Unaudited Condensed Interim Consolidated Financial Statements of

FORTUNE BAY CORP.

March 31, 2026

(Expressed in Canadian Dollars)

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

The accompanying unaudited condensed interim consolidated financial statements of 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 standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

FORTUNE BAY CORP.
Unaudited Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian dollars	**March 31, 2026**	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	**$ 5,323,162**	$ 7,900,489
Restricted cash (Note 6)	**503,410**	10,751
Investments (Note 4)	**169,000**	125,667
Accounts receivable (Note 3)	**244,124**	215,485
Prepaid expenses	**161,065**	69,882
	6,400,761	8,322,274
Reclamation deposit	**42,119**	42,119
Property and equipment (Note 5)	**188,444**	162,820
Investments (Note 4)	**262,255**	251,541
Exploration and evaluation assets (Note 6)	**26,848,120**	24,890,359
Total assets	**$ 33,741,699**	$ 33,669,113
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	**$ 1,306,697**	$ 710,788
Flow-through premium liability (Note 11)	**-**	447,962
	1,306,697	1,158,750
Deferred income tax liability (Note 11)	**1,662,919**	964,195
	2,969,616	2,122,945
Equity		
Shareholders' equity	**30,772,083**	31,546,168
Total liabilities and equity	**$ 33,741,699**	$ 33,669,113

Nature of operations and going concern (Note 1)
Commitments and contingencies (Note 16)
Subsequent events (Note 17)

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

Approved on behalf of the Board of Directors on May 28, 2026

"Wade Dawe"
Director

"Melinda Lee"
Director

FORTUNE BAY CORP.
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian dollars

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
Operating expenses		
Salaries and benefits	**$ 127,897**	$ 85,967
Share-based compensation	**220,866**	34,312
Marketing and investor relations	**397,679**	12,778
Professional fees	**42,985**	36,753
Office, travel and general	**38,433**	24,052
Securities and regulatory	**27,550**	24,360
Finance fees and interest	**-**	38,758
Foreign exchange loss	**3,374**	1,509
Depreciation of property and equipment	**673**	491
	(859,457)	(258,980)
Other income (expenses)		
Other income (Note 10)	**-**	39,622
Interest income	**31,119**	-
Unrealized gain (loss) on investments (Note 4)	**54,047**	(26,667)
Net loss before income tax	**(774,291)**	(246,025)
Deferred income tax expense (Note 11)	**(250,762)**	(132,027)
Net loss and comprehensive loss for the period	**$ (1,025,053)**	$ (378,052)
Loss per share – basic and diluted	**$ 0.02**	$ 0.01
Weighted-average number of common shares outstanding	**68,076,685**	48,684,522

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

FORTUNE BAY CORP.
Unaudited Condensed Interim Consolidated Statements of Changes in Equity

Expressed in Canadian dollars	Number of Common Shares	Common Shares	Warrants	Contributed Surplus	Retained Earnings (Deficit)	Total Shareholders' Equity
		$	$	$	$	$
Balance, January 1, 2025	**48,684,522**	**15,368,004**	**298,243**	**3,707,773**	**2,588,113**	**21,962,133**
Net loss and comprehensive loss for the period	-	-	-	-	(378,052)	(378,052)
Share-based compensation	-	-	-	40,071	-	40,071
Balance, March 31, 2025	**48,684,522**	**15,368,004**	**298,243**	**3,747,844**	**2,210,061**	**21,624,152**
Balance, January 1, 2026	**68,076,685**	**25,037,032**	**912,893**	**4,175,339**	**1,420,904**	**31,546,168**
Net loss and comprehensive loss for the period	-	-	-	-	(1,025,053)	(1,025,053)
Share-based compensation	-	-	-	250,968	-	250,968
Balance, March 31, 2026	**68,076,685**	**25,037,032**	**912,893**	**4,426,307**	**395,851**	**30,772,083**

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

FORTUNE BAY CORP.
Unaudited Condensed Interim Consolidated Statements of Changes in Cash Flows

Expressed in Canadian dollars	**Three-month period ended March 31, 2026**	Three-month period ended March 31, 2025
Operating activities		
Net loss for the period	**$ (1,025,053)**	$ (378,052)
Charges to loss not involving cash:		
Depreciation of property and equipment	**673**	491
Share-based compensation	**220,866**	34,312
Deferred income tax expense (Note 11)	**250,762**	132,027
Unrealized loss (gain) on investments (Note 4)	**(54,047)**	26,667
Finance fees	**-**	21,757
Net change in non-cash working capital related to operations (Note 12)	**(195,873)**	(10,043)
Net cash used in operating activities	**(802,672)**	(172,841)
Investing activities		
Net additions to exploration and evaluation assets	**(1,742,425)**	(146,000)
Purchases of property and equipment	**(32,230)**	(1,594)
Net cash used in investing activities	**(1,774,655)**	(147,594)
Net change in cash during the period	**(2,577,327)**	(320,435)
Cash, beginning of period	**7,900,489**	456,661
Cash, end of period	**$ 5,323,162**	$ 136,226

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of operations

Fortune Bay Corp. was incorporated on February 4, 2016 as 9617337 Canada Limited under the laws of the Canada Business Corporations Act as part of a plan of arrangement with kneat.com, inc. which was completed on June 27, 2016. The Company commenced trading on the TSX Venture Exchange on July 4, 2016 under the symbol FOR. These consolidated financial statements are of Fortune Bay Corp. and its subsidiaries, as included in note 2, and are collectively referred to as the "Company" or "Fortune Bay".

