DOMESTIC METALS

DOMESTIC METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

(Expressed in Canadian dollars)

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Domestic Metals Corp.

Opinion

We have audited the accompanying consolidated financial statements of Domestic Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at December 31, 2025, the Company has an accumulated deficit of $19,771,548 and continues to incur operating losses. As stated in Note 1, these events and conditions indicate that a material uncertainty exists 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Asset ("E&E Asset")

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's E&E Asset was $2,157,199 as of December 31, 2025. As more fully described in Notes 2 and 3 to the consolidated financial statements, management assesses the E&E Asset for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Asset is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Asset, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Asset through discussion and communication with management.
- Assessing compliance with option agreement and expenditures requirements.
- Sending a confirmation request to the optionor to ensure good standing of the underlying option agreement.
- On a test basis, confirming title to ensure claims are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year/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 Carmen Newnham.

Davidson & Company LLP

Chartered Professional Accountants

Vancouver, Canada

April 28, 2026

DOMESTIC METALS CORP. (an exploration stage company)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Audited - Expressed in Canadian Dollars)

As at	**Notes**	**December 31, 2025 ($)**	**December 31, 2024 ($)**
Assets			
Current assets			
Cash		1,155,114	71,834
Receivables		111,339	29,824
Prepaid expenses		476,199	9,515
		1,742,652	**111,173**
Non-current assets			
Right-of-use asset	7	82,365	62,185
Reclamation bonds		7,949	6,928
Exploration and evaluation assets	5	2,157,199	1,063,674
		3,990,165	**1,243,960**
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6	573,339	356,142
Lease liability – current portion	7	65,704	24,444
Advances from related parties	9	26,625	545,569
		665,668	**926,155**
Non-current liabilities			
Lease liability	7	17,097	38,230
		682,765	964,385
Shareholder's Equity			
Share capital	8	21,373,706	16,424,587
Reserves	8	1,705,242	1,291,556
Deficit		(19,771,548)	(17,436,568)
		3,307,400	**279,575**
		3,990,165	**1,243,960**

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved and authorized by the Board of Directors on April 28, 2026.

"Gord Neal"	*"Jon Sherron"*
Gord Neal CEO and, Director	Jon Sherron, Director

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

DOMESTIC METALS CORP. (an exploration stage company)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Audited - Expressed in Canadian Dollars)

	Notes	Year ended December 31	
		2025	**2024**
		($)	**($)**
EXPENSES			
Consulting fees	9	**328,697**	42,018
Amortization	7	**34,014**	6,909
General exploration expenditures		**-**	14,782
Foreign exchange		**877**	9,708
Legal and accounting	9	**599,969**	235,079
Management and directors' fees	9	**396,000**	126,250
Office expenses and salaries		**96,131**	34,533
Share-based payments	8,9	**224,454**	122,922
Shareholder communications		**565,085**	33,194
Travel		**85,802**	9,358
		(2,331,029)	**(634,753)**
OTHER ITEMS			
Accretion and interest expense	7	**(3,951)**	(1,080)
Write off of exploration and evaluation assets	5	**-**	(4,260,584)
Gain on settlement of amounts owing	8,9	**-**	602,226
Write off of accounts payable	9	**-**	378,023
Loss and comprehensive loss		**(2,334,980)**	**(3,916,168)**
Basic and diluted loss per share		**(0.07)**	(0.30)
		(#)	(#)
Weighted-average number of common shares outstanding – basic and diluted		**33,539,165**	12,983,960

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

DOMESTIC METALS CORP. (an exploration stage company)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Audited - Expressed in Canadian Dollars)

	Share Capital		**Reserves**			
	Number of Shares (#)	**Capital Stock ($)**	**Stock Options ($)**	**Warrants ($)**	Deficit ($)	**Total Shareholder's** Equity ($)
Balance, December 31, 2023	**5,302,466**	**15,056,157**	**530,814**	**637,820**	**(13,520,400)**	**2,704,391**
Shares issued for cash	12,200,000	610,000	-	-	-	610,000
Shares issued for settlement of amounts owing	3,011,130	301,113	-	-	-	301,113
Shares issued for mineral property acquisition	8,000,000	560,000	-	-	-	560,000
Share issuance costs – cash	-	(102,683)	-	-	-	(102,683)
Share-based payments	-	-	122,922	-	-	122,922
Loss	-	-	-	-	(3,916,168)	(3,916,168)
Balance, December 31, 2024	**28,513,596**	**16,424,587**	**653,736**	**637,820**	**(17,436,568)**	**279,575**
Shares issued for cash	19,448,802	5,062,149	-	118,611	-	5,180,760
Shares issued on exercise of options	775,000	61,500	-	-	-	61,500
To reverse the fair value of options exercised	-	58,607	(58,607)		-	-
Share issuance costs – cash	-	(103,909)	-	-	-	(103,909)
Share issuance costs – warrants	-	(129,228)	-	129,228	-	-
Share-based payments	-		224,454	-	-	224,454
Loss	-		-	-	(2,334,980)	(2,334,980)
Balance, December 31, 2025	**48,737,398**	**21,373,706**	**819,583**	**885,659**	**(19,771,548)**	**3,307,400**

