GROUNDED PEOPLE APPAREL INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended May 31, 2026 and 2025

(Unaudited - Expressed in Canadian Dollars)

GROUNDED PEOPLE APPAREL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at May 31, 2026 and February 28, 2026
(Unaudited - Expressed in Canadian Dollars)

	Notes		May 31, 2026		February 28, 2026
ASSETS					
Current assets					
Cash		$	823	$	3,246
Taxes receivable			40,023		32,999
Prepaid expense			4,061		1,561
TOTAL ASSETS		$	44,907	$	37,806
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	6, 10	$	638,253	$	955,864
Loans payable	7, 10		146,078		137,333
TOTAL LIABILITIES		$	784,331	$	1,093,197
DEFICIENCY					
Share capital	9		7,173,700		6,701,200
Deficit			(7,913,124)		(7,756,591)
TOTAL DEFICIENCY			(739,424)		(1,055,391)
TOTAL LIABILITIES AND DEFICIENCY		$	44,907	$	37,806

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 11)

APPROVED ON BEHALF OF THE BOARD ON JULY 30, 2026:

"Maximilian Justus" Director
Maximilian Justus

"Joel Shacker" Director
Joel Shacker

See accompanying notes to these condensed interim consolidated financial statements.

GROUNDED PEOPLE APPAREL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three months ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian Dollars)

	Notes	2026	2025
Sales		$ -	$ 6,539
Cost of goods sold	5	-	192
Gross profit		-	6,347
EXPENSES			
Advertising and marketing (recovery)		550	(85,718)
Consulting fees	10	4,500	65,222
Office and miscellaneous		4,432	5,128
Professional fees		113,629	46,803
Selling expense		-	18,843
Share-based compensation	9, 10	-	23,951
Transfer agent and filing fees		6,690	4,455
Wages and salaries	10	-	34,824
		(129,801)	(113,508)
Loss before other items		(129,801)	(107,161)
OTHER ITEMS			
Interest expense		(4,232)	-
Loss on debt settlement	6, 9	(22,500)	-
		(26,732)	-
Net and comprehensive loss for the period		**$ (156,533)**	**$ (107,161)**
Basic and diluted loss per share		**$ (0.00)**	**$ (0.00)**
Weighted average number of common shares outstanding		**31,583,936**	**27,465,240**

See accompanying notes to these condensed interim consolidated financial statements.

GROUNDED PEOPLE APPAREL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIENCY
For the three months ended May 31, 2026 and the year ended February 28, 2026
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares #	Share Capital $	Reserves $	Deficit $	Total Deficiency $
Balance, February 28, 2025	**27,465,240**	**6,690,200**	**2,321,851**	**(9,444,642)**	**(432,591)**
Share-based compensation	-	-	23,951	-	23,951
Net and comprehensive loss for the period	-	-	-	(107,161)	(107,161)
Balance, May 31, 2025	**27,465,240**	**6,690,200**	**2,345,802**	**(9,551,803)**	**(515,801)**
Cancellation of stock options and warrants	-	-	(2,353,129)	2,353,129	-
Exercise of restricted share units	10,000	11,000	(11,000)	-	-
Share-based compensation	-	-	18,327	-	18,327
Net and comprehensive loss for the period	-	-	-	(557,917)	(557,917)
Balance, February 28, 2026	**27,475,240**	**6,701,200**	**-**	**(7,756,591)**	**(1,055,391)**
Shares issued for debt settlement	4,500,000	472,500	-	-	472,500
Net and comprehensive loss for the period	-	-	-	(156,533)	(156,533)
Balance, May 31, 2026	**31,975,240**	**7,173,700**	**-**	**(7,913,124)**	**(739,424)**

See accompanying notes to these condensed interim consolidated financial statements.