The Company's principal activity is the acquisition, exploration and development of mineral interests. To date, the Company has not generated any revenues from operations and is considered to be in the exploration stage. The Company is incorporated and domiciled in Canada, and its head office is located at 1969 Upper Water Street, Suite 2001, Halifax, Nova Scotia.

The Company is in the process of exploring and evaluating its mineral properties in Canada and Mexico. The recoverability of amounts spent for the acquisition, exploration and development of the mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from disposition of the properties. The operations of the Company will require various licenses and permits from various governmental authorities, which are or may be granted subject to various conditions and may be subject to renewal from time to time. There can be no assurance that the Company will be able to comply with such conditions and obtain or retain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects. Failure to comply with these conditions may render the licenses liable to forfeiture.

Going concern

These unaudited condensed interim consolidated financial statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the three-month period ended March 31, 2026, the Company incurred a loss before income taxes of $774,291 (year ended December 31, 2025 - $1,308,656) and had a working capital surplus of $5,094,064 (December 31, 2025 - $7,163,524).

The Company has no operating income or cash inflows from operations. In addition to its working capital requirements, the Company must secure sufficient funding for existing commitments, maintain legal title to its resource properties, and execute its planned 2026 exploration and development program, which is expected to involve a significantly higher level of expenditures as compared to prior periods. The Company must also fund its general and administrative costs associated with an expanded level of activity. Such circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

During the year ended December 31, 2025, the Company completed equity financings for aggregate gross proceeds of $11.0 million. These financings have significantly strengthened the Company's working capital position however, the scope, timing and magnitude of the Company's development plans as well as the capital needed to fund all aspects of the Company's operations and existing commitments will require additional capital. Accordingly, management is evaluating alternatives to secure additional financing so that the Company can continue to operate as a going concern. Nevertheless, there can be no assurance that these initiatives will be successful or sufficient.

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements and eventually to generate positive cash flows, either from operations or sale of its properties. These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these unaudited condensed interim consolidated financial statements, except as discussed below.

a) Basis of presentation and statement of compliance

The unaudited condensed interim consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the CPA Canada Handbook – Accounting ("CPA Handbook") which incorporates International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"), as issued by the IASB. Accordingly, certain information normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, has been omitted or condensed. The unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2025.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS as of May 28, 2026, the date the Board of Directors approved the financial statements. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ended December 31, 2026 could result in the restatement of these unaudited condensed interim consolidated financial statements.

These unaudited condensed interim consolidated financial statements are presented in Canadian dollars and have been prepared on the historical cost convention except for certain financial instruments, which are measured at fair value. The unaudited condensed interim consolidated financial statements include the assets, liabilities and results of operations of the Company, including the following subsidiaries:

Subsidiary	Principal Activity	Country of Incorporation
Brigus Gold ULC	Administrative services	Canada
7153945 Canada Inc.	Exploration	Canada
Linear Gold Holdings Corp.	Holding company	Canada
Linear Gold Mexico, S.A. de C.V.	Exploration	Mexico
Linear Gold Mineraçao Ltda.	Exploration	Brazil
Servicios Ixhuatán, S.A. de C.V.	Exploration	Mexico
13096114 Canada Limited	Holding company	Canada
Range Minerals LLC	Property investigation	United States

The financial results of the subsidiaries above, which are controlled by Fortune Bay, are included in the unaudited condensed interim consolidated financial statements from the date that control commences until the date whereby control ceases. Control exists when an investor has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns. All subsidiaries have the same year end. All intercompany balances, revenue and expense transactions are eliminated upon consolidation.

These unaudited condensed interim consolidated financial statements have been prepared using the same policies and methods of computation as the annual consolidated financial statements of the Company for the year ended December 31, 2025. Refer to Note 2, *Material Accounting Policies*, of the Company's annual consolidated financial statements for the year ended December 31, 2025 for information on the accounting policies.

3. ACCOUNTS RECEIVABLE

	March 31, 2026	December 31, 2025
Sales tax	$ 142,622	$ 97,841
Trade amounts receivable	101,502	117,644
	$ 244,124	$ 215,485

4. INVESTMENTS

During the year ended December 31, 2025, the Company received 166,667 common shares of Manhattan Uranium Discovery Corp (formerly Aero Energy Limited) ("Manhattan Uranium") pursuant to the Option Agreement (note 6), for total holdings of 433,333 common shares of Manhattan Uranium as at December 31, 2025 and March 31, 2026. Manhattan Uranium is a TSX Venture Exchange listed entity and therefore the common shares held by the Company are recorded at their fair value by reference to the quoted price in the active market (classified as level 1 in the fair value hierarchy). During the three-month period ended March 31, 2026, the Company recorded a net unrealized gain of $43,333 on the Manhattan Uranium investment (year ended December 31, 2025 – loss of $25,999).

