalized to "mines under construction" on the statement of financial position.

Restoration and environmental obligations

An obligation to incur decommissioning and site rehabilitation costs occurs when environmental disturbance is caused by exploration, evaluation, development or ongoing production.

Restoration and environmental obligations are recorded as liabilities when those obligations are incurred and are measured at the present value, if a reasonable estimate of the expected costs to settle the liability can be determined, discounted at a current pre-tax rate specific to the liability. In subsequent years, the liability is adjusted for changes resulting from the passage of time and revisions to either the timing or the amount of the original estimate of the undiscounted cash flows. The accretion of the liability to its fair value as a result of the passage of time is charged to earnings while changes resulting from the revisions to either the timing or the amount of the original estimate of the undiscounted cash flows are expensed through the statement of comprehensive loss as incurred. The carrying amount of the restoration and environmental obligations is reviewed to reflect current estimates and changes in the discount rate.

Lease

The right-of-use assets ("ROU") is initially measured based on the initial amount of the lease liability plus any initial direct costs incurred less any lease incentives received. The ROU asset is depreciated to the end-of-the-useful-life or the lease term, whichever comes earlier, using the straight-line method. If it is reasonably certain that the Company will obtain ownership by the end of the lease term through a purchase option, the leased asset is depreciated over its useful life.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is measured at the amortized cost using the effective interest method and remeasured when there is a change in future lease payments.

3. MATERIAL ACCOUNTING POLICIES (continued)

Lease (continued)

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made.

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, share purchase warrants and flow-through shares are classified as equity instruments.

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

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance when the fair value of the non-monetary assets cannot be reasonably estimated.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to capital stock based on the fair value of the common shares on the closing date and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in capital stock and the related residual value in warrants reserve is transferred to capital stock. For those warrants that expire the recorded value remains in reserves.

Flow-through shares

The Company has from time to time, issued flow-through common shares and units to finance its exploration program. Pursuant to the terms of the flow-through agreements, these shares and units transfer the tax deductibility of qualifying resource expenditures to investors. At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows: i) share capital – the market trading price of the common shares, ii) 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 iii) warrant reserve – any excess.

Income (loss) per share

Basic income (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the income (loss) attributable to common shareholders equals the reported income (loss) attributable to owners of the Company. Diluted income (loss) per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. As the Company has reported losses for the periods presented, the effect of stock options and warrants is anti-dilutive; therefore, basic loss per share equals diluted loss per share.

3. MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or 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. The corresponding amount is recorded to the option reserve. The fair value of options when measured at the fair value of the instruments is determined using the Black–Scholes Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive loss or equity is recognized in other comprehensive loss or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
    - is not a business combination;
    - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss); and
    - at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

Cash, lease liabilities and accounts payable and accrued liabilities initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Foreign currency translation

The functional currency of the Company is Canadian Dollar, which is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated at rates in effect at the time of the transaction. Monetary assets and liabilities are translated at period end rates. Gains and losses are included in profit and loss.

New accounting standards issued but not yet effective

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

1. 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.

2. Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement.

3. Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be assessing the impact of adopting the above standard on the financial statements.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instrument

These amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. Amendments include clarification of the date of recognition and derecognition of some financial assets and liabilities, and addition of new disclosure requirements for certain instruments and update disclosure requirements for equity instruments designated at fair value through other comprehensive income.

This standard is effective for annual periods beginning on or after January 1, 2026. The Company will be assessing the impact of adopting the above standard on the financial statements.

4. EXPLORATION EXPENDITURES

The exploration and evaluation expenses for the Company for the year ended December 31, 2025 and 2024 are summarized as follows:

Year ended December 31, 2025	Drayton – Black Lake	Contact Bay	Zarn Lake	Scattergood	Melba	Other	Total
Acquisition cost	$ 249,720	$ 10,000	$ 70,000	$ 4,480	$ 422,813	$ -	$ 757,013
Assay and drilling	820,463	87,801	-	2,000	54,416	-	964,680
Field work and supplies	461,010	2,590	10,275	-	233,834	-	707,709
Geological and geophysical	438,742	37,552	-	45,921	14,510	7,371	544,096
Travel	94,440	-	-	-	1,106	293	95,839
Cost recoveries – Government grant	(200,000)	-	-	-	-	-	(200,000)
Exploration expenditures	$ 1,864,375	$ 137,943	$ 80,275	$ 52,401	$ 726,679	$ 7,664	$ 2,869,337

Year ended December 31, 2024	Drayton – Black Lake	Contact Bay	Zarn Lake	Scattergood	Other	Total
Acquisition cost	$ 300,750	$ 10,000	$ 95,000	$ 200,000	$ -	$ 605,750
Assay	99,337	-	-	-	-	99,337
Drilling	128,423	-	319	-	-	128,742
Field work and supplies	269,102	1,980	9,768	-	-	280,850
Geological and geophysical	341,069	42,318	1,164	10,707	48,444	443,702
Travel	32,473	3,033	-	-	-	35,506
Cost recoveries – Government grant	(340,000)	-	-	-	-	(340,000)
Exploration expenditures	$ 831,154	$ 57,331	$ 106,251	$ 210,707	$ 48,444	$ 1,253,887

Drayton - Black Lake Project

On November 25, 2021, the Company entered into an option agreement, amended on November 21, 2023, December 29, 2023 and October 23, 2024, to acquire a 90% interest in the Drayton - Black Lake Property. The Company paid $20,000 upon signing the letter of intent and is required to make staged option payments, common share issuances and minimum spend requirements over a four year period. To earn a 51% interest in the property, the Company must:

- Issue 2,800,000 shares within 10 business days upon a go public transaction (issued);
- Pay $150,000 cash (paid), issue 1,100,000 common shares (issued) and incur $500,000 in project expenditures on or before November 25, 2022 (incurred);
- Issue 1,350,000 common shares (issued) and incur $1,000,000 in project expenditures on or before November 25, 2023 (incurred);
- Issue 6,000,000 units on or before January 12, 2024, with each unit consisting of one common share and one warrant to purchase a common share in the capital of the Company at a price of $0.075 for a period of 24 months from the date of issue (issued); and
- Issue 1,100,000 common shares (issued), issue 3,000,000 units (issued), with each unit consisting of one common share and one warrant to purchase a common share in the capital of the Company at a price of $0.10 for a period of 36 months from the date of issue, and incur $1,000,000 in project expenditures (incurred) on or before January 25, 2025 to earn 51% interest in the property.

