



Element79 Gold Corp.

Interim Condensed Consolidated Financial Statements For the Nine Months Ended May 31, 2026, and 2025

(Expressed in Canadian dollars)

Notice of No Auditor Review of Interim Condensed Consolidated Financial Statements

The accompanying unaudited interim condensed consolidated financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these interim condensed financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

July 27, 2026

Element79 Gold Corp.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	As at	
		May 31, 2026	August 31, 2025
ASSETS		\$	\$
Current assets			
Cash		51,142	192,038
Amounts receivable		25,480	41,978
Prepaid expenses		119,898	132,077
Assets held for sale	7	587,405	587,405
Total current assets		783,925	953,498
Exploration and evaluation assets	4	4,928,514	4,835,384
Investments	5	374,340	776,800
Reclamation deposit	4	42,720	15,188
Deferred financing charges		463,450	463,450
TOTAL ASSETS		6,592,949	7,044,320
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	10,12	1,023,416	759,937
Due to related parties	12	2,000	194,173
Loans payable	8,9	348,946	321,490
Liabilities held for sale		381,148	354,872
Convertible loan	9	101,745	-
Provisions – current	11	3,499,334	1,511,598
Total current liabilities		5,356,589	3,142,070
Provisions – long-term	11	-	1,786,493
TOTAL LIABILITIES		5,356,589	4,928,563
EQUITY			
Share capital		39,989,129	40,057,879
Treasury stock to be cancelled		(31,680)	(31,680)
Share subscription receivable		(5,000)	(73,750)
Obligation to issue shares		480,693	331,571
Contributed surplus	9	1,065,941	1,076,254
Accumulated other comprehensive income		53,062	87,895
Deficit		(40,341,814)	(39,402,708)
Total equity attributable to equity holders of the Company		1,210,331	2,045,461
Non-controlling interest		26,029	70,296
TOTAL EQUITY		1,236,360	2,115,757
TOTAL EQUITY AND LIABILITIES		6,592,949	7,044,320

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 18)

Subsequent events (Note 20)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS ON July 27, 2026

“James Tworek”

James Tworek

“Mohammad Fazil”

Mohammad Fazil

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

Element79 Gold Corp.
Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes	For the Nine-months ended		For the three-months ended	
		May 31, 2026	May 31, 2025	May 31, 2026	May 31, 2025
				\$	\$
Expenses					
Advisory fees		-	228,855	-	-
Consulting fees	12	265,273	475,885	47,213	129,879
Financing fees	8,9	31,745	186,798	6,335	8,695
Director fees	12	111,000	72,120	40,500	24,000
Exploration costs	4	48,377	29,011	45,494	12,125
Insurance		6,080	7,164	1,744	5,139
Investor relations and marketing		141,523	374,241	3,430	68,635
Management fees	12	191,315	548,252	51,000	195,064
Office expenses		123,775	114,686	76,868	34,800
Professional fees	13	286,224	269,650	109,132	161,168
Share based compensation		-	926,981	-	-
Transfer agent, listing and filing fees		74,396	63,414	33,602	12,494
Operating expenses		(1,279,708)	(3,297,057)	(415,318)	(651,999)
Other items					
Accretion expense		(169,381)	(195,585)	(57,894)	(64,821)
Gain on settlement of debt		-	189,775	-	4,845
Gain/(loss) on revaluation of investment		(280,963)	(299,357)	(504,952)	7,255
Impairment of exploration and evaluations assets		-	(12,690,525)	-	(12,690,525)
Sundry Balances Written off		(7127)	-	(7127)	-
Foreign exchange loss		1,026	(351,523)	(37,547)	(69,622)
Interest expense		(56,329)	(114,627)	(20,480)	(67,636)
Realized gain on sale of investment	5	798,796	285,123	137,582	285,123
Loss for the period		(993,686)	(16,437,776)	(905,736)	(13,247,380)
Attributable to:					
Equity holders of the parent		(949,419)	(16,437,203)	(868,735)	(13,227,919)
Non-controlling interests	19	(44,267)	(36,573)	(37,001)	(19,461)
Loss for the period		(993,686)	(16,473,776)	(905,736)	(13,247,380)
Other comprehensive loss					
Foreign currency translation	5	(34,833)	-	4,250	-
Comprehensive loss for the period		(1,028,519)	(16,473,776)	(901,486)	(13,247,380)
Attributable to:					
Equity holders of the parent		(984,251)	(16,437,203)	(864,484)	(13,227,919)
Non-controlling interests		(44,268)	(36,573)	(37,002)	(19,461)
Comprehensive loss for the period		(1,028,519)	(16,473,776)	(901,486)	(13,247,380)
Loss per share					
Basic and diluted		(0.00)	(0.17)	(0.00)	(0.13)
Weighted average number of common shares issued and outstanding		207,623,157	98,829,563	207,373,844	108,061,344

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

Element79 Gold Corp.
Interim Condensed Consolidated Statements of Cash Flows
For The Periods Ended May 31, 2026 and 2025
(Expressed in Canadian dollars)

	May 31, 2026	May 31, 2025
	\$	\$
OPERATING ACTIVITIES		
Loss for the period	(993,686)	(16,758,899)
Non-cash items		
Accretion expense	169,381	195,585
Interest expense	53,735	114,627
Financing fees	15,741	186,798
Share-based compensation	-	926,981
Exchange gain/loss	-	383,523
Gain on settlement of debts	-	(189,775)
Fair value loss on investment	280,963	299,357
Realized gain on sale of investment	(798,796)	(4,844)
Obligation to issue shares – management fees	149,122	236,750
Impairment of Exploration & Evaluation assets	-	12,690,525
Changes in non-cash working capital items:		
Amounts receivable	16,498	(1,910)
Prepaid expenses	12,179	15,267
Trade payables and accrued liabilities	349,254	957,613
Reclamation deposit	(27,532)	(3,424)
Due to related parties	(192,173)	170,756
Cash used in operating activities	(965,314)	(781,070)
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(92,906)	(260,552)
Proceeds from sale of investment	920,296	-
Assets held for sale	-	(84,775)
Cash provided by investing activities	827,390	(345,327)
FINANCING ACTIVITIES		
Shares issued for private placements	-	319,994
Promissory notes and loans received	-	933,818
Loans repayment	-	(59,956)
Interest paid	-	(100)
Share subscriptions received in advance	-	(66,244)
Cash provided by financing activities	-	1,127,512
Change in cash	(137,924)	1,115
Effect of exchange rate on cash	(2,972)	-
Cash, beginning of the period	192,038	3,216
Cash, end of the period	51,142	4,331

Supplemental cash flow information (Note 14)

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

Element79 Gold Corp.
Interim Condensed Consolidated Statements of Change in Equity
For The Periods Ended May 31, 2026 and 2025
(Expressed in Canadian dollars)