During the year ended December 31, 2025, the Company received 1,833,333 common shares of Neu Horizon Uranium Limited ("Neu Horizon") pursuant to the Neu Horizon Option Agreement (note 6). Neu Horizon is an unlisted entity, therefore the common shares held by the Company are classified as level 3 in the fair value hierarchy. No common shares of Neu Horizon were received during the period ended March 31, 2026.

At the end of each reporting period, the Company updates its assessment of the fair value for these unlisted shares. The best evidence of fair value is current prices in an active market for similar entities. The unobservable input used in the fair value measurement of these unlisted Neu Horizon common shares is the A$0.15 share price that the Company used as at December 31, 2025. The price per share is comparable to other listed junior uranium exploration companies. A reasonable change of 10% in the price per share would result in a fair value adjustment of $26,226. During the three-month period ended March 31, 2026, the Company recorded a net unrealized gain of $10,714 on the investment (year ended December 31, 2025 - gain of $23,141).

5. PROPERTY AND EQUIPMENT

Cost	Land and building	Computer and office equipment	Field equipment	Total
As at January 1, 2025	$117,839	$64,457	$206,345	$388,641
Additions	-	7,125	10,095	17,220
Disposal	-	(14,203)	-	(14,203)
As at December 31, 2025	117,839	57,379	216,440	391,658
Additions	-	-	32,230	32,230
As at March 31, 2026	$117,839	$57,379	$248,670	$423,888

Accumulated depreciation	Land and building	Computer and office equipment	Field equipment	Total
As at January 1, 2025	$10,772	$57,814	$148,033	$216,619
Disposal	-	(12,342)	-	(12,342)
Depreciation	3,593	2,818	18,150	24,561
As at December 31, 2025	14,365	48,290	166,183	228,838
Depreciation	851	673	5,082	6,606
As at March 31, 2026	$15,216	$48,963	$171,265	$235,444

Carrying amount	Land and building	Computer and office equipment	Field equipment	Total
Balance, December 31, 2025	$103,474	$9,089	$50,257	$162,820
Balance, March 31, 2026	$102,623	$8,416	$77,405	$188,444

6. EXPLORATION AND EVALUATION ASSETS

	Goldfields	Strike	Murmac	Woods	Poma Rosa	Total
As at January 1, 2025	$16,369,832	$1,373,093	$1,789,515	$ 50,757	$3,655,058	$23,238,255
Additions	1,597,281	19,761	125,031	41,025	371,396	2,154,494
Operator fee	-	-	(102,275)	(48,356)	-	(150,631)
Share recoveries received	-	(11,666)	(46,667)	(228,400)	-	(286,733)
Cash payment received	-	(50,000)	(200,000)	(43,370)	-	(293,370
Reclassification of recoveries	-	-	-	228,344	-	228,344
As at December 31, 2025	$17,967,113	$1,331,188	$1,565,604	$ -	$4,026,454	$24,890,359
Additions	1,820,688	12,936	15,682	-	118,488	1,967,794
Operator fees	-	-	(10,033)	-	-	(10,033)
As at March 31, 2026	$19,787,801	$1,344,124	$1,571,253	$ -	$4,144,942	$26,848,120

Goldfields

As at March 31, 2026 and December 31, 2025, the Company held a 100% interest in the Goldfields property located near Uranium City, Saskatchewan, which includes the Box Deposit, the Athona Deposit and several exploration targets. The Goldfields project is subject to a 2.0% NSR for the Box and Athona deposits. The Box area is also subject to a 1.5% NSR on all production beneath 50 metres below the mean sea level on the original mining claims. This does not apply to the current Box mine plan since it is above the minus 50 metres below sea level elevations.

Strike

As at March 31, 2026 and December 31, 2025, the Strike Project was 100% owned by the Company and is located west of the Goldfields property.

Murmac

As at March 31, 2026 and December 31, 2025, the Murmac Project was 100% owned by the Company and is located in northern Saskatchewan.

Option Agreement on Strike and Murmac

The Company entered into a definitive option agreement (the "Option Agreement") on December 15, 2023 with 1443904 B.C. Ltd. On February 8, 2024, Aero Energy Limited completed the acquisition of 1443904 B.C. Ltd., an arm's-length private company (the "Optionee"). On May 7, 2026, Aero Energy Limited completed a business combination and continued under the name Manhattan Uranium Discovery Corp.

Pursuant to the Option Agreement, the Optionee will be granted the right to acquire up to a 70% interest in the Company's Murmac and Strike Uranium Projects (the "Projects") over a three-and-a-half year period by funding $6.0 million in exploration expenditures, making cash payments totaling $1.35 million, and issuing 1,433,333 common shares (based on the original share value as per the Option Agreement). The Company will act as the operator during the option period and will be entitled to charge a management fee of 10% of the expenditures incurred on the Projects.