To earn an additional 39% interest (for an aggregate 90% interest in the Property), the Company must:

- Issue 1,100,000 common shares and incur $2,500,000 in project expenditures on or before November 25, 2026 to earn 90% interest in the property

4. EXPLORATION EXPENDITURES (continued)

Drayton - Black Lake Project (continued)

The optionor is also entitled to a cash payment upon the establishment of any mineral resources in the Drayton - Black Lake Project equal to $1.00 per ounce of gold equivalent capped at $10M.

The optionor has the option to maintain a 10% interest in the project through a joint venture agreement or take back a royalty described below upon the presentation of a feasibility study:

- 2% NSR on unincumbered land – Buyback 1% for $2M
- 1% NSR on Drayton - Black Lake Claims – Buyback 0.5% for $1M

The Company must spend a minimum of $500,000 per year through to the presentation of a feasibility study.

Split Lake Property

The Company entered into a definitive asset purchase agreement with Bounty Gold Corp. ("Bounty") dated August 25, 2022 (the "Agreement") whereby it will acquire fifty (50) mining claims in the Split Lake zone (the "Split Lake Property") adjacent to Heritage's flagship Drayton-Black Lake Project. Pursuant to the terms of the Agreement, Heritage will acquire a 100% interest in the Split Lake Property in exchange for issuing Bounty 100,000 Common Shares (issued September 1, 2022), paying Bounty $5,000 in cash (paid) and granting Bounty a 1% net smelter return royalty (the "NSR") on the Split Lake Property at closing, one-half (0.5%) of such NSR may be purchased for $500,000 by Heritage.

Contact Bay Project

On October 15, 2021, the Company entered into an asset purchase agreement to acquire a 100% interest in the Contact Bay claims from Bounty Gold Corp. To earn its 100% interest in the property, the Company paid $2,000 upon signing the purchase agreement and is required to issue $8,000 worth of common shares upon the go public transaction (32,000 shares issued).

On October 22, 2021, the Company entered into an asset purchase agreement to acquire a 100% interest in the Contact Bay claims from Scott Woolhead. To earn a 100% interest in the property, the Company paid $2,500 upon signing the purchase agreement.

On December 6, 2021, the Company entered into an asset purchase agreement (the "EMX Agreement") to acquire a 100% interest in the Contact Bay claims from EMX Royalties. To earn a 100% interest in the property, the Company paid $15,000 upon signing the asset purchase agreement. EMX Royalties retains a 3% NSR with a 1% buyback provision for $1,500,000. Annual advance royalties are due to EMX Royalties beginning on the third anniversary of the EMX Agreement in the amount of $10,000 per year (common shares of the Company or cash at the Company's discretion) until a maiden resource is issued, after that time an annual advance royalty of $25,000 (common shares of the Company or cash at the Company's discretion) is payable by the Company until production occurs. EMX Royalties is entitled to milestone bonus payments in cash or shares at the Company's discretion following the announcements listed below:

- $100,000 on announcement of maiden resource
- $250,000 on announcement of preliminary economic assessment
- $350,000 on announcement pre-feasibility study
- $500,000 announcement on feasibility study

During the year ended December 31, 2025, the Company accrued $10,000 (2024 - $10,000) of annual advance royalty payment to EMX.

4. EXPLORATION EXPENDITURES (continued)

Zarn Lake Property

On January 6, 2022, the Company entered into an option agreement to acquire a 100% interest in the Zarn Lake property contiguous with the Drayton - Black Lake Project. To earn its 100% interest in the property, the Company paid $20,000 upon signing the option agreement and is required to make staged option payments, common share issuances and minimum spend requirements over a three year period as follows:

- Issue $50,000 worth of common shares upon completion of a go public transaction (200,000 shares issued);
- Pay $10,000 cash (paid), issue $25,000 worth of common shares (333,333 shares issued) and incur $50,000 in project expenditures on or before January 6, 2023 (incurred);
- Pay $20,000 cash (paid), issue $25,000 worth of common shares (500,000 shares issued) and incur $100,000 in project expenditures on or before January 6, 2024 (incurred); and
- Pay $70,000 cash (paid), issue $50,000 worth of common shares (833,333 shares issued) and incur $250,000 in project expenditures on or before January 6, 2025 (incurred).

The optionor retains a 2% NSR on the property with a buy back of 1% for $1,000,000 and an advance royalty payment of $1,000 per year for each year following the commencement of commercial production after the Company earns 100% of the option agreement.

Scattergood Project

On May 31, 2024, the Company entered into an asset purchase agreement to acquire a 100% interest in certain unpatented claims from Shear Gold Exploration Corp. ("Vendor"). To earn its 100% interest in the property, the Company is required to issue $100,000 worth of common shares together with the grant of the Royalty. The common shares shall be issuable to the Vendor as follows:

- $15,000 Common Shares issuable on the Signing Date at a deemed price equal to the Market Price (300,000 shares issued);
- $35,000 in Common Shares issuable on or within ten (10) Business Days of the six month anniversary of the Signing Date (the "Anniversary Date") at a deemed price equal to the Market Price (583,333 shares issued); and
- $50,000 in Common Shares issuable on or within ten (10) Business Days of the Closing Date, which is the 18 month anniversary of the Signing Date, at a deemed price equal to the Market Price (accrued at December 31, 2024 and issued during fiscal 2025)

The Company has an option to accelerate its payments by providing written notice to the Vendor no less than ten (10) Business Days prior to the proposed accelerated payment date without incurring any penalty or additional fee.