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

DOMESTIC METALS CORP. (an exploration stage company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Audited - Expressed in Canadian Dollars)

	Year ended December 31	
	2025	**2024**
	($)	**($)**
Operating Activities		
Loss for the year	**(2,334,980)**	(3,916,168)
Items not involving cash:		
Write-off of exploration and evaluation assets	**-**	4,260,584
Write-off of accounts payable	**-**	(377,523)
Gain on settlement of amounts owing	**-**	(602,226)
Amortization	**34,014**	6,909
Accretion expense	**3,813**	1,080
Share-based payments	**224,454**	122,922
Gain on lease modification	**(1,359)**	-
Change in non-cash operating working capital items:		
Prepaid expenses and receivables	**(548,199)**	(18,025)
Accounts payable and accrued liabilities	**21,256**	152,106
Cash used in operating activities	**(2,601,001)**	(370,341)
Investing Activities		
Reclamation bond paid	**(1,021)**	(588)
Exploration and evaluation expenditures	**(897,584)**	(484,185)
Cash from acquisition	**-**	14,775
Transaction costs incurred on acquisition	**-**	(98,625)
Cash used in investing activities	**(898,605)**	(568,623)
Financing Activities		
Funding from related parties	**59,625**	338,569
Repayments to related parties	**(578,569)**	-
Lease payments	**(36,521)**	(7,500)
Proceeds from private placements	**5,180,760**	610,000
Share issuance costs	**(103,909)**	(102,683)
Proceeds from exercise of stock options	**61,500**	-
Cash provided by financing activities	**4,582,886**	838,386
Increase (decrease) in cash during the year	**1,083,280**	(100,578)
Cash, beginning of year	**71,834**	172,412
Cash end of year	**1,155,114**	71,834
Supplemental Cash Flow Information		
Exploration and evaluation expenditures included in accounts payable and accrued liabilities	**195,941**	-
Shares issued for settlement of amounts owing	**-**	301,113
Share issuance costs – warrants	**129,228**	-
Residual value of warrants issued with private placement	**118,611**	-
Fair value reversal of options exercised	**58,607**	-
Modification of right-of-use asset and lease liability	**54,194**	69,094

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Domestic Metals Corp. (formerly Norden Crown Metals Corporation) (the “Company” or “Domestic”), incorporated under the Business Corporations Act, British Columbia on December 31, 2013, is an exploration company engaged principally in the acquisition, exploration and development of mineral properties in historical mining project areas in the Americas. On March 31, 2025, the Company changed its name to Domestic Metals Corp. The Company is listed for trading on the (TSXV: DMCU; OTCQB: DMCUF; FSE: 03E) . The Company’s registered office address is Suite 2700, 1133 Melville Street, Vancouver, BC, V6E 4E5 and the Company’s head office is located at #1570 – 200 Burrard Street, Vancouver, BC, V6C 3L6.

The Company presently has no proven or probable reserves and based on information to date, it has not yet determined whether its properties contain economically recoverable ore reserves. The Company has not generated any revenue from its operations to date. The amounts shown as exploration and evaluation assets represent acquisition and exploration costs incurred to date, less any amounts written off, and do not necessarily represent present or future values. The recoverability of the carrying amounts for exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the Company raising capital, the sale, or entering into a joint venture of the Company’s exploration and evaluation assets, and/or the attainment of profitable operations.

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for at least twelve months from the end of the reporting period. The Company has incurred ongoing losses and expects to incur further losses in the advancement of its business.

At December 31, 2025, the Company has an accumulated deficit of $(19,771,548) (December 31, 2024: ($17,436,568), and a working capital surplus (deficit) of $1,076,984 (December 31, 2024: ($814,982)). The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow and its ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to fund the exploration of its mineral properties. There can be no assurance that the Company will be successful in raising sufficient funding to be available to conduct further exploration and development of its mineral properties. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

Management plans to continue to secure the necessary financing through a combination of equity financing and entering into joint-venture or property option arrangements; however, there is no assurance that the Company will be successful in these actions. These consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss, which are stated at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements were reviewed by the Audit Committee, and the Board of Directors approved and authorized them for issuance on April 28, 2025.