GROUNDED PEOPLE APPAREL INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended May 31, 2026 and 2025
(Unaudited - Expressed in Canadian Dollars)

	Three months ended May 31, 2026	Three months ended May 31, 2025
Operating Activities		
Net loss for the period	$ (156,533)	$ (107,161)
Items not involving cash:		
Loss on debt settlement	22,500	-
Share-based compensation	-	23,951
Changes in non-cash working capital items related to operations:		
Taxes receivable	(7,024)	(7,811)
Prepaid expense	(2,500)	-
Inventory	-	192
Accounts payable and accrued liabilities	132,389	55,492
Cash used in operating activities	(11,168)	(35,337)
Financing Activity		
Proceeds from loan	8,745	-
Cash provided by financing activity	8,745	-
Change in cash during the period	(2,423)	(35,337)
Cash, beginning of period	3,246	116,603
Cash, end of period	**$ 823**	**$ 81,266**
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period:		
Interest	$ -	$ -
Income taxes	$ -	$ -
Non-cash Financing Items:		
Fair value of shares issued for debt settlement	$ 472,500	$ -

See accompanying notes to these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Grounded People Apparel Inc. (the "Company") was incorporated on April 20, 2020 in British Columbia under the Business Corporations Act. The head office and registered and records office of the Company is located at 800 – 1199 West Hastings Street, Vancouver, BC, Canada, V6E 3T5. On October 5, 2022, the Company commenced trading under the trading symbol "SHOE" on the Canadian Securities Exchange ("CSE").

The Company was previously engaged in the business of fair trade, sustainable and earth-conscious fashion, with a focus on the design and production of high-top and low-cut canvas sneakers. On October 27, 2025, the Board of Directors approved a plan to terminate all retail operations and commence the liquidation of remaining inventory. Accordingly, the Company shifted its focus to the investigation of new opportunities or projects for acquisition or investment with the goal of increasing shareholder value. Following this, the Company is designated as an inactive issuer and effective November 26, 2025, its trading symbol changed from SHOE to SHOE.X. Subsequent to May 31, 2026, the Company entered into a mineral property option agreement, with the intent to re-list on the CSE as a Mining Issuer (see Note 11).

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. As at May 31, 2026, the Company has not achieved profitable operations, has a working capital deficiency of $739,424, has an accumulated deficit of $7,913,124 since inception and expects to incur further losses in the development of its business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

The Company's continuation as a going concern is dependent upon successful results from its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and the impact of these adjustments could be material. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations.

2. BASIS OF PREPARATION

(a) Statement of Compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), and in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on July 30, 2026.

(b) Basis of Measurement

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION (CONTINUED)

(c) Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary at the end of the reporting period:

	Incorporated	Nature	Ownership May 31, 2026	Ownership February 28, 2026
Grounded People Apparel (US) SPC	Washington, USA	Currently inactive	100%	100%

The results of the wholly-owned subsidiary will continue to be included in the condensed interim consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated upon consolidation.

(d) Functional and presentation currency

The functional currency of a company is the currency of the primary economic environment in which the Company operates. The presentation currency for a company is the currency in which that company chooses to present its financial statements.

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the parent company's functional currency. The functional currency of Grounded People Apparel (US) SPC is the US dollar.

3. MATERIAL ACCOUNTING POLICIES

The preparation of the condensed interim consolidated financial statements is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements for the year ended February 28, 2026. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended February 28, 2026.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim consolidated financial statements 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 amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(Unaudited - Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

Significant judgments

Management has made critical judgments in the process of applying accounting policies. The one that has the most significant effect on the amounts recognized in the condensed interim consolidated financial statements includes:

i. The assessment of the Company's ability to continue as a going concern and its ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1.

5. INVENTORY

Inventory was comprised of finished goods held on hand. During the three months ended May 31, 2026, the Company recognized $Nil (2025 – $192) of inventory as cost of goods sold.

On October 27, 2025, the Board made the decision to terminate all retail operations and to commence the liquidation of remaining inventory. As of February 28, 2026, $16,305 of inventory had been liquidated, and the Company wrote off the remaining balance of $15,147 in inventory during the year ended February 28, 2026.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	May 31, 2026		February 28, 2026	
Accounts payable	$	541,983	$	880,506
Accrued liabilities		96,270		75,358
	$	638,253	$	955,864

On February 3, 2026, the Company entered into debt settlement agreements with certain vendors, pursuant to which $160,129 of accounts payable were to be settled for $23,500. However, the liability had not been extinguished as at May 31, 2026.

On March 9, 2026, the Company issued 4,500,000 common shares at the fair value of $472,500 in settlement of outstanding debt totaling $450,000, which resulted in a loss on settlement of $22,500.

7. LOANS PAYABLE

On January 14, 2025, the Company entered into a short-term unsecured loan agreement with an unrelated third-party lender for $120,000. The loan accrues interest at a rate of 15% per annum and is payable on demand. As at May 31, 2026, the accrued interest payable on the loan included within accounts payable and accrued liabilities was $24,707 (February 28, 2026 – $20,170) and the balance of the loan payable was $120,000 (February 28, 2026 – $120,000).