The Vendor retains a 1.5% NSR on the property with a buy back of 0.5% for $500,000.

On May 31, 2024, the Company entered into an asset purchase agreement to acquire a 100% interest in certain unpatented claims from South Timmins Mining Inc. To earn its 100% interest in the property, the Company is required to issue $100,000 worth of common shares together with the grant of the Royalty. The Common Shares shall be issuable to the Vendor as follows:

- $15,000 Common Shares issuable on the Signing Date at a deemed price equal to the Market Price (300,000 shares issued);
- $35,000 in Common Shares issuable on or within ten (10) Business Days of the six month anniversary of the Signing Date at a deemed price equal to the Market Price (583,333 shares issued); and

4. EXPLORATION EXPENDITURES (continued)

Scattergood Project (continued)

- $50,000 in Common Shares issuable on or within ten (10) Business Days of the Closing Date , which is the 18 month anniversary of the Signing Date, at a deemed price equal to the Market Price (Accrued at December 31, 2024 and issued during 2025).

The Company has an option to accelerate its payments by providing written notice to the Vendor no less than ten (10) Business Days prior to the proposed accelerated payment date without incurring any penalty or additional fee.

The Vendor retains a 1% NSR on the property with a buy back of 0.5% for $500,000.

Melba Property

On July 22, 2025, the Company entered into an asset purchase agreement amended on September 22, 2025, to acquire a 75% interest in certain unpatented claims from Advanced Gold Exploration Inc.

To earn its 75% interest in the property, the Company is required to pay $50,000 in cash for technical services over a 12 month period payable in equal $4,166.67 instalment per month ($37,500 paid).

The Company is also required to issue $350,000 worth of common shares. The common shares shall be issuable to the Vendor as follows:

- $87,500 Common Shares issuable on the Signing Date at a deemed price equal to the Market Price (2,916,667 shares issued);
- $87,500 in Common Shares issuable on December 21, 2025 (3,854,625 shares issued subsequently);
- $87,500 in Common Shares issuable on March 21, 2026; and
- $87,500 in Common Shares issuable on June 21, 2026.

As of December 31, 2025, the Company has accrued $295,833 which is included within accounts payable and accrued liabilities reflecting the unpaid share and cash commitments to acquire the assets. As the shares to be issued are based on future volume weighted average pricing, they did not meet equity classification under IAS 32 and accordingly are presented as liabilities within accounts payable and accrued liabilities.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2025		December 31, 2024
Accounts payable	**$**	**681,491**	$	262,108
Accrued liabilities		**54,000**		49,000
Melba Property acquisition accrual (Note 4)		**295,833**		-
	$	**1,031,324**	$	311,108

During the year ended December 31, 2025, the Company issued 7,932,215, common shares to settle accounts payable of $297,974 and recorded $40,837 gain on the settlement. The Company also wrote off historical payables and recorded a gain of $17,891

During the year ended December 31, 2024, the Company issued 3,912,573 common shares to settle accounts payable of $202,954 and recorded $24,217 loss on the settlement.

6. FLOW THROUGH PREMIUM

The following is a continuity schedule of the flow through premium:

	December 31, 2025	December 31, 2024
Balance, beginning of year	**$ -**	$ -
Incurred on flow-through shares issued during the period	**105,835**	38,501
Settlement of flow-through premium by incurring expenditures	**(79,088)**	(38,501)
Balance, end of year	**$ 26,747**	$ -

Year ended December 31, 2025:

On April 4, 2025, the Company issued 14,050,000 flow-through units at a price of $0.05 per unit. The premium paid by investors was determined to be $Nil per share. Accordingly, $Nil was recorded as flow through premium.

On April 17, 2025, the Company issued 1,000,000 flow-through units at a price of $0.05 per unit. The premium paid by investors was determined to be $Nil per share. Accordingly, $Nil was recorded as flow through premium.

On May 14, 2025, the Company issued 3,000,000 flow-through units at a price of $0.05 per unit. The premium paid by investors was determined to be $0.015 per share. Accordingly, $45,000 was recorded as flow through premium.

On November 26, 2025, the Company issued 16,071,464 flow-through units at a price of $0.028 per unit. The premium paid by investors was determined to be $0.003 per share. Accordingly, $48,214 was recorded as flow through premium.

On December 12, 2025, the Company issued 1,992,855 flow-through units at a price of $0.028 per unit. The premium paid by investors was determined to be $0.003 per share. Accordingly, $5,978 was recorded as flow through premium.

On December 30, 2025, the Company issued 2,214,286 flow-through units at a price of $0.028 per unit. The premium paid by investors was determined to be $0.003 per share. Accordingly, $6,643 was recorded as flow through premium.

Year ended December 31, 2024:

On June 20, 2024, the Company issued 3,850,066 flow-through units at a price of $0.06 per unit. The premium paid by investors was determined to be $0.01 per share. Accordingly, $38,501 was recorded as flow through premium.

On June 28, 2024, the Company issued 833,334 flow-through units at a price of $0.06 per unit. The premium paid by investors was determined to be $Nil per share. Accordingly, $Nil was recorded as flow through premium.

In October 2024, the Company issued 11,800,040 flow-through shares at a price of $0.05 per flow-through share. The premium paid by investors was determined to be $Nil per share. Accordingly, $Nil was recorded as flow through premium.

In November 2024, the Company issued 5,500,000 flow-through shares at a price of $0.05 per flow-through share. The premium paid by investors was determined to be $Nil per share. Accordingly, $Nil was recorded as flow through premium

Expenditure Commitments:
As at December 31, 2025, the Company had $249,642 (2024 - $687,458) commitment remaining to incur exploration expenditures in relation to its flow-through financing.