(Expressed in Canadian Dollars)

b) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as follows:

Subsidiaries	Country of Incorporation	% interest as at December 31, 2025	December 31, 2024
	Sweden	100.0%	100.0%
NOR Exploration AB ("NOR")	Sweden	100.0%	100.0%
Domestic Copper Corporation ("DCC")	Canada	100.0%	100%
Domestic Copper US Corporation ("DCC-US")	USA	100.0%	100%

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated.

c) Foreign currency transactions

The functional and presentation currency of the Company and each of its subsidiaries is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at rates approximating those in effect at the time of the transaction. Monetary items are translated at the exchange rate in effect at the statement of financial position date. Translation gains and losses are reflected in the consolidated statements of loss and comprehensive loss for the year.

d) Significant accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the year. Actual results could differ from these estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

(i) The assessment of whether indicators of impairment exist for the Company's exploration and evaluation assets is a key judgment.

Management assesses the exploration and evaluation assets at the end of each reporting period to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Management makes judgments in assessing whether indicators of impairment exist, including factors such as whether: the period for which the Company has the right to explore has expired or will expire in the future, and is not expected to be renewed; substantive expenditure on exploration activities and evaluation of mineral resources in the specific area is neither budgeted or planned; exploration for and evaluation of mineral resources in the specific area have not let to the discovery of commercially viable quantities of mineral resources; or sufficient data exists to indicate that the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2025.

While management believes that its judgments and estimates are reasonable, actual results could differ from those estimates and could impact future results and cash flows.

(ii) Business combinations

As required by IFRS 3 Business Combinations ("IFRS 3"), management is required to determine whether the acquisition of DCC (Note 4) should be accounted for as a business combination or an asset acquisition. Under IFRS 3, the components of a business must include inputs, processes and outputs. Management concluded that the acquisition of DCC did not qualify as a business combination.

(iii) Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 8.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a) Cash and cash equivalents

Cash and cash equivalents is comprised of bank deposits and highly-liquid investments, which are readily convertible into known amounts of cash and which mature within 90 days from the original dates of acquisition. For the years presented, the Company was only holding cash.

b) Financial instruments

Classification

The Company cl0assifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost: Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Derecognition

Financial assets: The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities: The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are recognized in profit or loss.

c) Share-based payments

The Company currently maintains an Equity Incentive Plan (the “EIP”). The purpose of the EIP is to attract and retain directors, officers, employees and consultants (“Eligible Persons”) and to motivate them to advance the interests of the Company by affording them with the opportunity acquire an equity interest in the Company through the grant of stock options (“Options”), restricted share units (“RSUs”), performance share units (“PSUs”), and/or deferred share units (“DSUs”) (together with Options, RSUs, PSU and DSUs, the “Awards” or “Compensation Securities”) under the EIP. The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. The fair value of RSUs, PSUs and DSUs is measured on the date of grant and is based on the type of incentive granted. For simple incentives, Black Scholes method will be used. If there are qualifications relating to the incentive grant that relate to performance or average share prices used in settlement over time, then it may be necessary to use more sophisticated methods such as Monte Carlo Model. For most equity settled incentives the share price at the date of grant would be used to value the incentive.

Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments or stock options granted to non-employees are accounted for as equity settled share-based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based compensation transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

d) Exploration and evaluation assets

Exploration and evaluation expenditures are recorded at cost on a property-by-property basis once the Company has the legal right to explore the related property. The Company capitalizes all exploration and evaluation costs, including acquisition costs, field exploration and field supervisory costs relating to specific properties, until those properties are brought into production, at which time, they will be amortized on a unit of production basis, or until the properties are abandoned, sold or considered to be impaired in value. Costs incurred for general exploration, including expenditures of a general reconnaissance nature, that are not project specific or do not result in the acquisition of exploration and evaluation properties are charged to net loss.

At the end of each reporting period, the Company’s exploration and evaluation assets are assessed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of the asset’s fair value, less costs of disposal and its value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, exploration, and evaluation assets attributable to that area are first tested for impairment and then reclassified to property and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. Should a project be put into production, the costs of acquisition, exploration, and evaluation will be amortized over the life of the project based on estimated economic reserves.

e) Asset retirement obligations

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development, or normal operation of the assets. As of December 31, 2025 there are no decommissioning liabilities.