During the three-month period ended March 31, 2026, the Company charged an operator fee of $10,033. During the year ended December 31, 2025, the Company received cash consideration of $250,000 and share consideration valued at $58,333 and charged an operator fee of $102,275. The operator fees, cash consideration and share consideration received have been recorded as recoveries against exploration expenditures.

During the period ended March 31, 2026, the Company received a $500,000 advance from Manhattan Uranium for exploration expenditures on the Projects (year ended December 31, 2025 - $920,000) and incurred expenditures of $104,006, of which $97,379 is included in accounts payable as at March 31, 2026 (year ended December 31, 2025 - $941,395, of which $714 was included in accounts payable as at December 31, 2025). The balance of restricted cash associated with the Option Agreement at March 31, 2026 is $503,410 (December 31, 2025 - $10,751).

A participating Joint Venture ("JV") may be formed at the end of the option period, consistent with customary JV Terms, as defined in the Option Agreement, with mutual intent to negotiate and execute a definitive JV agreement. If completed, the JV would allow for dilution and, should the Company's interest fall below 10%, the Company will be granted (i) a 1% net smelter returns ("NSR") royalty on the Murmac Project, and (ii) a 2% NSR royalty on the Strike Project. One-half (0.5%) percent of the 1% NSR on the Murmac Project may be repurchased at any time prior to commercial production for a cash payment of $1.5 million.

Woods

As at March 31, 2026 and December 31, 2025, the Woods Uranium Project was 100% owned by the Company.

Option Agreement on Woods

The Company entered into a definitive option agreement (the "Neu Horizon Option Agreement") on July 25, 2025 with Neu Horizon, an unlisted Australian arm's-length party. Pursuant to the Neu Horizon Option Agreement, Neu Horizon will be granted the option to acquire an 80% interest in the Woods Uranium Project over a 1.5 year period by funding (in Australian dollars) A$3.0 million in exploration expenditures by December 31, 2026, making cash payments totaling A$50,000, and issuing 1,200,000 common shares (based on the original share value as per the Neu Horizon Option Agreement) in common shares. The Company will act as the operator during the option period and will be entitled to charge a management fee of 10% of the expenditures incurred on the Woods Uranium Project.

Upon signing of the Neu Horizon Option Agreement during the year ended December 31, 2025, Neu Horizon funded a cash payment to the Company (in Australian dollars) of A$50,000 (C$43,370) and issued 500,000 consideration shares of Neu Horizon with a value of A$50,000 (C$44,960). During the remainder of the year ended December 31, 2025, the Company received further 1,333,333 consideration shares of Neu Horizon valued at A$200,000 (C$183,440) and charged an operator fee of $48,356. These amounts were recorded as recoveries against exploration expenditures incurred on the Woods Project to December 31, 2025, with the excess of $228,344 recorded on the consolidated statement of loss and comprehensive loss for the year ended December 31, 2025. The remaining share issuance of A$500,000 in consideration shares of Neu Horizon is due on or before December 31, 2026.

During the year ended December 31, 2025, the Company received $550,000 from Neu Horizon for exploration expenditures on the Woods Uranium Project and incurred expenditures of $550,000. The balance of restricted cash associated with the Neu Horizon Option Agreement at December 31, 2025 is $nil. No funds were received from Neu Horizon during the three-month period ended March 31, 2026 and no expenditures were incurred pursuant to the Neu Horizon Option Agreement during the period.

A participating JV may be formed at the end of the option period, consistent with customary JV Terms. If completed, the JV would allow for dilution and, should the Company's interest fall below 10%, the Company will be granted a 2% NSR royalty on the Woods Uranium Project. One-half (1.0%) percent of the 2% NSR may be purchased at any time prior to commercial production for a cash payment of A$5.0 million, subject to Consumer Price Index increases.

Poma Rosa

As at March 31, 2026 and December 31, 2025, the Company has a 100% interest in the Poma Rosa Project, which is located in the state of Chiapas, Mexico.

Other

The Company has a 2% NSR over future production from the Huizopa Project, located in Chihuahua, Mexico. The Company also has the right to a production bonus of US$4.0 million payable over two years from the date commercial production commences at Huizopa, as well as the right to 20% of the proceeds of disposal of Huizopa if it is disposed of prior to reaching commercial production. All consideration is contingent on the future development of the property. The Company considers the fair value of this consideration to be $nil.

The Company also holds a NSR on exploration properties in the Dominican Republic: the Ampliación Pueblo Viejo, Ponton and La Cueva properties. These properties were sold by the Company to an unrelated third party in 2014. The NSR is equal to 1.0% when the price of gold is less than US$1,000 per ounce, 1.5% when the price of gold is between US$1,000 and USD$1,400 per ounce, and 2% when the price of gold is above US$1,400 per ounce. The Company has assigned a value of $nil to the NSR.