7. LEASE

During the year ended December 31, 2023, the Company entered into three agreements that were leases as defined under IFRS 16. In analyzing the identified agreement, the Company applied the lessee accounting model pursuant to IFRS 16 and considered all of the facts and circumstances surrounding the inception of the contract. Lease liabilities for the Sioux Lookout office and CanAm Outlander Max & Trailer were calculated with a discount rate of 20%. Lease liabilities for the vehicle is calculated with a discount rate of 8.90%. During the year ended December 31, 2024, the Company renewed its lease for the Sioux Lookout office and entered into a new lease agreement for drill equipment. Lease liability for the drill is calculated with a discount rate of 10.05%. During the year ended December 31, 2025, the Company entered into two new lease agreements for vehicles. Lease liabilities for the vehicles were calculated with a discount rate of 5.5% and 7.9%.

Lease Type	Date of Maturity
Sioux Lookout office (renewed)	July 31, 2026
CanAm Outlander Max & Trailer (renewed)	June 30, 2027
Vehicles	June 1, 2028
Drill equipment	December 1, 2025
Dozer and Seacan	July 31, 2026

The right of use assets are depreciated on a straight-line basis over the term of the lease.

Right of use asset, December 31, 2023	$	81,581
Addition		232,210
Depreciation		(95,453)
Right of use asset, December 31, 2024		218,338
Addition		285,333
Depreciation		(146,471)
Right of use asset, December 31, 2025	$	357,200

The lease liabilities are as follows:

Lease liabilities, December 31, 2023	$	85,720
Addition		232,210
Accretion of interest		13,282
Payment of lease liabilities		(160,535)
Lease liabilities, December 31, 2024		170,677
Addition		285,333
Accretion of interest		27,838
Payment of lease liabilities		(304,511)
Lease liabilities, December 31, 2025		179,337
Lease liabilities – current		(123,220)
Lease liabilities – long term	$	56,117

Future minimum annual lease payments for the next three years are $189,964.

8. SHARE CAPITAL

Authorized:

The authorized share capital of the Company consists of unlimited common shares without par value.

Issued:

During the year ended December 31, 2025:

On January 17, 2025, the Company issued 1,100,000 common shares at a value of $66,000 and 3,000,000 units at a value of $180,000 as part of the exercise of its option to acquire a 51% ownership interest in the Drayton - Black Lake Project. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.10 until January 17, 2028. (Note 4).

On January 17, 2025, the Company issued 879,375 common shares valued at $52,763 for debt settlements.

On April 4, 2025, the Company completed the first tranche of a non-brokered private placement by issuing 1,870,000 units at a price of $0.05 per unit for gross proceeds of $93,500. Proceeds were allocated $65,450 to share capital and $28,050 to reserves using the residual method. The Company also issued 14,050,000 flow-through units at a price of $0.05 per flow-through unit for gross proceeds of $702,500. Proceeds were allocated $491,750 to share capital and $210,750 to reserves using the residual method. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.10 until April 4, 2030.

The Company paid $46,475 in finders' fees and issued 729,500 compensation options entitling the holder to purchase one additional common share at an exercise price of $0.05 until April 4, 2028. The compensation options have an estimated fair value of $20,300, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 154.95%, risk-free rate 2.39%, dividend yield 0%.

On April 4, 2025, the Company issued 200,000 common shares at a value of $7,000 pursuant to debt settlements.

On April 17, 2025, the Company completed the second tranche of a non-brokered private placement by issuing 3,650,000 units at a price of $0.05 per unit for gross proceeds of $182,500. Proceeds were allocated $146,000 to share capital and $36,500 to reserves using the residual method. The Company also issued 1,000,000 flow-through units at a price of $0.05 per flow-through unit for gross proceeds of $50,000. Proceeds were allocated $40,000 to share capital and $10,000 to reserves using the residual method. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.10 until April 17, 2030.

The Company paid $15,808 in finders' fees and issued 28,000 compensation options entitling the holder to purchase one additional common share at an exercise price of $0.05 until April 17, 2028. The compensation options have an estimated fair value of $900, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 154.85%, risk-free rate 2.54%, dividend yield 0%.

On April 17, 2025, the Company issued 1,500,000 common shares at a value of $60,000 pursuant to debt settlements.

On April 17, 2025, the Company issued 2,180,000 common shares at a value of $87,200 to officers and directors pursuant to bonuses.

On May 14, 2025, the Company completed a non-brokered private placement by issuing 3,000,000 flow-through units at a price of $0.05 per flow-through unit for gross proceeds of $150,000. The premium paid by investors was determined to be $0.015 per share. Accordingly, $45,000 was recorded as flow through premium and $Nil was allocated to reserves using the residual method. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.10 until May 14, 2030.

8. SHARE CAPITAL (continued)

During the year ended December 31, 2025: (continued)

The Company paid $12,000 in finders' fees and issued 240,000 compensation options entitling the holder to purchase one additional common share at an exercise price of $0.05 until May 14, 2028. The compensation options have an estimated fair value of $6,700, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 154.79%, risk-free rate 2.61%, dividend yield 0%.

On June 20, 2025, the Company issued 1,522,480 common shares at a value of $53,287 pursuant to debt settlements.

On August 1, 2025, the Company completed a non-brokered listed issuer financing exemption by issuing 17,687,713 units at a price of $0.035 per unit for gross proceeds of $619,070. Proceeds were allocated $530,630 to share capital and $88,440 to reserves using the residual method. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 until August 1, 2028.

The Company paid $44,716 in finders' fees and issued 1,238,140 compensation units entitling the holder to purchase one additional compensation unit at an exercise price of $0.035 until August 1, 2028. The compensation options have an estimated fair value of $58,900, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 154.01%, risk-free rate 2.70%, dividend yield 0%. Each compensation unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 until August 1, 2028.