When recorded, the Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates, and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually regarding changes in regulatory requirements, discount rates, effects of inflation, and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The Company has no material restoration, rehabilitation, or environmental provisions for the years presented.

f) ***Leases and right of use assets***

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right of use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which the Company is the lessee, at the commencement of the lease, with the following exceptions: (a) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (b) for leases of low value. The payments for such leases are recognized in profit or loss on a straight-line basis over the lease term.

The ROU assets are initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU assets are amortized over the shorter of the lease term or the useful life of the underlying assets. The ROU assets are subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments, less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in assets, and the lease liability is presented in liabilities in the consolidated statement of financial position.

Variable lease payments are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in profit or loss.

g) Income taxes

Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax: The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax: Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

h) Share capital

Common shares issued by the Company are classified as equity. Incremental costs directly attributable to the issue of new common shares are recognized in equity, net of tax, as a deduction from the share proceeds (share issuance costs). The Company uses the residual method in determining the fair value of warrants where units consisting of shares and warrants are issued to subscribers, which method provides for the allocation of the consideration received to the fair value to the shares issued and allocating any residual amount to the warrants issued.

i) Loss per share

Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants and convertible loan, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and the convertible loans were converted and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. For the years presented, the calculations proved to be anti-dilutive.

(Expressed in Canadian Dollars)

j) Accounting standards issued for adoption of future periods

IFRS 18 Presentation and Disclosures in Financial Statements – On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosures in Financial Statements ("IFRS 18"). The new standard on presentation and disclosure in financial statements focuses on updates to the statement of earnings (loss). The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is assessing the impact of this standard on the consolidated financial statements.

4. ACQUISITION OF DOMESTIC COPPER CORPORATION

On September 19, 2024, the Company completed a share exchange agreement to acquire all issued and outstanding shares of Domestic Copper Corporation ("DCC"), who through its wholly owned subsidiary, DCC-US, owns the Smart Creek project in Montana, US. Pursuant to the agreement, the Company issued 8,000,000 shares at a price of $0.07 per share, for consideration of $560,000. The Company incurred $98,625 in transaction costs.

The acquisition of DCC constitutes an asset acquisition and has been accounted for under the acquisition method in accordance with the guidance provided in IFRS 3, Business Combinations ("IFRS 3"). The assets acquired did not qualify as a business according to the definition in IFRS 3, and therefore the acquisition did not constitute a business combination, but rather it is treated as payment of cash consideration for the acquisition of DCC and its net assets.

Consideration of the asset acquisition is as follows:

	($)
Common shares of the Company	560,000
Transaction costs	98,625
	658,625

The allocation of the purchase price to the assets acquired and liabilities assumed at the date of acquisition is set out below:

	($)
Cash	14,775
Receivables	837
Prepaids expenses	11,440
Exploration and evaluation assets	655,590
Accounts payable and accrued liabilities	(24,017)
	658,625

(Expressed in Canadian Dollars)

5. **EXPLORATION AND EVALUATION ASSETS**

	Sweden	USA	
	Gumsberg ($)	Smart Creek ($)	Total ($)
Balance, December 31, 2023	**4,257,644**	**-**	**4,257,655**
Acquisition	-	1,047,815	**1,047,815**
Accommodation	1,555	-	**1,555**
Fieldwork	442	-	**442**
Geological	943	15,859	**16,802**
Net change	2,940	1,063,674	**1,066,614**
Write-off exploration and evaluation asset	(4,260,584)	-	**(4,260,584)**
Balance, December 31, 2024	**-**	**1,063,674**	**1,063,674**
Acquisition	-	**276,700**	**276,700**
Claim maintenance fees	-	158,062	**158,062**
Accommodation	-	24,605	**24,605**
Permitting	-	82,935	**82,935**
Geological	-	85,268	**85,268**
Geophysical	-	3,900	**3,900**
Geochemical	-	42,646	**42,646**
Consulting	-	419,409	**419,409**
Net change	-	1,093,525	**1,093,525**
Balance, December 31, 2025	**-**	**2,157,199**	**2,157,199**

Smart Creek Project (Montana, US)

Through the acquisition of DCC on September 19, 2024 (Note 4), the Company became party to an option agreement between DCC and Rio Tinto Group (through its subsidiary, Kennecott Exploration Company ("Kennecott"), pursuant to which the Company has the right to acquire up to a 60% interest in the Smart Creek property located in Montana, US (the "Smart Creek Agreement"). Pursuant to the terms of the Smart Creek Agreement, the Company is required to incur the following minimum exploration expenditures to earn an initial 51% interest (the "Phase 1 Option") a total of US$5,000,000 as follows:

- On or before June 20, 2026 – US$2,000,000 expenditure commitment with minimum of US$350,000 by June 20, 2025, further to an amendment to the Smart Creek Agreement dated April 9, 2025 the US$350,000 expenditure commitment date has been extended to September 1, 2025 (incurred).
- On or before June 20, 2027 – US$1,000,000
- On or before June 20, 2028 – US$1,000,000
- On or before June 20, 2029 – US$1,000,000

There are underlying agreements within the Smart Creek agreement with Kennecott including two Net Smelter Royalty ("NSR") agreements which relate to specific claims in the underlying agreements both NSR agreements are 0.5% one having a maximum royalty amount of US$500,000 and the other, a maximum royalty amount of US$4,500,000.

In connection with the Smart Creek Agreement, the Company also assumed certain underlying option payments payable under those underlying agreements totaling US$2,761,000 payable from August 1, 2024 to August 1, 2029. The payments are made by Kennecott and invoiced to the Company. The payments for the underlying options have a due date of August 1 for each anniversary. As at December 31, 2025, the Company has made the necessary payments.

(Expressed in Canadian Dollars)

Upon having earned the initial 51% interest in the property, the Company has the option to earn an additional 9% interest (the "Phase 2 Option") (for an aggregate 60% interest), by agreeing to incur an additional US$5,000,000 in expenditures over a period of 5 years commencing on the Phase 2 Option effective date.

Pursuant to the Smart Creek Agreement, Kennecott has the right to a one-time back-in option whereby it may elect to pay an amount equal to two times the total exploration expenditures incurred to date to re-acquire certain interest in the Smart Creek Project as follows:

- If the Company has exercised the Phase 1 Option only, Kennecott may reacquire an 11% interest or;
- If the Company has exercised the Phase 1 Option and Phase 2 Option, Kennecott may reacquire 20% interest.

Gumsberg Project (Bergslagen District, Sweden)
Pursuant to an agreement the Company entered into with EMX Royalty Corp. ("EMX") in November 2016, the Company was required to make the annual advance royalty ("AAR") payment to EMX of US$45,000 on or before February 17, 2024 (December 31, 2023: US$40,000). On March 1, 2024, in consideration for transferring title of a certain property licenses to EMX, EMX agreed to extend the US$45,000 AAR payment due on February 17, 2024 to June 14, 2024. The Company did not make the AAR payment, and prior to December 31, 2024, relinquished the remaining licenses comprising the Gumsberg project, pursuant to which $4,260,584 was written-off.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2025 ($)	December 31, 2024 ($)
Accounts payable	**283,011**	10,924
Accrued liabilities	**125,552**	120,689
Due to related parties (Note 9)	**164,776**	224,529
	573,339	356,142

7. LEASE LIABILITY AND RIGHT-OF-USE ASSET

Effective October 1, 2024, the Company entered into an office lease agreement which resulted in a right-of-use ("ROU") asset and corresponding lease liability of $69,094 (undiscounted value of $75,000; discount rate of 6.45%). During the year the Company entered into a lease modification which resulted in an increase to the ROU asset and lease liability of $54,194.

(Expressed in Canadian Dollars)

Right-of-use Asset ("ROU Asset")

A summary of the changes in the right-of-use asset for the years ended December 31, 2025 and 2024 follows:

RoU Asset	**($)**
Balance at December 31, 2023	**-**
Addition	69,094
Depreciation	(6,909)
Balance at December 31, 2024	62,185
Addition	54,194
Depreciation	(34,014)
Balance at December 31, 2025	82,365

Lease Liability

A summary of the changes in the lease liability for the years ended December 31, 2025 and 2024 follows:

Lease Liability	**($)**
Balance at December 31, 2023	-
Lease liability from lease agreement	69,094
Lease payment on principal portion	(7,500)
Lease liability accretion expense	1,080
Balance at December 31, 2024	62,674
Lease modification	54,194
Gain on lease modification	(1,359)
Lease payment on principal portion	(36,521)
Lease liability on accretion expense	3,813
Balance at December 31, 2025	82,801
Current portion	65,704
Long term portion	17,097

Future Lease Payments	**($)**
January 1, 2026 to December 31, 2026	(69,125)
January 1, 2027 to December 31, 2027	(17,281)
Total undiscounted lease payment	(86,406)

8. SHAREHOLDERS' EQUITY

a) Authorized share capital

At December 31, 2025, the authorized share capital of the Company is comprised of an unlimited number of common shares without par value.