In connection with the sale of these properties in the Dominican Republic, the Company also received a promissory note equal to the greater of $5.0 million or 1 million common shares of the purchaser. The promissory note is subject to the completion of a National Instrument ("NI") 43-101 compliant measured and indicated resource estimate on these concessions of a minimum of one million ounces of gold equivalent (at an average grade of 2.5 grams per tonne ("gpt") or higher for Ampliación Pueblo Viejo and 1.5 gpt or higher for Ponton and La Cueva) or actual gold production from these concessions plus a NI 43-101 compliant measured and indicated resource estimate on these concessions (at an average grade of 2.5 gpt gold equivalent for APV and 1.5 gpt gold equivalent or higher for Ponton and La Cueva) exceeding one million ounces of gold equivalent. The Company has assigned a value of $nil to the promissory note.

Property Investigation Costs

Certain costs related to property investigation are expensed as incurred when the Company does not yet have the right to explore the related property. These costs are included in the consolidated statements of loss and comprehensive loss as property investigation costs.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2026	December 31, 2025
Trade accounts payable and accrued liabilities	$ 1,216,322	$ 609,508
Amounts payable to related parties, including director fees	90,375	101,280
	$ 1,306,697	$ 710,788

8. LOAN PAYABLE

During the year ended December 31, 2025, the Company had a loan agreement with a company that is jointly controlled by a director and officer of the Company. The loan was for up to $700,000, had an annual interest rate of 12% on the drawn balance of the loan and a 4% lender fee which was deducted as amounts were drawn from the loan. The loan was payable on demand and had a term ending in July 2025. The Company repaid the loan in full during the year ended December 31, 2025. Prior to the loan repayment, the Company incurred a renewal fee of $21,757 and interest of $23,022 on the loan.

9. SHARE CAPITAL

a) Common Shares

Authorized share capital of the Company consists of an unlimited number of fully paid common shares without par value.

	Number of shares	Amount
Outstanding, January 1, 2025	48,684,522	$ 15,368,004
Shares issued pursuant to private placement unit financing	9,375,000	2,400,000
Shares issued pursuant to bought deal financing	6,000,000	6,000,000
Flow-through shares issued pursuant to bought deal financing	1,438,900	2,000,071
Less: Flow-through share premium	-	(633,116)
Less: Share issuance costs	-	(1,026,037)
Shares issued upon exercise of warrants	2,578,263	928,110
Outstanding, December 31, 2025 and March 31, 2026	68,076,685	$ 25,037,032

- Bought deal private placement financing – October 30, 2025

On October 30, 2025, the Company completed a bought deal private placement for aggregate gross proceeds of $8,000,071 (the "Offering"). Pursuant to the Offering, the Company issued 1,438,900 flow-through common shares at a price of $1.39 per flow-through share and 6,000,000 non flow-through common shares at a price of $1.00 per share. Cormark Securities Inc. acted as lead underwriter and sole bookrunner, on behalf of a syndicate of underwriters including Canaccord Genuity Corp. (the "Underwriters"). As a result of the issuance of flow-through shares as part of this financing, the Company also recorded a flow-through share premium liability of $633,116.

In connection with the Offering, the Company paid to the Underwriters an aggregate cash commission of $477,004, or 6% of the gross proceeds raised, with the exception of gross proceeds raised from the sale of non flow-through shares sold to purchasers on a president's list. The Company also issued to the Underwriters a total of 443,334 broker warrants, including 66,125 broker warrants issued to Numus Capital Corp. ("Numus Capital"), a company that a director and officer of the Company has ownership interest in. Each broker warrant entitles the holder to purchase one common share of the Company at a price of $1.00 per share for a period of two years from closing. The value of the broker warrants is $203,934. Total costs associated with the bought deal private placement, including the cash commission, broker warrants, professional, and regulatory fees, were $978,096.

- Unit financing – April 23, 2025

On April 23, 2025, the Company completed a private placement financing for aggregate gross proceeds of $3,000,000. The Company issued 9,375,000 units at an issue price of $0.32 per unit, with each unit comprised of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $0.45 per share for the first year from the date of issuance and $0.55 per share for the second year from the date of issuance. The value allocated to the common shares issued through the unit financing was $2,400,000, and the value allocated to the common share purchase warrants was $600,000. Directors, officers and other non-arm's length parties of the Company subscribed for 1,531,250 units under the financing.

Numus Capital acted as a finder for a portion the private placement. Finder's fees of $17,500 were paid in cash and a total of 54,688 non-transferable finder's warrants were issued, having an exercise price of $0.45 per share for the first year from the date of issuance and $0.55 per share for the second year from the date of issue. Each finder's warrant entitles the finder to purchase one common share at the applicable exercise price for two years from the date of issue. The value of the finder's warrants is $14,219. Total costs associated with the private placement, including the finder's fees, finder's warrants, professional fees, and regulatory fees, were $59,926. The Company allocated $47,941 to the costs of issuing the common shares and $11,985 to the costs of issuing the warrants.