On August 14, 2025, the Company completed a non-brokered listed issuer financing exemption by issuing 500,000 units at a price of $0.035 per unit for gross proceeds of $17,500. Proceeds were allocated $14,000 to share capital and $3,500 to reserves using the residual method. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 until August 14, 2028.

The Company paid $998 in legal fees and issued 35,000 compensation units entitling the holder to purchase one additional compensation unit at an exercise price of $0.035 until August 14, 2028. The compensation units have an estimated fair value of $1,400, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 154.27%, risk-free rate 2.69%, dividend yield 0%. Each compensation unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 until August 14, 2028.

On October 17, 2025, the Company issued 2,916,667 common shares at a value of $87,500 as part of the acquisition payments for the Melba project (Note 4).

On November 26, 2025, the Company completed the first tranche of a non-brokered private placement by issuing 2,000,000 units at a price of $0.025 per unit for gross proceeds of $50,000. Proceeds were allocated $40,000 to share capital and $10,000 to reserves using the residual method. The Company also issued 16,071,464 flow-through units at a price of $0.028 per flow-through unit for gross proceeds of $450,001. The premium paid by investors was determined to be $0.003 per share. Accordingly, $48,214 was recorded as flow through premium and $80,357 was allocated to reserves using the residual method. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 until November 26, 2030.

8. SHARE CAPITAL (continued)

During the year ended December 31, 2025: (continued)

The Company paid $28,000 in finders' fees and issued 1,125,003 compensation units entitling the holder to purchase one additional compensation unit at an exercise price of $0.05 until November 26, 2030. The compensation units have an estimated fair value of $39,800, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 5 years, volatility 156.12%, risk-free rate 2.72%, dividend yield 0%. Each compensation unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 until November 26, 2030

On December 12, 2025, the Company completed the second tranche of a non-brokered private placement by issuing 2,000,000 units at a price of $0.025 per unit for gross proceeds of $50,000. Proceeds were allocated $40,000 to share capital and $10,000 to reserves using the residual method. The Company also issued 1,992,855 flow-through units at a price of $0.028 per flow-through unit for gross proceeds of $55,800. The premium paid by investors was determined to be $0.003 per share. Accordingly, $5,978 was recorded as flow through premium and $9,964 was allocated to reserves using the residual method. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 until December 12, 2030.

The Company paid $3,906 in finders' fees and issued 139,500 compensation units entitling the holder to purchase one additional compensation unit at an exercise price of $0.05 until December 12, 2030. The compensation units have an estimated fair value of $5,600, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 5 years, volatility 157.02%, risk-free rate 3.01%, dividend yield 0%. Each compensation unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 until December 12, 2030.

On December 12, 2025, the Company issued 5,000,000 common shares at a value of $100,000 as part of the acquisition payments for the Scattergood project (Note 4).

On December 30, 2025, the Company completed the final tranche of a non-brokered private placement by issuing 800,000 units at a price of $0.025 per unit for gross proceeds of $20,000. Proceeds were allocated $20,000 to share capital and $Nil to reserves using the residual method. The Company also issued 2,214,286 flow-through units at a price of $0.028 per flow-through unit for gross proceeds of $62,000 of which $2,500 was received subsequent to year end. The premium paid by investors was determined to be $0.003 per share. Accordingly, $6,643 was recorded as flow through premium and $Nil was allocated to reserves using the residual method. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 until December 30, 2030.

The Company paid $200 in finders' fees and issued 105,000 compensation units entitling the holder to purchase one additional compensation unit at an exercise price of $0.05 until December 30, 2030. The compensation units have an estimated fair value of $4,800, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 5 years, volatility 156.98%, risk-free rate 2.95%, dividend yield 0%. Each compensation unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 until December 30, 2030.

On December 30, 2025, the Company issued 4,997,000 common shares at a value of $124,925 pursuant to debt settlements.

Certain stock options granted under the Company's share-based compensation plan include an accelerated expiry provision. Under the terms of these options, if the closing price of the Company's common shares on the Canadian Securities Exchange exceeds $1.00 for 10 consecutive trading days, the expiry date of the options is automatically accelerated to a date that is 30 days following the tenth consecutive trading day.

8. SHARE CAPITAL (continued)

During the year ended December 31, 2024:

On January 12, 2024, the Company completed a non-brokered private placement by issuing 2,780,000 units at a price of $0.05 per unit for gross proceeds of $139,000, of which $87,000 was received during the year ended December 31, 2023. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until January 12, 2026.

The Company paid $3,882 in finders' and legal fees and issued 32,000 compensation options entitling the holder to purchase one additional unit at an exercise price of $0.05 until January 12, 2026. The compensation options have an estimated fair value of $1,600, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 2 years, volatility 100%, risk-free rate 3.98%, dividend yield 0%. Each compensation option unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 for a period of 24 months from its date of issuance.

On January 12, 2024, the Company issued 500,000 common shares at a value of $25,000 as part of the option payments for the Zarn Lake Property Agreement and 6,000,000 units at a value of $300,000 as part of the option payment for the Drayton – Black Lake Project. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until January 12, 2026. (Note 4).

On June 6, 2024, the Company issued 600,000 common shares at a value of $30,000 as part of the acquisition payments for the Scattergood project (Note 4).

On June 6, 2024, the Company issued 1,100,000 common shares at a value of $55,000 pursuant to debt settlement.

On June 20, 2024, the Company completed the first tranche of a non-brokered private placement by issuing 7,240,000 units at a price of $0.05 per unit for gross proceeds of $362,000. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until June 20, 2027.

The Company also issued 3,850,066 flow-through units at a price of $0.06 per flow-through unit for gross proceeds of $231,004. Each flow-through unit consists of one flow-through common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until June 20, 2027.

The Company paid $40,507 in finders' and legal fees and issued 400,806 compensation options entitling the holder to purchase one additional unit at an exercise price of $0.05 until June 20, 2026. The compensation options have an estimated fair value of $15,600, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 2 years, volatility 150%, risk-free rate 3.77%, dividend yield 0%. Each compensation option unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 for a period of 24 months from its date of issuance.