During the three months ended May 31, 2026, the Company received additional advances of $8,745 from the Chief Executive Officer ("CEO") of the Company. The advances are unsecured, non-interest bearing and payable on demand. As at May 31, 2026, the outstanding balance of the advances was $26,078 (February 28, 2026 – $17,333).

(Unaudited - Expressed in Canadian Dollars)

8. OPERATING SEGMENTS

As at May 31, 2026, the Company was operating its business in one reportable segment, which used to be the sale of shoes but was then shifted to the investigation of new opportunities or projects. During the three months ended May 31, 2026 and 2025, the Company did not have any customers who accounted for more than 10% of revenues from operations. The Company's revenues allocated by geography for the three months ended May 31, 2026 and 2025 were as follows:

	May 31, 2026	May 31, 2025
United States of America	$ -	$ 3,211
Canada	-	3,122
Other	-	206
Total	$ -	$ 6,539

9. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

<u>During the three months ended May 31, 2026:</u>

On March 9, 2026, the Company issued 4,500,000 common shares at the fair value of $472,500 in settlement of outstanding debt totaling $450,000, which resulted in a loss on settlement of $22,500 (Note 6).

<u>During the year ended February 28, 2026:</u>

On September 16, 2025, the Company issued 10,000 common shares pursuant to the exercise of restricted share units, which had an estimated fair value of $11,000.

(c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Three months ended May 31, 2026		Year ended February 28, 2026	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning	-	$ -	4,458,889	$ 0.71
Cancelled	-	-	(4,458,889)	0.71
Outstanding, ending	-	$ -	-	$ -

There are no warrants outstanding at May 31, 2026.

(Unaudited - Expressed in Canadian Dollars)

9. SHARE CAPITAL (CONTINUED)

(d) Stock Options

The Company has a stock option plan (the "Plan") to grant incentive stock options to directors, officers, employees, and consultants. Under the Plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 20% of the issued common shares of the Company as of that date. Options granted may not exceed a term of 10 years. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Three months ended May 31, 2026		**Year ended February 28, 2026**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning	-	$ -	5,011,000	$ 0.50
Cancelled	-	-	(5,011,000)	0.50
Outstanding, ending	-	$ -	-	$ -

There are no stock options outstanding at May 31, 2026.

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. During the three months ended May 31, 2026, share-based compensation of $Nil (2025 – $19,779) has been recognized based on the vesting of the options.

(e) Restricted Share Units ("RSU")

On October 29, 2024, the Company issued 20,000 RSUs, under which the holder had the right to receive an aggregate of 20,000 common shares of the Company. The restricted share units vested 50% on February 28, 2025 and 50% on June 28, 2025. The fair value of RSUs was equal to $22,000, of which the full $22,000 has been recognized based on the vesting of the RSUs since the grant date.

During the three months ended May 31, 2026, share-based compensation of $Nil (2025 – $4,172) has been recognized based on the vesting of the RSUs.

As at February 28, 2026 and May 31, 2026, the 20,000 RSUs had been exercised and the corresponding common shares were issued.

(Unaudited - Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

Key management personnel are those having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, and include the Company's executive officers and members of the Board of Directors.

	Three months ended May 31, 2026	Three months ended May 31, 2025
Key Management Compensation		
Wages and salaries, to Maximilian Justus, Director, CEO	$ -	$ 20,000
Revenue Royalties		
Revenue royalties, to Maximilian Justus, Director, CEO	-	33
Shared-Based Compensation		
Christopher Gulka, CFO	-	23,951
	$ -	**$ 43,984**

As at May 31, 2026, $1,325 (February 28, 2026 - $1,325) in balances owing to related parties is included within accounts payable. These amounts are unsecured, non-interest bearing, and due on demand.

For the three months ended May 31, 2026, the Company recognized $Nil (2025 - $33) of royalty payments due to Maximilian Justus, CEO. As at May 31, 2026, the balance of royalty payments due to Maximilian Justus was $2,264 (February 28, 2026 - $2,264). This is included in the accrued liabilities as at May 31, 2026 and February 28, 2026.

During the three months ended May 31, 2026, the Company received additional advances of $8,745 from the CEO of the Company. The advances are unsecured, non-interest bearing and payable on demand. As at May 31, 2026, the outstanding balance of the advances was $26,078 (February 28, 2026 – $17,333) (Note 7).