On May 10, 2024, the Company completed a consolidation of its issued and outstanding common shares based on one post-consolidation common share for every ten pre-consolidation common shares. All securities in the consolidated financial statements have been retrospectively adjusted to take into effect the share consolidation.

b) Securities issuances

<u>During the year ended December 31, 2025</u>

- On July 22, 2025 the Company closed the first tranche of the non-brokered financing issuing an aggregate 1,551,120 units for gross proceeds of $356,758. Each unit consisted of one common share and one half of a warrant. Each full warrant is exercisable at $0.33 per share for three years from the date of issuance, subject to an acceleration provision. Finders' fees consisted of $14,039 cash and 61,040 broker warrants exercisable under the same terms as the financing warrants.
- On August 22, 2025, the Company closed the final tranche of the non-brokered financing issuing 3,746,974 units of the Company at a price of $0.23 per unit for gross proceeds of $861,804. Each unit consisted of one common share and one half of a warrant. Each full warrant is exercisable at $0.33 per share for three years from the date of issuance. Finder's fees consisted of $1,610 cash and 7,000 broker warrants under the same terms as the financing warrants.
- On October 9, 2025, the Company closed a Listed Issuer Financing Exemption (LIFE) offering financing of 4,695,915 units at a price of $0.28 for gross proceeds of $1,314,800. Each unit consisted of one common share and one warrant exercisable at $0.40 per share for three years from the date of issuance. Finders' fees consisted of $76,360 cash and 314,000 broker warrants exercisable for common shares of the Company at $0.40 per share for three years, and which are subject to the same terms as the financing warrants.
- On October 29, 2025, the Company closed the second tranche of the LIFE offering financing issuing 7,082,856 units at a price of $0.28 for gross proceeds of $1,983,200. Each unit consisted of one common share and one warrant exercisable at $0.40 per share for three years from the date of issuance. No finders fees were payable on this financing.
- On November 12, 2025, the Company closed the final trance of the LIFE offering financing of 2,372,137 units at a price of $0.28 for gross proceeds of $664,198. Each unit consisted of one common share and one warrant exercisable at $0.40 per share for three years from the date of issuance. A residual value of $118,611 was recorded for the warrants issued as part of the LIFE offering financing. Finder's fees consisted of $3,335 cash and 13,896 broker warrants subject to the same terms as the financing warrants.

<u>During the year ended December 31, 2024</u>

On September 19, 2024, the Company:

- Closed a non-brokered private placement, pursuant to which it issued 12,200,000 common shares at a price of $0.05 per common share for gross proceeds of $610,000.
- Issued 8,000,000 commons shares with a value of $560,000 in respect of the acquisition of DCC (Note 4).

On May 10, 2024, the Company completed a shares for debt transaction and issued 3,011,130 common shares valued at $301,113 to settle an aggregate of $903,339 of debt owed by the Company to various parties for certain past services rendered and amounts advanced to the Company (Note 9). In connection with the shares for debt transaction, the Company recorded a gain on settlement of accounts payable of $602,226 in the year ended December 31, 2024.

c) Stock options

The Company had a stock option plan administered by the Board of Directors and subject to TSX-V Exchange policies, which has been incorporated into an Equity Incentive Plan (the "EIP") which was approved by the Company's Board of Directors on October 3, 2025. Under the EIP, officers, employees and consultants ("Eligible Persons") are afforded with the opportunity to acquire an equity interest in the Company through the grant of stock options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs"), and/or deferred share units ("DSUs") (together the "Awards" or "Compensation Securities"). The EIP allows the board at its discretion to grant EIPs for up to a maximum of 10% of the issued and outstanding share capital amount at the time of grant.

(Expressed in Canadian Dollars)

On November 20, 2024, the Company granted stock options allowing for the purchase of 2,150,000 common shares at $0.06 per share until November 20, 2029. The options vested immediately.

On February 17, 2025, the Company granted stock options allowing for the purchase of 500,000 common shares at $0.10 per share until February 17, 2030. The options vest automatically at the rate of 25% every three months starting May 17, 2025 ending on February 17, 2026.

On April 24, 2025, the Company granted stock options allowing for purchase of 90,000 common shares are $0.21 per share until April 24, 2030. The options vested immediately.