On June 28, 2024, the Company issued 840,000 common shares at a value of $50,400 to settle $42,000 of debt and recorded $8,400 loss on the settlement.

On June 28, 2024, the Company completed the second tranche of a non-brokered private placement by issuing 2,140,000 units at a price of $0.05 per unit for gross proceeds of $107,000. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until June 28, 2027.

The Company also issued 833,334 flow-through units at a price of $0.06 per flow-through unit for gross proceeds of $50,000. Each flow-through unit consists of one flow-through common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.075 until June 28, 2027.

8. SHARE CAPITAL (continued)

During the year ended December 31, 2024: (continued)

The Company paid $2,500 in finders' fees and issued 41,666 compensation options entitling the holder to purchase one additional unit at an exercise price of $0.05 until June 28, 2027. The compensation options have an estimated fair value of $2,000, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 150%, risk-free rate 3.83%, dividend yield 0%. Each compensation option unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.05 for a period of 36 months from its date of issuance.

On October 18, 2024, the Company issued 1,100,000 common shares at a value of $71,500 pursuant to settle $55,000 debt and recorded loss of $16,500 on the settlement.

On October 18, 2024, the Company issued 4,200,000 common shares for management and consulting services at a fair value of $273,000.

On October 18, 2024, the Company completed the first tranche of a non-brokered private placement by issuing 9,720,000 units at a price of $0.05 per unit for gross proceeds of $486,000. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.10 until October 18, 2027.

The Company also issued 11,800,040 flow-through shares at a price of $0.05 per flow-through share for gross proceeds of $590,002.

The Company paid $59,756 in finders' and legal fees and issued 817,202 compensation warrants entitling the holder to purchase one additional common share at an exercise price of $0.05 until October 18, 2027. The compensation warrants have an estimated fair value of $44,500, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 150%, risk-free rate 2.95%, dividend yield 0%.

On November 8, 2024, the Company completed the second tranche of a non-brokered private placement by issuing 940,000 units at a price of $0.05 per unit for gross proceeds of $47,000. Each unit consists of one common share and one warrant entitling the holder to purchase an additional common share at an exercise price of $0.10 until November 8, 2027.

The Company also issued 5,500,000 flow-through shares at a price at a price of $0.05 per flow-through share for gross proceeds of $275,000.

The Company paid $30,661 in finders' and legal fees and issued 332,400 compensation warrants entitling the holder to purchase one additional common share at an exercise price of $0.05 until November 8, 2027. The compensation warrants have an estimated fair value of $16,600, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 150%, risk-free rate 3.05%, dividend yield 0%.

On November 8, 2024, the Company issued 664,240 common shares at a value of $39,854 pursuant to settle $38,454 debt and recorded loss of $1,400 on settlement.

On November 28, 2024, the Company issued 1,166,666 common shares at a value of $70,000 as part of the acquisition payments for the Scattergood project (Note 4).

On December 31, 2024, the Company issued 833,333 common shares at a value of $50,000 as part of the acquisition payments for the Zarn Lake Property Agreement (Note 4).

On December 31, 2024, the Company issued 208,333 common shares at a value of $10,417 pursuant to settle $12,500 debt and recorded gain of $2,083 on the settlement.

8. SHARE CAPITAL (continued)

Stock options

The Company adopted a share option plan (the "Share Option Plan") under which it may grant options to employees, officers, directors, or consultants for up to 10% of the issued and outstanding common shares. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee in a twelve-month period is limited to 5% of the issued shares of the Company.

Under the plan, the exercise price of an option may not be less than the discounted market price. The options can be granted for a maximum term of 5 years and vest at the discretion of the board of directors. For share options granted to employees, directors, and consultants, the Company recognizes as an expense, the estimated fair value of the share options granted. The fair value of each share option granted was estimated on the date of grant using the Black-Scholes option-pricing model.

During the year ended December 31, 2025:

On June 19, 2025, the Company granted 2,925,000 stock options to certain directors, officers and consultants at an exercise price of $0.05 per option for a period of 3 years from the date of issuance. The options vested on grant and have an estimated fair value of $81,300, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 154.81%, risk-free rate 2.71%, dividend yield 0%.

On December 15, 2025, the Company granted 6,140,000 stock options to certain directors, officers and consultants at an exercise price of $0.05 per option for a period of 5 years from the date of issuance. The options vested on grant and have an estimated fair value of $108,700, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 5 years, volatility 156.82%, risk-free rate 2.98%, dividend yield 0%.

During the year ended December 31, 2025, the Company recognized share-based payments expense of $190,000 related to vesting of 9,065,000 options issued. The Company also recognized share-based payments expense of $18,920 related to vesting of 1,245,000 options issued in prior years.

During the year ended December 31, 2024:

On April 12, 2024, the Company granted 1,385,000 stock options to certain directors, officers and consultants at an exercise price of $0.05 per option for a period of 3 years from the date of issuance. The options vested on grant and have an estimated fair value of $44,100, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 150% based on comparable peer companies' share price volatilities, risk-free rate 4.03%, dividend yield 0%.

On July 30, 2024, the Company granted 1,920,000 stock options to certain directors, officers and consultants at an exercise price of $0.05 per option for a period of 3 years from the date of issuance. The options vested on grant and have an estimated fair value of $87,100, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 3 years, volatility 150% based on comparable peer companies' share price volatilities, risk-free rate 3.40%, dividend yield 0%.

On October 22, 2024, the Company granted 2,685,000 stock options to a consultant at an exercise price of $0.075 per option for a period of 5 years from the date of issuance. The options vested on grant and have an estimated fair value of $158,200, which was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 5 years, volatility 150% based on comparable peer companies' share price volatilities, risk-free rate 2.98%, dividend yield 0%.