	Number of common shares	Share capital	Treasury stock to be cancelled	Obligation to issue shares	Contributed surplus	Share subscription receivable	Foreign currency translation reserve	Non- controlling interest	Deficit	Total
	#	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balances, August 31, 2024	85,136,183	33,926,407	(31,680)	141,183	598,211	(5,000)	117,249	30,098	(23,665,141)	11,111,327
Shares issued for private placement	3,976,500	322,646	-	-	75,004	(68,750)	-	-	-	328,900
Shares issued for debt settlement	6,164,344	616,435	-	-	-	-	-	-	-	616,435
Shares issued for financing fees	1,542,971	169,874	-	-	-	-	-	-	-	169,874
Shares issued for mineral properties	-	-	-	-	-	-	-	93,000	-	93,000
Shares issued for services	1,178,846	153,250	-	(133,250)	-	-	-	-	-	20,000
Share issuance costs	10,062,500	367,281	-	-	-	-	-	-	-	367,281
Share subscription received in Advance	-	-	-	-	-	-	-	-	-	-
Fair value of options granted	-	-	-	-	926,981	-	-	-	-	926,981
Fair value of fee warrants issued	-	-	-	-	91,081	-	-	-	-	91,081
Due to related parties (obligation to issue shares)	-	-	-	236,750	-	-	-	-	-	236,750
Loss for the period	-	-	-	-	-	-	-	(36,573)	(16,437,203)	(16,473,776)
Balances, May 31, 2025	108,061,344	35,555,893	(31,680)	244,683	1,691,277	(73,750)	117,249	86,525	(40,102,344)	(2,512,147)
Balance, August 31, 2025	208,061,344	40,057,879	(31,680)	331,571	1,076,254	(73,750)	87,895	70,296	(39,402,708)	2,115,757
Due to related parties (obligation to issue shares)	-	-	-	149,122	-	-	-	-	-	149,122
Shares returned to treasury	(687,500)	(68,750)	-	-	-	68,750	-	-	-	-
Fair value of warrants cancelled	-	-	-	-	(10,313)	-	-	-	10,313	-
Loss for the period	-	-	-	-	-	-	(34,833)	(44,267)	(949,419)	(1,028,519)
Balances, May 31, 2026	207,373,844	39,989,129	(31,680)	480,693	1,065,941	(5,000)	53,062	26,029	(40,341,814)	(1,236,360)

1. NATURE OF OPERATIONS AND GOING CONCERN

Element79 Gold Corp. ("Element79" or the "Company") was incorporated under the Company Act (British Columbia) on February 27, 2020. Element79 is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in Peru, USA and Canada. The Company is listed on the Canadian Stock Exchange ("the Exchange") with the trading symbol ELEM, on the OTC and OTCQB with a trading symbol ELMGF and on the Frankfurt Stock Exchange with the trading symbol 7YS.

The address of the Company's corporate office and principal place of business is Suite 1100, 1111 Melville Street, Vancouver B.C., V6E 3V6.

Going concern

These consolidated financial statements (the "Financial Statements") have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at May 31, 2026, the Company had cash of \$51,142, current liabilities of \$5,356,589 and has incurred accumulated losses of \$40,341,813 since inception.

The Company is a mineral exploration company focusing on the acquisition and exploration and evaluation of mineral property interests. The Company's continuation as a going concern and the underlying value and recoverability of the carrying amounts for exploration and evaluation assets are entirely dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to raise equity capital or borrowings sufficient to meet current and future obligations and to complete the exploration and evaluation of mineral property interests, and achievement of future profitable production or proceeds from the disposition of its mineral property interests. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statements of financial position. These Financial Statements do not reflect the adjustments to the carrying values of the assets and liabilities, the reported expenses and the statements of the financial position classifications that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

These Financial Statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. These Financial Statements are presented in Canadian dollars, except where otherwise indicated, and all values are rounded to the nearest dollar except per share values. The functional currency of the Company and its Canadian subsidiaries is the Canadian dollar. The functional currency of the Company's Peruvian subsidiaries is the Peruvian new sol, which is determined to be the currency of the primary economic environment in which the subsidiaries operate.

The Financial Statements were approved and authorized for issue by the directors of the Company on July 27, 2026.

Statement of Compliance and Presentation

These Financial Statements, including comparatives, have been prepared in accordance with accounting policies in compliance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These Financial Statements follow the same accounting policies and methods of application as the most recent annual consolidated financial statements of the Company. These Financial Statements do not contain all of the information required for full annual financial statements. Accordingly, these Financial Statements should be read in conjunction with the Company's August 31, 2025, annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Element79 Gold Corp.
Notes to the Interim Condensed Consolidated Financial Statements
For The Periods Ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

Consolidation

These Financial Statements include the accounts of the Company, and its subsidiaries of which it has control. All significant intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, have been eliminated. The Company's subsidiaries are as follows:

Subsidiary	Ownership Interest (May 31, 2026)	Ownership Interest (August 31, 2025)	Jurisdiction	Nature of Operations
Calipuy Resources Inc. ("Calipuy")	100%	100%	BC, Canada	Holding company
Calipuy Holdings Inc.	100%	100%	BC, Canada	Holding company
1316524 B.C. Ltd	100%	100%	BC, Canada	Inactive
Synergy Metals Inc. ("Synergy")	60.24%	60.24%	BC, Canada	Holding company
1515041 BC Ltd	60.24%	60.24%	BC, Canada	Holding company
ELEM US Holdings LLC	100%	100%	NV, USA	Holding company
ELEM Maverick Springs LLC	100%	100%	NV, USA	Holding company
ELEM Battle Mountain LLC	100%	100%	NV, USA	Holding company
Compania Minera Calipuy S.A.C.	100%	100%	Peru	Holding company
Minas Lucero Del Sur S.A.C.	100%	100%	Peru	Mining and exploration

On December 18, 2024, Synergy issued 930,000 common shares pursuant to the Dale property option agreement. As a result, the Company's ownership interest in Synergy was reduced from 83.68% to 60.24%

On December 9, 2024, 1515041 BC Ltd was incorporated in the province of British Columbia, Canada and it is 100% owned by Synergy.

Control

The Company controls an investee if and only if the Company has:

- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of 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 its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support the presumption and when the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- the contractual arrangements with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Company's voting rights and potential voting rights

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the period ended May 31, 2026, are included in the Financial Statements from the date the Company gains control until the date when the Company ceases to control the subsidiary.

2. BASIS OF PREPARATION (continued)

Consolidation (continued)

Non-controlling interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company. Non-controlling interests are presented separately in the consolidated statement of loss and comprehensive loss and within equity in the consolidated statement of financial position and consolidated statement of changes in equity, separate from equity attributable to equity holders of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All inter-company assets, liabilities, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Significant Accounting Judgments and Estimates

The preparation of the Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimates or assumptions are made. Actual results may differ from these estimates.

The information about significant areas of estimates considered by management in preparing the consolidated financial statements is as follows:

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining the point at which a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop the property are capitalized into development assets. The determination may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year when new information becomes available.

Determining whether to test for impairment of mineral exploration properties and deferred exploration assets requires management's judgment regarding the following factors, among others: the year for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Significant Accounting Judgments and Estimates (continued)

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the next year.

Decommissioning and restoration costs

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the year incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

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 asset with a corresponding entry to the provision.

Deferred income taxes

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future years, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that the cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the statement of financial position date, if any, could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company and its subsidiaries operate could limit the ability of the Company to obtain tax deductions in future years.

Convertible debt conversion option

The identification of convertible debt components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent measurement of interest on the liability component. The determination of fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount rates, and the presence of any derivative financial instruments. Additionally, significant judgment is required when accounting for the redemption, conversion or modification of these instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Significant Accounting Judgments and Estimates (continued)

Stock options and warrants

Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

Fair value of investments in securities not quoted in an active market

Where the fair values of financial instruments cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Changes in estimates and assumptions about these inputs could affect the reported fair value.

Fair value of investments in securities quoted in an active market

Where the fair values of the investment in equity instrument can be derived from active markets. The investment is measured at fair value with changes in fair value recognized in the statements of operations and comprehensive loss. Marketable securities are classified as fair value through profit or loss ("FVTPL").

The information about significant areas of judgment considered by management in preparing the Financial Statements is as follows:

- i. the determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
- ii. assessing control and significant influence over an investee;
- iii. the determination of the classification and measurements of assets held for sale;
- iv. the determination of functional currency;
- v. the acquisition of the Gold Mountain Project as a business or asset acquisition and
- vi. the Company's assessment of its ability to continue as a going concern requires judgments about the Company's ability to execute its strategy by funding future working capital requirements (Note 1). The Company's objectives are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide returns to shareholders and benefits for other stakeholders.