On December 17, 2025, the Company granted stock options allowing for the purchase of 2,700,000 common shares at $0.24 per share until December 17, 2030. 700,000 of the options vested at grant date and 2,000,000 vest aromatically at the rate of 25% every six months starting June 17, 2026 and ending on December 17, 2027.

The share-based payment expense for the year ended December 31, 2025 was $224,454 (December 31, 2024 - $122,292). Fair value of total options granted during the year ended December 31, 2025 was $729,761 (December 31, 2024 - $122,922)

The grant date fair value of stock options granted during the years ended December 31, 2025 and 2024 were estimated using the Black-Scholes option pricing model with the following assumptions:

Assumptions	**Weighted average inputs**	
	2024	**2025**
Risk-free rate (%)	3.19%	3.02%
Expected stock price volatility (%)	174.53%	212.72%
Expected dividend yield (%)	0.00%	0.00%
Expected life of options (years)	5	5
Fair value	$0.22	$0.06

At December 31, 2025, the Company had stock options outstanding and exercisable as follows:

Grant Date	**Expiry Date**	**Number Outstanding (#)**	**Exercise Price ($)**	**Weighted Average Life (Yrs)**	**Number Exercisable (#)**
September 14, 2018	September 14, 2028	75,000	6.00	2.71	75,000
November 20, 2024	November 20, 2029	1,750,000	0.06	3.89	1,750,000
February 1, 2025	February 1, 2030	125,000	0.10	4.14	-
April 24, 2025	April 24, 2030	90,000	0.21	4.32	90,000
December 17, 2025	December 17, 2030	2,700,000	0.25	4.97	700,000
		4,740,000		**4.50**	**2,615,000**

(Expressed in Canadian Dollars)

	Number of Options (#)	Weighted Average Exercise Price ($)
Outstanding, December 31, 2023	**107,500**	**6.00**
Forfeited	(32,500)	6.00
Granted	2,150,000	0.06
Outstanding, December 31, 2024	**2,225,000**	**0.26**
Granted	3,290,000	0.23
Exercised	(775,000)	0.08
Outstanding, December 31, 2025	**4,740,000**	**0.27**

d) Warrants

At December 31, 2025, the Company had 17,195,693 warrants outstanding (December 31, 2024 – nil).

A summary of the changes in the Company's warrants is as follows:

Date of Issue	Expiry Date	Number (#)	Exercise Price ($)	Weighted Average Life (Yrs)
July 22, 2025	July 22, 2028	836,601	0.33	2.56
August 22, 2025	August 22, 2029	1,880,488	0.33	2.65
October 9, 2025	October 9, 2030	5,009,715	0.40	2.78
October 29, 2025	October 29, 2030	7,082,856	0.40	2.78
November 12, 2025	November 12, 2030	2,386,033	0.40	2.87
December 31, 2025		**17,195,693**		**2.77**

	Number of Warrants (#)	Weighted Average Exercise Price ($)
Outstanding, December 31, 2023	**868,630**	**6.00**
Expired	(868,630)	6.00
Outstanding, December 31, 2024	**-**	**-**
Issued	17,195,693	0.39
Outstanding, December 31, 2025	**17,195,693**	**0.39**

9. RELATED PARTY BALANCES AND TRANSACTIONS

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the year ended December 31, 2025, the Company settled amounts owing to various related parties through the issuance of nil common shares (December 31, 2024 – 2,544,529) (Note 8) to settle $Nil (December 31, 2024: $763,360) of amounts owing. In addition, a total of $Nil (December 31, 2024: $377,523) owing to certain related parties was written off during the year.

(Expressed in Canadian Dollars)

Key Management Compensation	**For the years ended December 31, 2025 ($)**	**2024 ($)**
Management fees	390,000	120,000
Accounting fees, Nordfors	-	13,529
Directors' fees	6,000	6,000
Legal fees	526,112	327,039
Share-based payments	148,019	91,477
	1,070,131	558,045

As at December 31, 2025, included in accounts payable and accrued liabilities is $164,775 (December 31, 2024: $224,529) due to related parties

During the year ended December 31, 2025, the Company received advances totaling $5,625 (December 31, 2024: $338,569) from directors and related parties and settled, in shares, amounts totaling $Nil (December 31, 2024: $467,257) to directors of the Company. The advances from directors and related parties bear no interest and have no specified terms of repayment. Total accumulated advances from related parties as at December 31, 2025 is $5,625 (December 31, 2024: $545,569).

10. SEGMENTED INFORMATION

The Company is engaged in one business activity, being the exploration for base and precious metals. Geographic information is disclosed in Note 5.