During the year ended December 31, 2024, the Company recognized share-based payments expense of $289,400 related to vesting of 5,990,000 options issued.

8. SHARE CAPITAL (continued)

Stock options (continued)

A summary of changes of stock options during the years ended December 31, 2025 and 2024 are as follows:

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Years to Expiry
Balance, December 31, 2023	4,701,666	$ 0.104	2.28
Issued	5,990,000	0.060	-
Forfeited	(575,000)	0.090	-
Balance, December 31, 2024	10,116,666	0.079	2.59
Issued	9,065,000	0.05	-
Forfeited	(2,061,666)	0.12	-
Balance, December 31, 2025	17,120,000	$ 0.059	3.16

Details of stock options outstanding as at December 31, 2025, are as follows:

Outstanding	Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (in years)
2,065,000	2,065,000	$ 0.09	September 1, 2026	0.67
1,385,000	1,385,000	$ 0.05	April 12, 2027	1.28
1,920,000	1,920,000	$ 0.05	July 30, 2027	1.58
2,925,000	2,925,000	$ 0.05	June 19, 2028	2.47
2,685,000	2,685,000	$ 0.075	October 22, 2029	3.81
6,140,000	6,140,000	$ 0.05	December 15, 2030	4.96
17,120,000	17,120,000			

Warrants

A summary of changes of warrants during the years ended December 31, 2025 and 2024 are as follows:

	Unit Warrants		Compensation Options/Warrants	
	Outstanding	Weighted Average Exercise Price	Outstanding	Weighted Average Exercise Price
Balance, December 31, 2023	35,324,582	$ 0.26	1,428,297	$ 0.19
Issued	33,503,400	0.083	1,624,074	0.05
Expired	(5,917,248)	0.27	(116,984)	0.22
Balance, December 31, 2024	62,910,734	0.16	2,935,387	0.11
Issued	69,836,318	0.069	3,640,143	0.04
Expired	(15,721,783)	0.35	(719,136)	0.26
Balance, December 31, 2025	117,025,269	$ 0.08	5,856,394	$ 0.05

8. SHARE CAPITAL (continued)

Warrants (continued)

On April 4, 2025, the Company issued 729,500 compensation options entitling the holder to purchase one additional share at an exercise price of $0.05 until April 4, 2028.

On April 17, 2025, the Company issued 28,000 compensation options entitling the holder to purchase one additional share at an exercise price of $0.05 until April 17, 2028.

On May 14, 2025, the Company issued 240,000 compensation options entitling the holder to purchase one additional share at an exercise price of $0.05 until May 14, 2028.

On August 1, 2025, the Company issued 1,238,140 compensation units entitling the holder to purchase one additional unit at an exercise price of $0.035 until August 1, 2028.

On August 14, 2025, the Company issued 35,000 compensation units entitling the holder to purchase one additional unit at an exercise price of $0.035 until August 14, 2028.

On November 26, 2025, the Company issued 1,125,003 compensation units entitling the holder to purchase one additional unit at an exercise price of $0.05 until November 26, 2030.

On December 12, 2025, the Company issued 139,500 compensation units entitling the holder to purchase one additional unit at an exercise price of $0.05 until December 12, 2030.

On December 30, 2025, the Company issued 105,000 compensation units entitling the holder to purchase one additional unit at an exercise price of $0.05 until December 30, 2030.

Details of Unit Warrants outstanding as at December 31, 2025, are as follows:

Outstanding and Exercisable	Exercise Price ($)	Expiry Date	Remaining contractual life (in years)
8,780,000*	0.075	January 12, 2026	0.03
3,928,333*	0.150	April 12, 2026	0.28
4,552,777	0.150	June 19, 2026	0.47
5,204,441	0.150	August 18, 2026	0.63
11,090,066	0.075	June 20, 2027	1.47
2,973,334	0.075	June 28, 2027	1.49
9,720,000	0.100	October 18, 2027	1.80
940,000	0.100	November 8, 2027	1.85
3,000,000	0.10	January 17, 2028	2.05
17,687,713	0.05	August 1, 2028	2.59
500,000	0.05	August 14, 2028	2.62
15,920,000	0.10	April 4, 2030	4.26
4,650,000	0.10	April 17, 2030	4.30
3,000,000	0.10	May 14, 2030	4.37
18,071,464	0.05	November 26, 2030	4.91
3,992,855	0.05	December 12, 2030	4.95
3,014,286	0.05	December 30, 2030	5.00
117,025,269			

*Expired subsequently

8. SHARE CAPITAL (continued)

Warrants (continued)

Details of Compensation Options/Warrants outstanding as at December 31, 2025 are as follows:

Outstanding	Exercisable	Exercise Price ($)	Expiry Date	Remaining contractual life (in years)
32,000*	32,000	0.05	January 12, 2026	0.03
258,177*	258,177	0.09	April 12, 2026	0.28
258,000	258,000	0.09	June 19, 2026	0.47
400,806	400,806	0.05	June 20, 2026	0.47
76,000	76,000	0.09	August 18, 2026	0.63
41,666	41,666	0.05	June 28, 2027	1.49
817,202	817,202	0.05	October 18, 2027	1.80
332,400	332,400	0.05	November 8, 2027	1.85
729,500	729,500	0.05	April 4, 2028	2.26
28,000	28,000	0.05	April 17, 2028	2.30
240,000	240,000	0.05	May 14, 2028	2.37
1,238,140	1,238,140	0.035	August 1, 2028	2.59
35,000	35,000	0.035	August 14, 2028	2.62
1,125,003	1,125,003	0.05	November 26, 2030	4.91
139,500	139,500	0.05	December 12, 2030	4.95
105,000	105,000	0.05	December 30, 2030	5.00
5,856,394	5,856,394			

*Expired subsequently

9. RESERVES

Share-based payment reserve

The share-based payment reserve records items recognized as share-based payments expense until such time that the share options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire or are forfeited, the corresponding amount previously recorded remains in reserve.