Exploration and evaluation properties

Costs incurred before the Company has obtained the legal rights to explore an area are expensed as incurred. Exploration and evaluation expenditures include the costs of acquiring licenses and costs associated with exploration and evaluation activity. Option payments are considered acquisition costs, provided that the Company has the intention of exercising the underlying option, and may consist of cash payments and/or share issuances at the market price of the Company's shares at the date of issuance.

Property option agreements are exercisable at the option of the optionee. Therefore, option payments are recorded when payment is made and not accrued.

Exploration and evaluation expenditures are capitalized. The Company capitalizes costs to specific blocks of claims or areas of geological interest. Government tax credits and grants received are recorded as a reduction to the cumulative costs.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation properties (continued)

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditures on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

After technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the Company tests the asset for impairment. The capitalized balance, net of any impairment recognized, is then reclassified to either tangible or intangible mine development assets according to the nature of the asset and amortized over the life of the mine.

Assets held-for-sale

Non-current assets, or disposal comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposals, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to financial assets or investment property, which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-distribution and subsequent gains and losses on re-measurement are recognized in profit or loss.

Foreign currencies

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Foreign operations

Subsidiaries that have functional currencies other than the Canadian dollar translate their statement of operations items at the average rate during the period. Assets and liabilities are translated at exchange rates prevailing at the end of each reporting period. Exchange rate variations resulting from the retranslation at the closing rate of the net investment in these subsidiaries, together with differences between their statement of operations items translated at actual and average rates, are recognized in accumulated other comprehensive income (loss). On disposition or partial disposition of a foreign operation, the cumulative amount of the related exchange difference is recognized in the statement of operations.

Impairment of long-lived assets

The recoverability of long-lived assets is assessed when an event occurs that indicates impairment. Recoverability is based on factors such as future asset utilization and the future discounted cash flows expected to result from the use or sale of the related assets. An impairment loss is recognized in the period when it is determined that the carrying amount of the asset will not be recoverable. At that time, the carrying amount is written down to the recoverable amount, which equals the higher of fair value less costs to sell and value in use. Impairment losses are recognized in profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of long-lived assets (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Financial instruments

At initial recognition, financial assets are classified and subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or FVTPL. Financial assets are recognized initially at fair value, unless they are trade receivables that do not contain a significant financing component in accordance with IFRS 15, which shall be measured at their transaction price. The subsequent measurement of financial assets depends on their classification based on both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows:

Financial assets at amortized cost

The financial asset is subsequently measured at amortized cost if the financial asset is held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset.

Financial assets at FVTOCI

The financial asset is subsequently measured at FVTOCI if the financial asset is held within a business model whose objectives are achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding or if an irrevocable election was made for certain equity instruments at initial recognition. After initial recognition, the financial assets are measured at fair value with gains or losses recognized within other comprehensive income. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income ("OCI") and are never reclassified to profit or loss. Transaction costs are included in the initial carrying amount of the asset.

Financial assets at FVTPL

A financial asset shall be measured at FVTPL if it is not measured at amortized cost or at FVTOCI. If the financial asset that would otherwise be measured at FVTPL is not acquired or incurred principally for the purpose of selling or repurchasing it in the near term, not part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or a derivative, the Company may make an irrevocable election at initial recognition to present subsequent fair value changes of the equity instrument in OCI. Transaction costs associated with financial assets at FVTPL are expensed as incurred. These assets are carried at fair value with gains or losses recognized in profit or loss.

Derivatives designed as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of financial assets

The Company shall recognize a loss allowance for expected credit losses on financial assets measured at amortized cost, a lease receivable, a contract asset or a loan commitment. If the credit risk on the financial instrument has increased significantly since initial recognition, the loss allowance shall be measured at an amount equal to the lifetime expected credit losses, otherwise, it shall be measured at an amount equal to the 12-month expected credit losses.

Financial liabilities

At initial recognition, financial liabilities are classified as financial liabilities measured at amortized cost unless they are financial liabilities at FVTPL (including derivatives that are liabilities). Financial liabilities are recognized initially at fair value. Transaction costs directly attributable to the issue of a financial liability are included in the initial carrying value of financial liabilities if they are not measured at FVTPL. The subsequent measurement of financial liabilities depends on their classification, as follows:

Financial liabilities measured at amortized cost

Financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs.

Financial liabilities at FVTPL

Financial liabilities are carried at fair value with gains or losses recognized in net income (loss). Where the financial liability is designated as at FVTPL, only the amount of change in the fair value of the financial liability that is attributable to the changes in the credit risk of that liability shall be presented in OCI and the remaining amount of changes in fair value presented in profit or loss. Transaction costs on financial liabilities at FVTPL are expensed as incurred.

De-recognition of financial assets and liabilities

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire or, the financial assets are transferred, and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss. Where a transfer does not result in a derecognition due to continuing involvement, the Company shall continue to recognize the transferred asset and recognize a financial liability of the consideration received.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognized in profit or loss.

Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred.

Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

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 asset with a corresponding entry to the provision.

Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from share capital.

The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the issuance date of the unit offering and any residual remaining is allocated to common share purchase warrants. Subsequent to the initial recognition of warrants, any modification to the original terms of the warrants attached to units that were initially recognized in accordance with the residual value approach does not result in a re-measurement adjustment. Any fair value attributed to warrants is recorded to reserves. If the warrants expire unexercised, the value attributed to the warrants is transferred to share capital.

Loss per share

Basic loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Share-based compensation

The grant date fair value of share-based payment awards granted to employees is recognized as share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid. When options are forfeited or are not exercised at the expiry date, the amount previously recognized in share-based payments is transferred to accumulated losses (deficit).

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Adoption of New Accounting Standards and New Accounting Pronouncements

There were no new amendments adopted by the Company on September 1, 2025:

Issued but Not Yet Effective:

- (i) In April 2024, the IASB issued a new IFRS accounting standard to improve the reporting of financial performance. IFRS 18 - Presentation and Disclosure in Financial Statements replaces IAS 1 - Presentation of Financial Statements. The standard will become effective January 1, 2027, with early adoption permitted. The Company is in the process of assessing the impact of this new standard on the Company's consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation properties include the following amounts:

	Nevada Portfolio	Gold Mountain	Peruvian Properties	Total
	\$	\$	\$	\$
ACQUISITION COSTS				
Balance, August 31, 2024	-	-	11,521,052	11,521,052
Shares issued	-	4,500,000	-	4,500,000
Cash consideration payable	-	188,933	-	188,933
Impairment	-	-	(11,521,052)	(11,521,052)
Total Acquisition Costs at August 31, 2025, and May 31, 2026	-	4,688,933	-	4,688,933
Balance, August 31, 2024	-	-	888,921	888,921
Exploration program	82,291	-	272,553	354,844
Claim maintenance fees	54,722	9,438	-	64,160
Impairment	-	-	(1,161,474)	(1,161,474)
Total Exploration Costs at August 31, 2025	137,013	9,438	-	146,451
Exploration program	49,361	43,769	-	93,130
Total Exploration Costs at May 31, 2026	186,374	53,207	-	239,581
Balance, May 31, 2026	186,374	4,742,140	-	4,928,514

Nevada Portfolio

During the year ended August 31, 2022, the Company closed a securities exchange agreement with 1316524 B.C. Ltd. ("Goldco"). Under the terms of the securities exchange agreement, the Company acquired all of the issued and outstanding shares of Goldco by paying \$2,000,284 and issued 509,573 common shares to the vendors. Goldco held several projects within Nevada.

During the year ended August 31, 2025, the Company abandoned its 6 claims in North Mill Creek and the 23 claims of Elder Creek claims staked by NQ Holdings, where the Company received US\$14,000 in settlement to disclaim all right, title and interest. Further, the Company renew 197 claims of its Elephant Project until August 2026 for further exploration.