- Warrant exercise

During the year ended December 31, 2025, 2,578,263 warrants with an exercise price of $0.30 and a value of $154,631 were exercised for gross proceeds of $773,479. 1,113,044 of the warrants were exercised by related parties of the Company.

b) Warrants

	Number of warrants	Amount
Outstanding, January 1, 2025	4,563,639	$ 298,243
Warrants issued pursuant to private placement	4,687,500	600,000
Finder's warrants issued	498,022	218,153
Warrants exercised	(2,578,263)	(154,631)
Warrants expired	(621,740)	(36,887)
Less: Warrant issue costs	-	(11,985)
Outstanding, December 31, 2025 and March 31, 2026	6,549,158	$ 912,893

The Company issued 4,687,500 warrants pursuant to the private placement completed on April 23, 2025 that are exercisable at $0.45 for the first year and $0.55 for the second year from the issue date, expiring on April 23, 2027. In addition, the Company issued 498,022 finder's warrants during the year ended December 31, 2025. 54,688 finder's warrants with a value of $14,219 are exercisable at $0.45 for the first year and $0.55 for the second year, expiring on April 23, 2027. 443,334 finder's warrants with a value of $203,934 are exercisable at $1.00 and expire on October 30, 2027. No warrants were issued during the three-month period ended March 31, 2026.

During the year ended December 31, 2025, 2,578,263 warrants with an exercise price of $0.30 and a value of $154,631 were exercised for gross proceeds of $773,479, including 1,113,044 that were exercised by related parties of the Company. In addition, 621,740 warrants with an exercise price of $0.30 and a value of $36,887 expired unexercised during the year ended December 31, 2025.

The fair value of the warrants issued has been estimated at the grant date using the Black-Scholes option pricing model. The weighted-average assumptions used in the pricing model for the year ended December 31, 2025 are as follows:

	December 31, 2025
Risk-free interest rate	2.61%
Expected life	2.0 years
Expected volatility	92%
Expected dividend per share	$nil
Weighted-average fair value per warrant	$0.28

As at March 31, 2026, the Company had the following warrants outstanding:

Number of warrants	Exercise price	Expiry date
1,363,636	$0.30	August 2, 2026
4,742,188	$0.45/$0.55	April 23, 2027
443,334	$1.00	October 30, 2027
6,549,158		

Subsequent to the three-month period ended March 31, 2026, 1,587,500 warrants with an exercise price of $0.45 were exercised for gross proceeds of $714,375.

c) Share-Based Compensation

The Company has adopted a share-based compensation plan, providing the Board of Directors with the discretion to issue an equivalent number of stock options of up to 10% of the issued and outstanding share capital of the Company. Stock options are granted with an exercise price of not less than the closing share price the date preceding the date of grant.

The estimated fair value of options recognized has been estimated at the grant date using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. For options that vest based on non-market performance criteria, an estimate is made on the grant date and each reporting date as to the number of options that are expected to vest based on performance criteria being satisfied. Changes in the estimates can materially affect the share-based compensation expense recognized in the consolidated statement of loss and comprehensive loss.

The following table reconciles the stock option activity during the three-month period ended March 31, 2026 and the year ended December 31, 2025:

	Number of options	Weighted-average exercise price
Balance, January 1, 2025	3,835,000	$ 0.50
Granted	2,660,000	0.79
Forfeited/Expired	(520,000)	0.80
Balance, December 31, 2025	5,975,000	$ 0.60
Granted	175,000	0.90
Expired	(305,000)	1.10
Balance, March 31, 2026	5,845,000	$ 0.59

During the three-month period ended March 31, 2026, the Company granted 175,000 stock options that are exercisable at $0.90 per share, vest at a rate of 25% every three months and expire one year from the date of grant.

The Company granted 2,660,000 stock options to directors, officers, contractors, and employees during the year ended December 31, 2025. 1,020,000 of the options are exercisable at $0.53 per share, vest over three years and expire on May 28, 2030. 1,490,000 options granted are exercisable at $1.00 per share, vest over three years and expire on December 4, 2030. A further 150,000 stock options granted are exercisable at $0.53 per share, have vested during the year ended December 31, 2025 and expire on November 30, 2026.

During the three-month period ended March 31, 2026, 305,000 stock options with an exercise price of $1.10 expired unexercised (year ended December 31, 2025 - 520,000 stock options with a weighted-average exercise price of $0.80 expired unexercised).

During the year ended December 31, 2025, 485,000 options held by the former CFO vested immediately and expire on November 30, 2026 as per the terms of the former CFO's agreement. The options have a weighted-average exercise price of $0.44 per share.

Subsequent to the three-month period ended March 31, 2026, 235,000 stock options were exercised at a weighted-average exercise price of $0.27 per share.