Warrant reserve

The warrant reserve records items recognized as warrants until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount previously recorded remains in reserve.

10. CAPITAL DISCLOSURE

The Company considers its capital structure to include cash and shareholders' equity. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to finance its operations; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

10. CAPITAL DISCLOSURE (continued)

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash and receivables.

The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period.

11. FINANCIAL INSTRUMENTS AND RISKS

Fair Values

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, liquidity risk and price risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk by holding cash. This risk is minimized by holding cash in large Canadian financial institutions. This risk is assessed as low.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by management of its working capital to ensure its expenditures will not exceed available resources. At December 31, 2025, the Company had cash of $209,669 to settle accounts payable and accrued liabilities of $1,031,324 and lease payment due within 12 months of $123,220. The Company intends to raise money through equity financing to meet its financial obligations. ✓

d) Price risk

Price risk is the risk that the risk of a decline in the value of the Company's financial instruments. Although price risk can be mitigated by hedging, the Company currently doesn't apply any hedging techniques as the Company doesn't have securities that are subject to price fluctuation.

12. RELATED PARTY TRANSACTIONS

Related party balances

As at December 31, 2025, there was a commitment to issue shares to a company controlled by Peter Schloo, the CEO of the Company, in the amount of $29,168 (2024 – $Nil). The amount due to related parties are unsecured, non-interest bearing and due on demand. As at December 31, 2025, there were prepaid amounts to a company controlled by Peter Schloo, the CEO of the Company, in the amount of $28,410 (2024 – $26,148) that will be used for future services.

Related party transactions and key management compensation

	December 31, 2025	December 31, 2024
Management fees, director consulting fees, professional fees, and general and administrative	$ 454,200	$ 450,620
Share-based payments	182,130	137,905
	$ 636,330	$ 588,525

During the year ended December 31, 2025, the Company incurred $295,200 (2024 – $191,620) with Great White Capital Ltd. ("GWC"), a company controlled by the CEO for executive and administrative services and rent, and $22,500 (2024 - $Nil) in exploration costs. The Company entered into a service agreement with GWC for an annual compensation of $126,000 effective February 1, 2021; effective August 1, 2023, the annual compensation was amended to $157,500; effective October 1, 2024, the annual compensation was amended to $225,500 ($175,500 in cash and $50,000 in common shares). The Company issued 880,000 common shares, fair valued at $35,200 (2024 - $130,000) as a bonus to GWC and issued 1,166,640 common shares, fair valued at $30,382 (2024 – $10,417) for partial settlement of the commitment to issue shares.

During the year ended December 31, 2025, the Company incurred $12,000 (2024 – $12,000) with Rachel Chae, CFO, for professional services rendered.

During the year ended December 31, 2025, the Company incurred $115,000 (2024 – $117,000) with directors of the Company, of which $115,000 was paid by issuing 4,000,000 (2024 – 1,800,000) common shares.

13. SEGMENTED INFORMATION

The Company currently operates in a single reportable operating segment, the acquisition, exploration and development of mineral properties. All of the Company's assets and expenditures are located in Canada.

14. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

		Year Ended December 31, 2025		Year Ended December 31, 2024
Net loss before tax	$	(4,156,365)	$	(3,014,428)
Statutory tax rate		27%		27%
Expected income tax recovery	$	(1,122,000)	$	(814,000)
Permanent differences		36,000		88,000
True up		42,000		32,000
Change in unrecognized tax benefits		1,044,000		694,000
Income tax recovery	$	-	$	-

The Company recognized deferred tax assets on losses or other deductible amounts where it is probable that sufficient future taxable profits will be available to realize such assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	December 31, 2025	Expiry	December 31, 2024	Expiry
Non-capital loss carry-forwards	$ 6,485,000	2039-2045	$ 4,902,000	2039-2044
Undeducted resource pool	2,978,000	None	2,130,000	None
Share issuance costs	19,000	2026-2029	59,000	2025-2028
Unrecognized deductible temporary differences and tax losses	$ 9,482,000		$ 7,091,000	

The following is the analysis of recognized deferred tax assets and liabilities:

		Year Ended December 31, 2025		Year Ended December 31, 2024
ROU assets	$	(96,000)	$	(59,000)
Share issue costs		96,000		59,000
Net deferred tax assets (liabilities)	$	-	$	-

15. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2025, the Company:

i) issued 3,854,625 common shares at a value of $87,500 as part of the acquisition payments for the Melba project.

ii) entered into an asset purchase agreement to acquire 100% interest in certain unpatented claims from DH Exploration Inc.

To earn its 75% interest in the property, the Company is required to pay $30,000 in cash over a 5-month period payable in equal $5,000 instalment per month, with the first instalment payable within two (2) Business Days of the date of agreement ($10,000 paid subsequently).

The Company is also required to issue 1,500,000 common shares within two (2) Business Days of the date of Exchange Approval (issued subsequently).

iii) Complete the following private placements as follows:

- Issued 8,000,000 NFTU at $0.04 for gross proceeds of $320,000. Each unit comprises one share and one warrant exercisable at $0.05 per share for 60 months. The Company also issued 8,625,000 FT shares at $0.04 for gross proceeds of $345,000. The Company paid cash finders' fees of $21,600 and issued 525,000 compensation unit warrants.
- Issued 4,125,000 NFTU at $0.04 for gross proceeds of $165,000. Each unit comprises one share and one warrant exercisable at $0.05 per share for 60 months. The Company also issued 4,375,000 FT shares at $0.04 for gross proceeds of $175,000. The Company paid cash finders' fees of $18,900 and issued 472,500 compensation unit warrants.

Compensation unit entitle the holder to acquire one share and one warrant at an exercise price of $0.04 for 60 months. The underlying warrants are exercisable at $0.05 per share for 60 months.