In January 2025, the Company received a notice from the United States Department of the Interior Bureau of Land Management ("BLM") stating that various claims, known as the Clover project, have been forfeited and that the claims have been staked by a third-party. As a result, the Company wrote off the carrying value of the Clover project and expensed \$39,688 on the property as exploration costs after the mineral claims became void.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Gold Mountain Project, Nevada

During the year ended August 31, 2025, the Company entered into an asset purchase agreement with an arms-length vendor ("Vendor") to acquire 100% interest in 34 unpatented lode mining claims of Gold Mountain Project, located in Lander County, Nevada, USA. The acquisition was accounted as asset acquisition under IFRS 3.

As consideration for the acquisition, the Company issued 100,000,000 common shares valued at \$0.045 to the Vendor with a value of \$4,500,000 (Note 13).

In further consideration for the acquired assets, the Company shall, following the closing of the next equity financing, pay an aggregate of US\$137,486 (CAD\$188,933) to the vendor in cash as payment for outstanding consulting invoices, reimbursable expenses, and other prepaid fees.

The Gold Mountain Project is subject to a perpetual 3% net smelter return royalty on all minerals that are mined, extracted, produced, or otherwise recovered from the gold mountain project.

Peruvian Properties

Lucero mine project

On December 21, 2020 (the "MLDS Closing Date"), the Company's subsidiary Calipuy entered into a share purchase agreement (the "MLDS Agreement") with Condor Resources Inc. ("Condor") to acquire all issued and outstanding shares of Minas Lucero Del Sur S.A.C ("MLDS"), a wholly owned subsidiary of Condor, which owns certain rights, titles and interests in and to the Lucero mine project in the District of Chacas in Peru.

Pursuant to the MLDS Agreement, as amended on December 18, 2024, the Company is obligated to make a total cash payment of US\$2,065,000 (the MLDS Cash Payment) as follows:

- (i) On the MLDS Closing Date US\$90,000 (paid - Cdn\$115,704);
- (ii) On or before June 21, 2022 US\$75,000 (paid - Cdn\$97,688)*;
- (iii) On or before January 31, 2023 US\$100,000 (paid - Cdn\$133,500)*;
- (iv) On or before March 31, 2023 US\$200,000 (paid - Cdn\$269,900)*;
- (v) On or before December 21, 2023 US\$500,000 (paid as outlined below)*; and
- (vi) On or before June 30, 2025 US\$1,100,000*

In addition to the MLDS Cash Payment, the Company will make an additional cash payment of US\$1,535,000 (the "MLDS Final Cash Payment") to Condor on or before December 31, 2026, in an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US\$3,600,000*. Unless, the Company accelerates the MLDS Cash Payment and all such MLDS Cash Payment are made within thirty-six (36) months of the MLDS Closing Date. In which case, the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US\$3,000,000.

* collectively the "MLDS Subsequent Cash Payment"

The "MLDS Final Cash Payment is subject to the following:

- (i) the price of gold averages not less than US\$2,500 per ounce during the 30 days prior to the payment date of the MLDS Final Cash Payment, in which case the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US\$4,000,000; or
- (ii) the price of gold averages not less than US\$3,000 per ounce during the 30 days prior to the payment date of the MLDS Final Cash Payment, in which case the MLDS Final Cash Payment shall be an amount equal to the additional amount required to make the total aggregate amount of the MLDS Cash Payment and the MLDS Final Cash Payment to be US\$6,000,000.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Peruvian Properties (continued)

Using a risk-adjusted discount rate of 12%, the fair value of the MLDS Subsequent Cash Payment was calculated as US\$2,362,861 and recorded the provision at the MLDS Closing Date, which will be accreted to the face value during the term of the MLDS Subsequent Cash Payment. As at May 31, 2026, the book value of MLDS Subsequent Cash Payment has been accreted to \$3,499,334 (August 31, 2025- \$3,298,091) (Note 11).

Pursuant to the MLDS Agreement, until the MLDS Subsequent Cash Payment is settled and subsequent to Calipuy receiving the first \$550,000 proceeds from the future financings, Condor has the right but not the obligation to convert all or part of the outstanding MLDS Subsequent Cash Payment into Calipuy's common shares at a discounted price of 20% of the price offered in the future financing.

In addition, in connection with the acquisition of MLDS, the Company and Condor entered into a share pledge agreement (the "MLDS SP Agreement"). Pursuant to the MLDS SP Agreement, the shares of the MLDS are pledged to Condor as collateral for the MLDS.

On December 20, 2022, the Company entered into an amendment agreement to reschedule the December 21, 2022 Subsequent Cash Payment of US\$300,000 (paid) into two payments as outlined above. As a consideration for the rescheduled payments, the Company issued 25,000 common shares valued at \$40,000 to Condor on December 21, 2022.

As per amendment dated December 19, 2023 and April 5, 2024, the Company and Condor have agreed to reschedule the US\$500,000 MLDS Subsequent Cash Payment due on or before December 31, 2023, into two tranches.

- (i) Twenty five percent of the payment (US\$125,000) and bonus payable of US\$12,500 was satisfied by the issuance of common shares of the Company (1,152,422 shares issued with a value of \$185,217)
- (ii) Balance of US\$375,000 is due on or before March 31, 2024 which is further agreed to restructure on April 5, 2024 as follows:
 - US\$100,000 (paid – Cdn\$136,500)
 - US\$85,000 (US\$75,000 plus US\$10,000 bonus) will be satisfied by the issuance of units comprising of one common share at \$0.23 per common share and one warrant exercisable into one common share of the Company at \$0.35 per common share for two years (499,413 units issued with a value of \$114,865)
 - US\$200,000 to be paid on or before the closing of Element79's sale of their Maverick Springs project, which sale is expected to close before the end of June 2024 (paid – \$272,042)
 - In consideration of the restructure, Element79 paid an additional US\$20,000 on or before the closing of Element79's sale of their Maverick Springs project (paid – \$27,204)

All other terms remain unchanged.

On December 18, 2024, the Company amended the MLDS Agreement by increasing the cash payment from US\$1,000,000 due on or before December 31, 2024 to US\$1,100,000 due on or before June 30, 2025. As security the Company has pledged 1,750,000 Sun Silver shares in favour of Condor as collateral. All other terms remain unchanged.

On May 31, 2025, the Company issued a force majeure notice to Condor which has temporarily suspend all payment obligations under the Lucero project agreement. The Company has been unable to access the Lucero project and perform exploration or commercial mining operation. Accordingly, during the period ended May 31, 2026 the Company has written off \$Nil (August 31, 2025- \$12,682,526) of acquisition costs and exploration expenses. (Note 20)

Reclamation deposit

As at May 31, 2026, the reclamation deposit in the amount of \$42,720 (August 31, 2025– \$15,188) is related to Battle Mountain portfolio projects and Maverick Springs project within Nevada Portfolio.

Element79 Gold Corp.
Notes to the Interim Condensed Consolidated Financial Statements
For The Periods Ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

5. INVESTMENTS

The Company's investments are as following:

	May 31, 2026	August 31, 2025
	\$	\$
Investment in shares of Centra	1	1
Investment in shares of Sun Silver Limited	374,339	776,799
	374,340	776,800

The Company acquired 2,500,000 common shares in Centra Mining Ltd ("Centra"), representing 20% stake in the issued and outstanding shares of Centra. Considering that the Company does not have significant influence or control over Centra, the investment in Centra is classified as FVTPL pursuant to IFRS 9. The fair value of the Company's investment in Centra was \$1 as at May 31, 2026, (August 31, 2025- \$1).