The fair value of the stock options granted during the period ended March 31, 2026 and the year ended December 31, 2025 has been estimated at the grant date using the Black-Scholes option pricing model. The weighted-average assumptions used in the pricing model are as follows:

	March 31, 2026	December 31, 2025
Risk-free interest rate	2.52%	2.52%
Expected life	1.0 year	4.5 years
Expected volatility	97%	89%
Expected dividend per share	$nil	$nil
Weighted-average fair value	$0.36	$0.46

The following table summarizes information relating to outstanding and exercisable stock options as at March 31, 2026:

Expiry date	Weighted-average remaining contractual life (in years)	Number of options outstanding	Number of options exercisable	Weighted-average exercise price
November 30, 2026	0.6	485,000	485,000	$ 0.44
December 17, 2026	0.7	720,000	720,000	$ 0.70
February 4, 2027	0.9	175,000	-	$ 0.90
January 25, 2028	1.8	860,000	860,000	$ 0.33
January 25, 2029	2.8	1,095,000	730,000	$ 0.23
May 28, 2030	4.2	1,020,000	-	$ 0.53
December 4, 2030	4.7	1,490,000	-	$ 1.00
		5,845,000	2,795,000	

For the three-month period ended March 31, 2026, the estimated value of stock options earned was $207,228 (2025 - $27,144). $30,102 was capitalized to resource properties (2025 - $5,759), and $177,126 was recorded in the unaudited interim consolidated statement of loss and comprehensive loss (2025 - $21,385). As at March 31, 2026, 962,669 stock options were available for granting under the Plan.

d) Deferred Share Units

As at March 31, 2026 and December 31, 2025, the maximum number of common shares which the Company is entitled to issue from treasury in connection with the redemption of deferred share units ("DSU") granted under the DSU plan is 2,000,000 common shares. As at March 31, 2026, 280,558 remain available for granting under the terms of the DSU plan (December 31, 2025 – 280,558).

DSU activity for the period ended March 31, 2026 and the year ended December 31, 2025 is as follows:

	Number of DSUs #
Outstanding – January 1, 2025	1,319,442
Granted during the year ended December 31, 2025	400,000
Outstanding – December 31, 2025 and March 31, 2026	1,719,442

The value of the DSUs granted during the year ended December 31, 2025 to directors, officers and employees was $267,000, which will be expensed over the three-year vesting period of the DSUs. No DSUs were granted during the three-month period ended March 31, 2026. During the three-month period ended March 31, 2026, $43,740 was expensed in the consolidated statements of loss and comprehensive loss (2025 – $12,927). As at March 31, 2026 and December 31, 2025, 1,156,107 DSUs had vested.

10. OTHER INCOME

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
Rental income	$ -	$ 39,622
	$ -	$ 39,622

11. INCOME TAXES

a) Reconciliation of income tax recovery

The provision for income taxes reported differs from the amounts computed by applying the cumulative Canadian federal and provincial income tax rates to the net loss before tax provision due to the following:

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
Loss before income taxes	$ (774,291)	$ (246,025)
Statutory rate	29%	29%
Tax recovery at statutory rate	(224,544)	(71,347)
Pro-rata reduction of flow-through premium	(447,962)	-
Losses and deductible temporary differences not recognized in current and prior years	923,698	195,785
Other	(430)	7,589
Provision for income taxes at effective rate	$ 250,762	$ 132,027

b) Deferred income taxes

The tax effects of temporary differences that would give rise to the deferred tax assets and liabilities at March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026	December 31, 2025
Deferred tax assets		
Net operating losses carried forward	$ 424,048	$ 503,256
Deferred tax liabilities		
Exploration and development	2,086,967	1,467,451
Net deferred tax liability	$ 1,662,919	$ 964,195

At March 31, 2026, the Company recognized a net deferred tax liability of $1,662,919 (December 31, 2025 - $964,195) related to the difference between the book value and the tax value of the Company's exploration and evaluation assets in Mexico and Saskatchewan, Canada.

c) Flow-through share premium liability

	March 31, 2026	December 31, 2025
Opening balance	$ 447,962	$ -
Flow-through shares premium liability recorded on the issuance of flow-through shares (note 9)	-	633,116
Pro-rata reduction of flow-through premium liability	(447,962)	(185,154)
	$ -	$ 447,962

As at March 31, 2026, the Company has incurred all required flow-through expenditures pursuant to the flow-through financing completed during the year ended December 31, 2025 (note 9).

12. SUPPLEMENTAL CASH FLOW INFORMATION

Net changes in non-cash operating working capital items are as follows:

	Three-month period ended March 31, 2026	Three-month period ended March 31, 2025
Accounts receivable	$ (31,847)	$ (104,654)
Prepaid expenses and deposits	(91,183)	13,782
Accounts payable and accrued liabilities	(72,843)	80,829
	$ (195,873)	$ (10,043)

Non-cash transactions not reflected in the consolidated statements of cash flows are as follows:

	March 31, 2026	March 31, 2025
Capitalized share-based compensation	$ 30,102	$ 5,759
Capitalized depreciation	$ 5,933	$ 5,205

13. RELATED PARTY TRANSACTIONS

Amounts payable to officers, directors and companies owned thereby were $90,375 as at March 31, 2026 (December 31, 2025 – $101,280). During the three-month period ended March 31, 2026, the Company incurred costs for controller services from a company that a director and officer of the Company has ownership interest in, Numus Financial Inc. ("Numus"), in the amount of $3,000, incurred rent and office costs in the amount of $13,314 and incurred digital marketing costs of $10,515. During the year ended December 31, 2025, the Company incurred costs for controller services from Numus of $12,000, incurred rent and office costs in the amount of $48,398 and incurred digital marketing costs of $51,253. As at March 31, 2026, the net amount payable by the Company to Numus was $90,375 (December 31, 2025 – $51,253).

