MELKIOR RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED MAY 31, 2025

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of Melkior Resources Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

Melkior Resources Inc.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at May 31, 2025	As at August 31, 2024
ASSETS		
Current assets		
Cash	**$ 1,136,967**	$ 1,991,833
Sales tax receivable	**116,052**	36,066
Prepaid expenses	**8,319**	26,459
Total current assets	**1,261,338**	2,054,358
Non-current assets		
Exploration and evaluation assets (notes 4 and 6)	**14,814,309**	13,954,729
Total assets	**$ 16,075,647**	$ 16,009,087
SHAREHOLDERS' EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	**$ 178,847**	$ 81,664
Flow-through share liability (note 5(b))	**-**	76,596
Total liabilities	**178,847**	158,260
Shareholders' equity		
Share capital (note 5)	**50,411,230**	50,381,230
Reserves (note 5)	**5,891,363**	5,825,857
Shares to be issued (note 8)	**206,200**	-
Deficit	**(40,611,993)**	(40,356,260)
Total shareholders' equity	**15,896,800**	15,850,827
Total liabilities and shareholders' equity	**$ 16,075,647**	$ 16,009,087

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

Nature of operations and going concern (note 1)
Commitment (note 7)
Subsequent events (note 8)

Melkior Resources Inc.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended May 31, 2025	Three Months Ended May 31, 2024	Nine Months Ended May 31, 2025	Nine Months Ended May 31, 2024
Expenses				
Consulting and management fees (note 6)	**$ 27,550**	$ 4,250	**$ 34,600**	$ 24,300
Marketing	**3,483**	23,246	**3,483**	63,284
General and administrative	**31,703**	2,366	**73,115**	17,677
Professional fees (note 6)	**54,739**	36,715	**163,727**	69,783
Regulatory fees (note 6)	**21,349**	26,803	**42,193**	49,531
Share-based payments (notes 5 and 6)	**-**	-	**65,506**	-
Travel and promotion	**-**	-	**2,003**	-
Net loss from operations	**(138,824)**	(93,380)	**(384,627)**	(224,575)
Other items				
Interest income	**12,219**	28,422	**52,298**	87,831
Reversal of flow-through share liability (note 5)	**-**	34,810	**76,596**	81,055
Net and comprehensive loss for the period	**$ (126,605)**	$ (30,148)	**$ (255,733)**	$ (55,689)
Basic and diluted net loss per share	**$ (0.00)**	$ (0.00)	**$ (0.01)**	$ (0.00)
Weighted average number of common shares outstanding - Basic and diluted	**35,028,317**	34,267,447	**34,855,359**	33,076,016

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

Melkior Resources Inc.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Nine Months Ended May 31, 2025	Nine Months Ended May 31, 2024
Operating activities		
Net loss for the period	**$ (255,733)**	$ (55,689)
Adjustments for:		
Share-based payments	**65,506**	-
Reversal of flow-through share liability	**(76,596)**	(81,055)
Changes in non-cash working capital items:		
Sales tax receivable	**(79,986)**	(52,016)
Prepaid expenses	**18,140**	6,614
Amounts payable and accrued liabilities	**28,973**	(40,520)
Net cash used in operating activities	**(299,696)**	(222,666)
Investing activities		
Exploration and evaluation asset expenditures	**(764,274)**	(623,476)
Tax credit received and other recoveries	**2,904**	172,935
Net cash used in investing activities	**(761,370)**	(450,541)
Financing activities		
Shares issued for cash	**-**	466,360
Share issue costs	**-**	(28,065)
Shares to be issued	**206,200**	-
Net cash provided by financing activities	**206,200**	438,295
Net change in cash	**(854,866)**	(234,912)
Cash, beginning of period	**1,991,833**	2,252,578
Cash, end of period	**$ 1,136,967**	$ 2,017,666
Supplemental cash flow information		
Interest income from cash	**$ 52,298**	$ 87,831
Common shares issued for exploration and evaluation assets	**$ 30,000**	$ -
Finders' warrants	**$ -**	$ 7,848
Flow-through share liability	**$ -**	$ 87,443
Taxes paid in cash	**$ -**	$ -