During the year ended August 31, 2024, the Company acquired 3,500,000 common shares in Sun Silver Limited ("Sun Silver"). During the year ended August 31, 2025, the Company pledged 1,750,000 Sun Silver common shares in favour of Condor as collateral. During the year ended August 31, 2025, the Company transferred 808,962 shares to Helena Partners to settle the outstanding loan and accrued interest of US\$315,000 (CAD \$439,529) (Note 9). The Company sold 1,691,038 shares in Sun Silver for a gross consideration of \$1,290,989 (August 31, 2024 - \$Nil) and recorded a realized gain on sale of investment shares of \$1,098,517. As at August 31, 2025, the fair value of the remaining investment of 1,000,000 shares in Sun Silver was \$776,799, using the closing market price of Sun Silver shares on the Australian Securities Exchange.

During the period ended May 31, 2026 the Company sold 675,000 shares in Sun Silver for a gross consideration of \$920,296 and recorded a realized gain on sale of investment shares of \$798,796. As at May 31, 2026 the fair value of the remaining investment of 325,000 shares in Sun Silver was \$374,339 using the closing marking price of Sun Silver Shares on the Australian Securities Exchange.

During the period ended May 31, 2026 the Company recorded an unrealized loss on revaluation of the Sun Silver investment totaling \$280,963 (May 31, 2025 - \$299,357).

6. PREPAID EXPENSES

	May 31, 2026	August 31, 2025
	\$	\$
Consulting fees	8,259	69,329
Director fees (note 12)	72,583	-
Management fees (note 12)	5,500	-
Insurance	3,711	-
Rent and storage	-	1,935
Legal	1,089	6,136
Marketing	254	25,448
Transfer agent and filing fees	21,342	17,948
Other prepayments to vendors	7,160	11,281
	119,898	132,077

Element79 Gold Corp.
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7. ASSETS HELD FOR SALE

As of May 31, 2026 the Dale property was classified as assets held for sale totaling \$587,405 (August 31, 2025- \$587,405).

	Dale Property \$	Total \$
Balance, August 31, 2024	419,762	419,762
Additions:	167,643	167,643
Balance, August 31, 2025	587,405	587,405
Additions:	-	-
Balance, May 31, 2026	587,405	587,405

Dale Property

In 2020, The Company entered into a property option agreement, as amended, with Jean Marc Gaudreau (“Optionor”) to acquire a 100% right, title and interest in and to 90 mineral claims located in Ontario, Canada subject to a Net Smelter Return (“NSR”) royalty.

Pursuant to the property option agreement, as amended, in order to exercise the option, the Company must complete the following requirements:

- a) Make aggregate cash payments of \$126,000 (paid).
- b) Issue a total of 20,000 common shares of the Company at a price of \$0.50 per share within 180 days of the option agreement (issued).
- c) Make aggregate share payments calculated at the price of the volume weighted average price (“VWAP”) of the 10 trading days prior to the issuance date:
 - (i) \$30,000 on or before December 31, 2021 (issued 3,030 common shares)
 - (ii) \$33,000 on or before December 31, 2022 (issued 21,680 common shares)
 - (iii) \$36,000 on or before December 31, 2023 (issued 390,000 Synergy common shares including 30,000 as bonus shares)
 - (iv) \$93,000 in Synergy common shares on or before December 31, 2024 (issued 930,000 Synergy common shares)
- d) Execute and deliver to the Optionor on the date the Company went public (delivered), the NSR Royalty granting the Optionor a 0.5% NSR royalty, subject to the right of the Company to re-purchase 100% of the NSR royalty for a total consideration of \$525,000 at any time.

A pre-existing 1% NSR royalty to the benefit of Keystone Associates Inc. existed on the property prior to this agreement and is additional to the 0.5% NSR royalty required as part of Element79’s option to purchase.

In 2020, in addition to the option agreement, the Company paid a finder’s fee by issuance of 8,000 common shares of the Company valued at \$1,600 to a third-party.

On July 17, 2023, the Company transferred all rights and data related to the Dale Property to its subsidiary, Synergy. The Company intends to spin out and sell Synergy through a Plan of Arrangement. As a result, Dale property with a cost of \$327,800 was reclassified from exploration and evaluation assets to assets available for sale.

7. ASSETS HELD FOR SALE (continued)

The Company, through its subsidiary, Synergy, amended the property option agreement whereby 1,320,000 Synergy common shares issued to the Optionor shall be exchanged for \$129,000 cash as long as the Optionor effects transfer from the Optionor to Synergy on or before December 31, 2025. On June 15, 2025, Synergy assigned its rights and obligation with respect to \$129,000 payment to third party as per the Notice of Assignment.

For the year ended August 31, 2025, the changes in Dale property of \$167,643 includes acquisition costs paid in Synergy shares amounting to \$93,000, acquisition costs paid in cash of \$51,000 and exploration costs on the property of \$23,643.

8. EQUITY OR NOTE DRAWDOWN FACILITY

On February 10, 2025, the Company entered into an investment and advisory agreement (the “Crescita Facility”) with Crescita Capital LLC (“Crescita”), that allows the Company to utilize funding for an aggregate amount of \$5,000,000. The Company can draw down funds from the Crescita Facility through equity drawdown or note drawdown from time to time during the three-year term at the Company’s discretion by providing a notice to Crescita, and in return for each equity drawdown Notice, the Company will allot and issue fully paid shares to Crescita in the form of a private placement. The note drawdown will bear interest at 15% per annum, calculated monthly.

During the year ended August 31, 2025, the Company paid an 8% commission and initial consulting fees (“financing fees”) by issuing 10,062,500 common shares with a value of \$402,500 and issuing 2,939,965 share purchase warrants. Each warrant is exercisable at \$0.05 until February 7, 2030. The warrants were valued at \$88,964 using the Black-Scholes model (2.75% risk-free rate, 138.49% volatility, 0% dividend yield, 5-year term). These financing fees were recorded as deferred financing charges and are amortized as share issue costs or financing fees based on drawdowns. During the period ended May 31, 2026 the Company amortized \$Nil (August 31, 2025- \$28,014) of deferred financing charges to the financing fees. As of May 31, 2026 the deferred financing charge was \$463,450 (August 31, 2025- \$463,450).

During the period ended May 31, 2026 the Company received a \$Nil (August 31, 2025- \$285,000) loan through the note drawdown from the Crescita Facility. As of May 31, 2026 the outstanding amount of the loan was \$338,227 (August 31, 2025- \$310,771) including \$53,227 (August 31, 2025- \$25,771) as accrued interest. As of May 31, 2026 and August 31, 2025, the Company has \$4,715,000 available to drawdown from the Crescita Facility.

9. LOANS PAYABLE

- a) During the year ended August 31, 2024, the Company, through its subsidiary, Synergy, entered into a loan agreement with a third-party whereby the third-party loaned \$200,000 to Synergy for startup capital, marketing fees, legal fees, listing fees and exploration of the Dale Property for the purposes of preparing for an amalgamation between the Synergy and the third-party. The loan shall be subject to an interest rate of 14% per annum with no payments due in the first calendar year. The Company provided the lender with a full corporate guarantee as security for the loan.

In the event that either Synergy or the third-party are no longer working towards the proposed amalgamation then the entire loan amount, together with any accrued interest, and any outstanding fees or charges, shall become due on demand at the third-party’s discretion. As per the amendment and restated loan agreement dated October 13, 2025, the loan is repayable on demand.

During the period ended May 31, 2026 Synergy received an additional loan of \$Nil (August 31, 2025- \$89,832) from the third-party on the same terms and conditions of the original loan agreement. As at May 31, 2026 the loan payable amount consists of \$289,832 (August 31, 2025- \$289,832) principal and \$91,316 accrued interest (August 31, 2025 - \$65,040).