11. SUBSEQUENT EVENTS

Advances

Subsequent to May 31, 2026, the Company received an additional advance of $7,251 from the CEO of the Company. The advance is unsecured, non-interest bearing and payable on demand.

Option Agreement

On April 24, 2026, the Company entered into a property option agreement (the "Option Agreement") with DG Resource Management Ltd. ("DGRM"), Global Energy Metals Corporation ("GEMC"), and DG Resource Management (US) Ltd. ("DGUS", and collectively with DGRM and GEMC, the "Optionors"), pursuant to which the Company has been granted the right to acquire 100% of the Optionors' legal and beneficial interest in and to the Monument Peak Property (the "Transaction"), which consists of a series of mineral claims located in Lemhi County, Idaho, USA (the "Property").

Pursuant to the Option Agreement, the Company has the right to acquire the Optionors' 100% interest in and to the Property (the "Option"), in consideration for payments and obligations as follows:

1. a cash payment of $200,000 to DGRM on or before the date that is five calendar days following the receipt of CSE approval of the Transaction (the "Closing Date");

2. a cash payment of $50,000 and the issuance of common shares having an aggregate deemed value of $100,000 to GEMC on the Closing Date;

3. a cash payment of $150,000 and the issuance of common shares having an aggregate deemed value of $150,000 to GEMC on the first anniversary of the effective date of the Option Agreement (the "Effective Date");

4. a cash payment of $200,000 and the issuance of common shares having an aggregate deemed value of $250,000 to GEMC on the second anniversary of the Effective Date;

5. a cash payment of $250,000 and the issuance of Common Shares having an aggregate deemed value of $250,000 to GEMC on the fourth anniversary of the Effective Date; and

6. the incurrence of a minimum of $250,000 in Eligible Expenditures on the Property on or before the date that is 12 months from the Closing Date, or such other date as mutually agreed between the parties.

The common shares issued pursuant to the Option Agreement will be subject to a four-month hold period pursuant to applicable securities laws (the "Hold Period") as well as to voluntary resale restrictions commencing immediately following the expiry of the Hold Period (the "Initial Release Date"), pursuant to which one-sixth of the common shares will be released from voluntary restrictions each month over a period of six consecutive months, such that 100% of the common shares will be released from voluntary restrictions six months following the Initial Release Date.

Upon the Company's acquisition of the Property following the exercise of the Option, the Company will be deemed to have granted to each of DGRM and GEMC a 1% net smelter returns royalty on commercial production from the Property (each, a "Production Royalty"). The Company will have the right, at its option, to purchase one-half of the original Production Royalty held by each of DGRM and GEMC (the "Buy Back Right") for cash consideration of $1,000,000 payable to each of DGRM and GEMC if exercised prior to the fifth anniversary of the Effective Date, and for $2,000,000 payable to each of DGRM and GEMC if exercised on or after the fifth anniversary of the Effective Date.

11. SUBSEQUENT EVENTS (CONTINUED)

The Transaction is subject to a number of conditions in addition to CSE approval, including shareholder approval.

In connection with the Transaction, the Company intends to re-list on the CSE as a Mining Issuer.

The Offering

In connection with the Transaction, the Company intends to complete a private placement of subscription receipts (each a "Subscription Receipt") at a price of $0.15 per Subscription Receipt (the "Offering Price"), for gross proceeds of approximately $2,000,000 (the "Offering"). The Company's shares have been halted for trading and are expected to remain halted until such time as the CSE approves the Transaction.

Each Subscription Receipt will entitle the holder to receive one unit of the Company (each, a "Unit"), with each Unit comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one common share (each, a "Warrant Share") at an exercise price of $0.17 per Warrant Share for a period of 36 months from the date of issuance.

Subsequent to May 31, 2026, the Company closed the first tranche of the Offering for gross proceeds of $752,000.

Commitments

Subsequent to May 31, 2026, the Company entered into an agreement for corporate administration services, which includes a monthly fee of $5,000 and an administrative success fee which is payable upon the completion of certain M&A and investment transactions in the Company. An administrative success fee of 101,000 common shares is payable upon the Company's re-listing as a Mining Issuer. Additional administrative success fees are also payable, up to 2% of the transaction value in the event of an acquisition or divestiture of an asset or company, a merger or business combination, or an equity or debt financing.