Other related party transactions incurred in the normal course business during the periods included compensation to Numus Capital for financings, related party securities grants and exercises (Note 9), loan payable (Note 8) and ongoing contracts (Note 16).

14. FAIR VALUE OF FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Capital Management

The primary objective of managing the Company's capital is to ensure that there is sufficient available capital to support the long-term growth strategy of the Company in a way that optimizes the cost of capital and ensures the Company remains in sound financial position. The capital of the Company consists of items included in equity, net of cash, as follows:

	March 31, 2026	December 31, 2025
Equity	$ 30,772,083	$ 31,546,168
Less: cash and cash equivalents	(5,323,162)	(7,900,489)
	$ 25,448,921	$ 23,645,679

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue equity or debt instruments from time to time. No changes were made in the objectives, policies or processes for managing capital during the three-month period ended March 31, 2026.

b) Fair values of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The carrying amounts reported in the statement of financial position for cash and cash equivalents, accounts receivable, excluding sales tax, accounts payable and accrued liabilities, and loans payable approximate fair values based on the immediate or short-term maturities of these financial instruments.

c) Financial Risk Management Objectives

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include market risk, credit risk and liquidity risk. Where material, these risks are reviewed and monitored.

d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk can be further divided into the following sub-classifications related to the Company: currency risk and commodity risk.

Currency risk

The Company is exposed to currency risk on its United States dollar and Mexican peso cash and accounts payable and accrued liabilities, in addition to some of its operating costs. For the period ended March 31, 2026 and the year ended December 31, 2025, changes in the exchange rate between the aforementioned currencies and the Canadian dollar would not have impacted the Company's net loss by a material amount as the balance of funds held, receivable or owing in these currencies was not material. The currency risk is minimal; therefore, the Company does not hedge its currency risk.

Commodity risk

Gold prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and worldwide political and economic conditions. The viability of the Company is directly related to the market price of gold.

e) Credit Risk

Credit risk on financial instruments arises from the potential for counterparties to default on their obligations to the Company.

The Company's maximum exposure to credit risk is represented by the carrying amount of the Company's cash and cash equivalents. Cash and cash equivalents are placed with high-credit quality financial institutions. There are no material financial assets that the Company considers to be past due.

At each reporting date, the Company assesses whether there has been an impairment of financial assets. The Company has not recorded an impairment on any financial assets during the three-month period ended March 31, 2026 or the year ended December 31, 2025.

f) Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company has a planning and budgeting process to monitor operating cash requirements, including amounts projected for capital expenditures, which are adjusted as input variables change. These variables include, but are not limited to, funding requirements of exploration and evaluation assets, general and administrative requirements of the Company and the availability of capital markets. As these variables change, liquidity risks may necessitate the need for the Company to issue equity or obtain debt financing. Refer to Note 1 for further details.

Accounts payables and accrued liabilities are paid in the normal course of business generally according to their terms.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial liabilities:

	Payments due by period as of March 31, 2026				
	Within 1 year	2-3 years	4-5 years	Over 5 years	Total
Accounts payable and accrued liabilities	$ 1,306,697	$ -	$ -	$ -	$ 1,306,697

g) Fair value measurements recognized in the consolidated statements of financial position

The Company has historically held certain financial assets and liabilities that are held at fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (that is, unobservable).

There were no transfers between levels 1, 2 or 3 for recurring fair value measurements during the period ended March 31, 2026 or the year ended December 31, 2025.

15. SEGMENT INFORMATION

The Company has one operating and reportable segment, which is the acquisition, exploration and development of mineral interests. The geographical information regarding the assets is as follows:

	Canada	**Mexico**	**Total**
As at March 31, 2026			
Property and equipment	$ 188,444	-	$ 188,444
Evaluation and exploration assets	22,703,178	4,144,942	26,848,120
	$22,891,622	$ 4,144,942	$27,036,564

	Canada	**Mexico**	**Total**
As at December 31, 2025			
Property and equipment	$ 162,820	$ -	$ 162,820
Evaluation and exploration assets	20,863,905	4,026,454	24,890,359
	$21,026,725	$4,026,454	$25,053,179

16. COMMITMENTS AND CONTINGENCIES

The Company's exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. The Company conducts its operations so as to protect public health and the environment and it believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which it may be required to pay by reason thereof, will have a material effect on the financial conditions or future results of operations of the Company.

As at March 31, 2026 and December 31, 2025, the Company had a services agreement with Numus, a related party, for the provision of controller services, rent and other office costs at a fee of $32,400 per year, continuing until both parties mutually agree to terminate or either party provides at least six months' notice.

As at March 31, 2026 and December 31, 2025, the Company had a services agreement with Numus for the provision of digital marketing services, at a fee of $3,505 per month.

17. SUBSEQUENT EVENTS

Subsequent to the period ended March 31, 2026, 1,587,500 warrants were exercised at an exercise price of $0.45 per share, for gross proceeds of $714,375. In addition, 235,000 stock options were exercised at a weighted average exercise price of $0.27 per share, for gross proceeds to the Company of $63,550.