9. LOAN PAYABLE (continued)

- b) During the year ended August 31, 2024, the Company entered into an agreement with a third-party whereby the Company received a loan of US\$40,000 repayable on or before July 15, 2024. Pursuant to the agreement, the Company shall pay daily interest of 0.50% per day and US\$1,000 for the first 15 days and an additional US\$4,000 for day 16 to 30. During the year ended August 31, 2024, the Company repaid the principal amount in full. As of May 31, 2026 the outstanding interest payable is US\$7,800 (Cdn\$10,719) (August 31, 2025 - US\$7,800 (Cdn\$10,719)).
- c) During the year ended August 31, 2025, the Company entered into a loan agreement with a third-party whereby the Company received US\$50,000 repayable on or before December 1, 2024 ("Maturity Date"). Pursuant to the agreement, the Company must pay a fee of US\$50,000 in common shares of the Company payable during the next capital raise (the "Fee"). Effective December 2, 2024, if the loan is not repaid by the Maturity Date, the third-party will be granted a 0.15% NSR on the Lucero mine project and the unpaid balance will accrue 12% per annum interest. The interest will be payable in common shares of the Company. The Company shall have the right to buy back the 0.15% NSR at any time for a price of \$150,000. During the year ended August 31, 2025, the Company issued 519,231 common shares at \$0.13 per share in connection with the Fee and repaid the loan amount along with the accrued interest. The Company is renegotiating the terms of NSR and expected to finalize in the current financial year.
- d) During the year ended August 31, 2025, the Company entered into a loan agreement with a third-party whereby the Company received US\$37,955 (CAD \$53,000) repayable on or before May 31, 2025 and secured with the Company's assets until the loan is repaid. Pursuant to the agreement, the Company must pay a fee of US\$37,955 in common shares of the Company payable during the next capital raise (the "Fee"). On November 14, 2024, the Company issued 530,000 units at \$0.10 per share in connection with the Fee. Additionally, the Company received \$77,180 short-term loan from the third party. During the year ended August 31, 2025, the Company repaid the loan in full.
- e) During the year ended August 31, 2025, the Company entered into an agreement, as amended, with a third-party whereby the Company received \$41,145 repayable on or before June 30, 2025. Pursuant to the agreement, the Company shall pay a fee of \$8,229, and an additional fee of US\$49,374 payable in common shares of the Company during the next capital raise (the "Fee"). The Company is also liable to pay additional fees of \$2,000 per month commencing December 1, 2024. On November 14, 2024, the Company issued 493,740 units at \$0.10 per share in connection with the Fee. During the year ended August 31, 2025, the Company repaid the loan in full along with the accrued interest.
- f) During the year ended August 31, 2025, the Company received \$25,000 from a third-party and repaid by issuing 193,077 shares at \$0.13 per share which includes accrued interest of \$100.
- g) During the year ended August 31, 2025, the Company entered into a loan agreement of \$US315,000 with an arm's length lender. The loan bears no interest; however, it is issued at a discount of US\$15,000. On May 19, 2025, the Company repaid the loan of US\$315,000 by transfer of 808,962 Sun Silver shares valued at \$0.543 to the lender. In connection with the settlement of this loan, the Company recognized a loss of \$1,943.
- h) During the period ended May 31, 2026 the Company entered into a convertible loan agreement with a third-party whereby the Company received a loan at its fair value of \$70,000, based on 2,000,000 free trading Element 79 share priced at \$0.035 at the funding date. Interest shall accrue on the loan at a rate of 18% per annum until paid in its entirety. The loan value and all accrued interest shall automatically convert into shares at a 1:1.25 value during the next capital raise round (the "Debenture"). The number of shares to be issued to be determined based on the amount of the loan and the price of the next capital raise round. As at May 31, 2026 using the effective interest rate, the outstanding loan payable was \$101,745 (August 31, 2025- \$Nil) including accrued interest of \$15,742 (August 31, 2025- \$Nil) and premium accretion of \$16,003 (August 31, 2025-\$Nil).

10. TRADE PAYABLES AND ACCRUED LIABILITIES

The Company's trade payables and accrued liabilities are principally comprised of amounts for administrative and exploration activities. These are broken down as follows:

As at	May 31, 2026	August 31, 2025
	\$	\$
Trade payables	843,444	572,938
Accrued liabilities	179,972	186,999
Trade payables and accrued liabilities	1,023,416	759,937

During the period ended May 31, 2026 \$Nil (August 31, 2025 - \$117,381) of accounts payable was extinguished.

11. PROVISIONS

The Company has an obligation to settle the MLDS Subsequent Cash Payment, the fair value of the obligations was initially recognized as a discounted amount by using a risk-adjusted discount rate of 12%, which will be accreted to the face value during the term of the payments.

	MLDS
	\$
As at August 31, 2024	2,873,604
Add: Accretion	380,870
Effect of movements in exchange rates	43,617
As at August 31, 2025	3,298,091
Current portion	1,511,598
Long-term portion	1,786,493
As at August 31, 2025	3,298,091
Add: Accretion	169,381
Effect of movements in exchange rates	31,862
As at May 31, 2026	3,499,334
Current portion	3,499,334
Long-term portion	-

On December 18, 2024 the Company and Condor have agreed to reschedule the US\$1,000,000 payment due on or before December 31, 2024 to \$1,100,000 due on or before June 30, 2025 (note 4). During the period ended May 31, 2026 the Company recognized \$169,381 of accretion expense (May 31, 2025 - \$195,585) with a corresponding increase in the carrying value of the provisions.

On May 31, 2025, the Company issued a force majeure notice to Condor to temporarily suspend all payment obligations under the Lucero project agreement. Obligations under the agreement are extended by a period equal to the duration of the force majeure provided, payments will be resumed within a reasonable amount of time after the force majeure conditions cease to exist. If the conditions of the force majeure conditions continue for more than 24 months, the payments extension will cease and the regular payment schedules will be resumed. Accordingly, as of May 31, 2026 the carrying value of the provisions was \$3,499,334 (August 31, 2025 - \$3,298,091) of which \$3,499,334 (August 31, 2025 - \$1,511,598) was classified as a current liability.

12. RELATED PARTY TRANSACTIONS

The Company's related parties consist of key management personnel and companies owned directly or indirectly by key management personnel.

Key management personnel compensation

Key management personnel include persons having the 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 Board of Directors and corporate officers.

The remuneration of key management personnel for the period ended May 31, 2026 and 2025 as follows:

	May 31, 2026	May 31, 2025
	\$	\$
Professional fees	-	26,808
Consulting fees	49,762	-
Director and management fees	302,315	620,373
Share based compensation	-	585,101
Total	352,077	1,232,282

Amounts due to key management personnel

As at May 31, 2026, a total amount of \$2,000 (August 31, 2025 - \$194,173) was due to key management personnel. This amount is non-interest bearing and due on demand.

	May 31, 2026	August 31, 2025
	\$	\$
Due to a company controlled by the former CEO	-	90,321
Due to a company controlled by the CEO	-	1,792
Due to the CFO	-	255
Due to a company controlled by the former COO and VP Global Exploration	-	45,522
Due to a company controlled by the Corporate Secretary	2,000	2,000
Due to companies controlled by directors	-	43,824
Due to a director	-	10,459
Total	2,000	194,173

During the period ended May 31, 2026, related party balance due to former director has been reclassified to accounts payable amounting to \$Nil (August 31, 2025 - \$84,000)

Other related party transactions

During the year ended August 31, 2025, the Company entered into a debt settlement agreement with various former and current related parties to and aggregate debt of \$69,507 and issued 534,668 common shares valued at \$53,467, resulting in a gain on settlement of debt of \$15,740. Also, during the year ended August 31, 2025, the Company issued 1,025,000 shares at a price of \$0.13 for the management fees payable of \$32,000 to the former CEO and \$101,250 to the former COO for their services. There is no debt settlement during the period May 31, 2026.

Obligation to issue shares: As of May 31, 2026, the Company is also liable to pay management fees in shares of \$85,000 (August 31, 2025 - \$Nil) to the CEO, \$99,552 (August 31, 2025 - \$67,815) to the current director and former CEO, \$254,141 (August 31, 2025 - \$253,256) to the current director and former COO and \$42,000 (August 31, 2025 - \$10,500) to the CFO.