	December 31, 2025 ($)	**December 31, 2024 ($)**
Exploration and evaluation assets (USA)	2,157,199	1,063,674
	2,157,199	1,063,674

11. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Management of capital risk

The Company manages its capital structure and makes adjustments to it to effectively support the acquisition, exploration and development of mineral properties. In the definition of capital, the Company includes, as disclosed on its statement of financial position: share capital, deficit, and reserves.

The properties in which the Company currently has an interest are in the exploration stage, as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will be using its existing working capital and will need to raise additional amounts. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2025. The Company is not subject to externally imposed capital requirements.

Financial instruments

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

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

The fair value of cash, receivables, reclamation bonds, accounts payable and accrued liabilities, and advances from related parties approximate their carrying amounts due to the short-term nature of the financial instruments. The carrying value of the Company’s lease liability is measured at the present value of the discounted future cash flows. All of the Company’s financial assets and liabilities are measured at amortized cost.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. The Company’s credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company has no significant concentration of credit risk arising from operations. The Company limits its exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions in Canada and Sweden. The Company is not exposed to significant credit risk and overall the Company’s credit risk has not changed significantly from the prior year.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company considers financing opportunities so that it has sufficient liquidity to meet liabilities when due.

The Company anticipates it will need additional capital in the future to finance on-going exploration of its properties, such capital to be derived from the completion of other equity financings. The Company has limited financial resources, no source of operating income and has no assurance that additional funding will be available to it for future exploration and development of its project. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success. There can be no assurance the Company will be able to obtain the required financing in the future on acceptable terms. (See Note 1).

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

Currency risk

The Company incurs certain expenses in currencies other than the Canadian dollar and is thus subject to foreign currency risk as a result of fluctuations in exchange rates. The Company manages this risk by maintaining bank accounts in Canadian dollars to pay these foreign currency expenses as they arise. The Company does not undertake currency hedging activities. During the period ended December 31, 2025 and the year ended December 31, 2024, the Swedish krona remained relatively stable against the Canadian dollar. The Company has a policy of not engaging in hedging activities to address this foreign currency risk. At December 31, 2025, the Company held current assets of SEK 371,803 and current liabilities of SEK 71,660. Accordingly, a 10% change in the foreign exchange rate would result in a $4,552 credit or charge to operations.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on cash. The Company's policy is to invest cash at floating rates of interest, in order to maintain liquidity, while achieving a satisfactory return for shareholders.

12. INCOME TAXES

As at December 31,	**2025 ($)**	**2024 ($)**
Net loss for the year	(2,334,980)	(3,916,168)
Canadian federal and provincial income tax rates	27%	27%
Expected income tax recovery	(630,000)	(1,057,000)
Change in statutory, foreign tax and other	1,000	276,000
Permanent differences	62,000	(129,000)
Share issue costs	(28,000)	(28,000)
Adjustments to prior year provision versus statutory tax return	(141,000)	(60,000)
Tax benefits not recognized	736,000	998,000
Total income tax recovery	-	-

The Company's significant temporary differences, unused tax credits, and unused tax losses that have not been recognized as deferred income tax assets are as follows:

As at December 31,	**2025 ($)**	**Expiry date range**	**2024 ($)**
Non-capital loss carryforwards	11,897,000	2034 to 2045	10,310,000
Allowable capital loss	162,000	No expiry date	162,000
Exploration and evaluation assets	7,131,000	No expiry date	5,930,000
Share issue costs	145,000	2046 to 2049	129,000

13. SUBSEQUENT EVENTS

On February 4, 2026, the Company announced a non-brokered private placement of up to 12,500,000 units at a price of $0.28 per unit (the "Offering") for gross proceeds of up to $3,500,000.

The Company closed a first tranche of the Offering issuing an aggregate 11,205,505 units of the Company at a price of $0.28 per unit for gross proceeds of $3,137,541. Each unit consists of one common share of the Company and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire one common share of the Company for a period of three years from the date of issuance at a price of $0.40 per share. Related to the Offering, the Company paid cash finders' fees of $142,122 and issued 507,581 finders' warrants. The finders' warrants are subject to the same conditions as the warrants in the Offering.

The Company closed a final tranche of the Offering issuing an additional 874,286 units of the Company at a price of $0.28 per unit for gross proceeds of $244,800. There were no finder's fees paid in the final tranche closing. The total aggregate units issued under both tranches of the Offering is 12,079,791 units of the Company for total gross proceeds of $3,382,341.

On February 17, 2026 125,000 options were exercised at $0.10 each for total proceeds of $125,000.