12. RELATED PARTY TRANSACTIONS (continued)

As at May 31, 2026, \$78,083 (August 31, 2025 - \$Nil) was prepaid to the directors and officers as advance management and director fees. (Note 6)

13. SHARE CAPITAL

Authorized share capital

The Company has an authorized share capital of an unlimited number of common shares with no par value.

During the year ended August 31, 2024, the Company consolidated the issued share capital on the basis of ten (10) old common shares for one (1) new common share ("the Consolidation"). Outstanding stock options and warrants were adjusted by the Consolidation ratio. All common shares and per common share amounts in these Financial Statements have been retroactively restated to reflect the Consolidation.

As May 31, 2026, the Company had 207,373,844 (August 31, 2025 –208,061,344) common shares issued and outstanding.

Share issuance

Share transactions for the period ended May 31, 2026

The Company cancelled 687,500 shares valued at \$0.10 issued in error to third party.

Share transactions for the year ended August 31, 2025

The Company issued 100,000,000 shares with a fair value of \$0.045 amounting to \$4,500,000 per the Asset Purchase Agreement for the acquisition of Gold Mountain project, Nevada. (Note 4)

The Company issued an aggregate of 10,062,500 common shares for financing fee valued at \$402,500 to Crescita pursuant to the amended drawdown agreement (Note 8).

The Company issued 3,976,500 units at \$0.10 for a gross consideration of \$397,650 of which \$328,900 was received and \$68,750 was share subscription receivable as at August 31, 2025, as the shares were issued in error. Each unit is comprised of one common share of the Company and one common share purchase warrant (each a "Warrant"). Each Warrant is exercisable for one common share at a price of \$0.15 per common share for two years from the date of issuance. Using the residual valuation method, the Company allocated \$331,552 to share capital and \$66,098 was allocated to contributed surplus as the fair value of the warrants.

The Company issued 1,025,000 shares for service of \$133,250 and 153,846 shares for exploration and evaluation amounting to \$14,615, no gain or loss as issued as part of the service agreements.

The Company issued 1,023,740 units valued at \$102,374 for fees paid pursuant to a loan agreements and recognized the full amount as financing charges. As part of the unit, the Company issued 1,023,740 warrants. Each warrant is exercisable for one common share at a price of \$0.15 per common share for two years from the date of issuance. Using the residual valuation method, the Company allocated \$93,469 to share capital and \$8,905 was allocated to contributed surplus as the fair value of the warrants. Additionally, the Company issued 519,231 shares valued at \$67,500 for fees pursuant to a loan agreement and recognized the full amount as financing charges.

The Company entered into debt settlement agreements with various vendors to settle debt of \$801,365 and issued 6,164,344 common shares valued at \$588,586 resulting in a loss on settlement of debt of \$212,779.

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13. SHARE CAPITAL (continued)

Treasury stock to be cancelled

During the year ended August 31, 2023, the Company entered into an agreement to terminate the Machacala mine project and the Urumalqui project located in Peru whereby, 121,030 common shares were to be returned to treasury. 87,682 common shares have been returned leaving 33,348 common shares to be returned as at May 31, 2026 (August 31, 2025 – 33,348 common shares).

Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price \$
Balance, August 31, 2024	7,222,939	0.44
Granted	7,940,205	0.11
Expired	(1,000,000)	(0.35)
Balance, August 31, 2025	14,163,144	0.26
Cancelled	(4,272,173)	(0.26)
Expired	(709,239)	(0.26)
Balance, May 31, 2026	9,181,732	0.26

As at May 31, 2026, the following warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date	Weighted average remaining contracted life (years)
290,000 ⁽¹⁾	0.35 ⁽²⁾	September 8, 2026	0.27
383,309	20.00	June 28, 2027	1.08
1,255,718	0.35	July 15, 2028	2.13
4,312,740	0.15	November 14, 2026	0.46
2,939,965	0.05	February 7, 2030	3.69
9,181,732			1.26

(1) Share purchase warrants

(2) During the year ended August 31, 2024, the Company repriced the exercise price from \$0.50 to \$0.35

During the period ended May 31, 2026:

- (i) 687,500 share warrants with an exercise price of \$0.15 cancelled as issued in error,
- (ii) 21,739 share warrants with an exercise price of \$0.35 voided due to non-payment
- (iii) 4,272,173 with an exercise price between 0.23 to 0.35 expired unexercised.

During the year ended August 31, 2025, 1,000,000 share warrants with an exercise price of \$0.35 expired unexercised.

On June 28, 2022, in connection with the acquisition of Calipuy, the Company granted 383,309 performance bonus warrants to acquire an aggregate of 383,309 common shares of the Company. Each performance bonus warrant is exercisable into one common share of the Company at an exercise price of \$20.00 per share expiring on the earlier of (i) three years from the exercise eligibility date, subject to achievement of bonus performance target that is tied to producing a minimum production target of 9,000 tons of ore yielding a minimum of 1,500 oz of gold within a 30-day production period, and (ii) five years from the date of issuance of the performance warrants.

13. SHARE CAPITAL (continued)

Stock options

The Company has an Omnibus Equity Incentive Plan (the “2022 Plan”) that supersedes the 2020 rolling stock option plan. The 2022 Plan is a 10% rolling plan, pursuant to which a maximum of 10% of the issued and outstanding common shares of the Company, will be reserved for issuances as stock options, restricted share units, performance share units and deferred share units. The equity instruments granted under the 2022 Plan will be granted at the discretion of the Board of Directors and vest at the discretion of the Board of Directors. The options can be granted for a maximum term of ten years.

Transactions during the period ended May 31, 2026

During the period ended May 31, 2026, 447,200 stock options with an exercise price between \$0.25 to \$1, expired unexercised.

During the period ended May 31, 2026, 65,000 stock options with an exercise price between \$0.15 to \$0.50, cancelled due to termination of consulting agreement of a director.

Transactions during the year ended August 31, 2025

During the year ended August 31, 2025, 610,000 stock options cancelled due to termination of consulting agreement of the consultants and officers.

On October 4, 2024, 7,723,333 stock options were granted to the directors, officers and consultants. The fair value of these stock options was determined to be \$753,213 using the Black-Scholes Option Pricing Model using the following assumptions:

Risk-free annual interest	2.89%
Expected volatility	131%
Expected life of option	5 years
Expected annual dividend	0%

Also, on October 4, 2024, 362,200 stock options were granted to the third-party advisor. The fair value of these stock options was determined to be \$39,176 using the Black-Scholes Option Pricing Model using the following assumptions:

Risk-free annual interest	3.43%
Expected volatility	139%
Expected life of option	1 years
Expected annual dividend	0%

The following table summarizes the continuity of the Company’s stock options:

	May 31, 2026		August 31, 2025	
	Number of options	Weighted- average exercise price	Number of options	Weighted- average exercise price
		\$		\$
Outstanding, beginning	7,898,033	0.17	422,500	1.82
Granted	-	-	8,085,533	0.15
Expired/Cancelled	(512,200)	(0.15)	(610,000)	(1.12)
Outstanding, ending	7,385,833	0.15	7,898,033	0.17

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13. SHARE CAPITAL (continued)

Stock options (continued)

The following table summarizes information regarding stock options outstanding and exercisable as at May 31, 2026

Expiry date	Number of options outstanding and exercisable	Exercise price	Remaining life in years
July 19, 2026	102,500	\$ 0.50	0.13
October 4, 2029	7,283,333	\$ 0.15	3.35
	7,385,833		3.30

During the period ended May 31, 2026, the Company expensed \$Nil (May 31, 2025 - \$926,981) relating to share-based compensation.

14. SUPPLEMENTAL CASH FLOW INFORMATION

During the period ended May 31, 2026 and May 31, 2025, the Company had the following non-cash investing and financing activities:

	Nine Months ended	
	May 31, 2026	May 31, 2025
	\$	\$
Non-cash operating activities		
Shares issued for services	-	133,250
Non-cash investing activities:		
Fair value of shares issued for exploration and evaluation assets	-	93,000
Shares issued for mineral properties	-	20,000
Non-cash financing activities:		
Fair value of shares issued for debt settlements	-	616,435
Fair value of Loan repaid by third party	-	431,680
Share subscription receivable	-	68,750
Residual value of warrants issued for financing fees	-	91,081
Accounts payable offset by convertible loan	70,000	-
Fair value of shar warrants cancelled	10,313	-

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

	Fair Value Hierarchy	May 31, 2026	August 31, 2025
		\$	\$
FINANCIAL ASSETS			
Financial assets, at amortized costs			
Cash	N/A	51,142	192,038
Amounts receivable	N/A	25,480	41,978
Reclamation deposit	N/A	42,720	15,188
Financial assets, at fair value through profit and loss			
Investment in private company	Level 3	1	1
Investment in public company shares	Level 1	374,339	776,799
Total financial assets		493,682	1,026,004
Other liabilities, at amortized cost			
Loans payable	N/A	348,946	676,362
Convertible loan	N/A	101,745	-
Trade payables and accrued liabilities	N/A	1,023,416	759,936
Due to related parties		2,000	194,173
Provisions	N/A	3,499,334	3,298,091
Total financial liabilities		4,975,441	4,928,562

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities

Level 2 – Inputs other than quoted prices that are directly or indirectly observable for the asset or liability; and

Level 3 – Inputs that are not based on observable market data.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The carrying amounts for cash, amount receivable and trade payable, due to related parties and loan payable approximate fair value due to their short-term nature. The carrying value of reclamation deposit, convertible debenture and provisions approximates its fair value because the discount rate approximates market interest rate. The fair value of the Company's investments in Sun Silver (Note 5) was based on level 1 of the fair value hierarchy.

Within Level 3, the Company includes its investment in Centra which is a private company. The key assumptions used in the valuation of these instruments typically include (but are not limited to) company-specific information used in modelling, the valuation and share performance of comparable publicly-traded companies, trends in general market conditions, the value at which a recent financing was done by the investee, liquidation analysis and a strategic review. For investments valued based on trends in comparable entities, general market conditions and specific company information, the inputs used can be highly judgmental. It was concluded by management that the fair value of Company's investment in Centra was indeterminable but management believed that the fair value approximated a nominal value as at May 31, 2026 and August 31, 2025.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset-backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining adequate cash and restricted cash balances. The Company continuously monitors both actual and forecasted cash flows and matches the maturity profile of financial assets and liabilities.

Market risk

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

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings that bear variable interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. This risk is considered minimal.

Foreign currency risk

The Company may be exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Company does not use derivative instruments to reduce its currency risk.

Commodity price risk

Commodity price risk is the risk that future cash flows will fluctuate as a result of changes in commodity prices, affecting results of operations and cash generated from operating activities. Such prices may also affect the value of exploration and development properties and the level of spending for future activities.

Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

As at May 31, 2026, the Company had a cash balance of \$51,142 (August 31, 2025– \$192,038) and amounts receivable of \$25,480 (August 31, 2025 – \$41,978) to settle current liabilities due in twelve months or less of \$5,356,589 (August 31, 2025– \$3,142,070) and carry out its planned exploration program in the coming year. Management seeks additional financing through the issuance of equity instruments to continue its operations.

There can be no assurance it will be able to do so. As at May 31, 2026, the Company has access to \$4,715,000 through its equity drawdown Crescita Facility.

16. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to maintain an appropriate capital base in order to:

- (i) Advance the Company's corporate strategies to create long-term value for its stakeholders;
- (ii) Sustain the Company's operations and growth throughout metals and materials cycles; and
- (iii) Ensure compliance with the covenants of any applicable credit facility and other financing facilities used from time to time.

The Company monitors its capital and capital structure on an ongoing basis to ensure it is sufficient to achieve the Company's short-term and long-term strategic objectives. Management primarily funds the Company's exploration by issuing share capital, rather than using other capital sources that require fixed repayments of principal and interest. Management closely monitors its cash balance. The balance of cash as at May 31, 2026, was \$51,142 (August 31, 2025 – \$192,038).

There are presently no formal capital requirements with which the Company has not complied.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes to capital management during the period ended May 31, 2026.

17. SEGMENTED INFORMATION

The Company's business activity is exploration and development of exploration and evaluation properties carried out in Canada, Peru, and the United States of America.

May 31, 2026				
	Exploration and evaluation assets	Deferred financing charges	Investments	Reclamation deposit
	\$	\$	\$	\$
Canada	-	463,450	374,340	-
United States	4,928,514	-	-	42,720
Total	4,928,514	463,450	374,340	42,720

August 31, 2025				
	Exploration and evaluation assets	Deferred financing charges	Investment	Reclamation deposit
	\$	\$	\$	\$
Canada	-	463,450	776,800	-
United States	4,835,384	-	-	15,188
Total	4,835,384	463,450	776,800	15,188

18. COMMITMENTS AND CONTINGENCIES

On January 10, 2025, the Company entered into an arrangement agreement and merger agreement with Synergy, 1515041 BC Ltd (“Synergy SubCo”) and 1425957 BC Ltd (“142”). As per the arrangement, the Company will distribute 1,000,000 out of 2,000,000 Synergy shares to the shareholders of the Company on a pro-rata basis (the “Spin-Out Arrangement”) and it will receive an additional 10,000 Synergy shares which will also be distributed to the Company shareholders. After the arrangement, the Company will maintain its business as a gold exploration Company developing gold projects in Peru and the USA, while Synergy will be an exploration company focused on the Dale Property. In December 2025, The Company entered into an amendment agreement to extend the completion of the transaction contemplated by the Arrangement Agreement and Merger Agreement to July 31, 2026.

19. NON-CONTROLLING INTEREST

The financial information of Synergy, the Company’s only subsidiary that has a non-controlling interest is provided below. As at May 31, 2026, the Company has 60.24% (August 31, 2025 – 60.24%) interest in Synergy and non-controlling stockholders have 39.76% in Synergy (August 31, 2025 – 39.76%).

	May 31, 2026	August 31, 2025
Summary of Synergy’s financial information	\$	\$
Current assets	594,551	594,551
Current liabilities	12,966	404,479
Net loss	(111,337)	(110,116)

The table below summarizes the movements of the non-controlling interest:

	May 31, 2026	August 31, 2025
	\$	\$
Beginning balance	70,296	30,098
Addition	-	82,092
Net loss	(44,267)	(41,894)
Ending balance	26,029	70,296

20. SUBSEQUENT EVENTS

Subsequent to the period ended May 31, 2026, the Company:

- i. sold 50,000 Sun Silver shares and received gross proceeds of \$50,162.
- ii. 383,309 share warrants with an exercise price of \$20 expired unexercised.
- iii. Entered into a binding Memorandum of Understanding with an Arm’s length Party for the sale of 100% of the shares of Minas Lucero del Sur S.A.C., including all associated mining concessions, mineral rights, permits and related assets comprising the Lucero Project in Arequipa, Peru for aggregate consideration of US\$2,000,000, with closing scheduled on or before July 31, 2026. As a condition of the Company’s obligation to proceed with the transaction, the purchaser paid a non-refundable deposit of US\$300,000. The transaction remains subject to customary closing conditions, including receipt of applicable regulatory approvals.
- iv. has been granted the final order from the Supreme Court of British Columbia approving the Company’s previously announced Spin Out Arrangement. Receipt of final order follows approval of the Arrangement by securityholders of the Company at its special meeting held on July 3, 2026. Completion of the Arrangement remains subject to the satisfaction of other customary closing conditions.