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

Melkior Resources Inc.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
Unaudited

	Share capital					
	Number of shares	**Share capital**	**Shares to be issued**	**Reserves**	**Deficit**	**Total**
Balance, August 31, 2023	**31,352,697**	**$ 49,990,726**	**$ -**	**$ 5,818,009**	**$ (40,345,672)**	**$ 15,463,063**
Shares issued for cash	2,914,750	466,360	-	-	-	466,360
Share issue costs	-	(35,913)	-	7,848	-	(28,065)
Flow-through share liability	-	(87,443)	-	-	-	(87,443)
Net and comprehensive loss for the period	-	-	-	-	(55,689)	(55,689)
Balance, May 31, 2024	**34,267,447**	**$ 50,333,730**	**$ -**	**$ 5,825,857**	**$ (40,401,361)**	**$ 15,758,226**
Balance, August 31, 2024	**34,767,447**	**$ 50,381,230**	**-**	**$ 5,825,857**	**$ (40,356,260)**	**$ 15,850,827**
Shares issued for exploration and evaluation assets	300,000	30,000	-	-	-	30,000
Shares to be issued	-	-	206,200	-	-	-
Share-based payments	-	-	-	65,506	-	65,506
Net and comprehensive loss for the period	-	-	-	-	(255,733)	(255,733)
Balance, May 31, 2025	**35,067,447**	**$ 50,411,230**	**$ 206,200**	**$ 5,891,363**	**$ (40,611,993)**	**$ 15,690,600**

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

1. Nature of operations and going concern

Melkior Resources Inc. (the ‘‘Company’’), incorporated under the *Business Corporations Act* (Canada), is a junior mining exploration company operating in Canada. The Company’s operations include the acquisition and exploration of mineral properties in Canada. The address of the registered office is Bentall 5, 550 Burrard Street, Suite 1008, Vancouver, British Columbia, Canada, V6C 2B5, and its principal place of business is 207 – 66 Brousseau Avenue, Timmins, Ontario, Canada, P4N 5Y2. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “MKR”, on the OTC Exchange in the United States under the symbol “MKRIF” and on the Frankfurt Stock Exchange under the symbol “MEK”.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has incurred a net loss during the nine months ended May 31, 2025 of $255,733 (nine months ended May 31, 2024 - net loss of $55,689) and has a deficit at May 31, 2025 of $40,611,993 (August 31, 2024 - $40,356,260), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time. The Company is in the exploration stage and, accordingly, has not yet commenced revenue-producing operations. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company’s ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations or the receipt of proceeds from the disposition of its mineral property interests. Management is actively engaged in the review and due diligence on opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management’s plan will be successful.

If the going concern assumption were not appropriate for these financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statements of financial position classifications used. Such adjustments could be material.

There are many external factors that can adversely affect general workforces, economies and financial markets globally such as global health conditions and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of the adverse results of these factors and its effects on the Company’s business or ability to raise funds.

2. Basis of presentation

(a) Statement of compliance

The unaudited condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

The unaudited condensed interim financial statements of the Company should be read in conjunction with the Company's audited financial statements for the year ended August 31, 2024, which were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These unaudited condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on July 30, 2025.

2. Basis of presentation (continued)

(b) Basis of measurement

These unaudited condensed interim financial statements have been prepared under the historical cost basis, except for financial instruments measured at fair value. These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

(c) Functional and presentation currency

The unaudited condensed interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

(d) Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Impairment of exploration and evaluation assets

The application of the Company’s accounting policy for exploration and evaluation expenditure and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the year the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Fair value of marketable securities

The determination of the fair value requires significant judgement by the Company. The Company acts in good faith to fair value its marketable securities on the date of purchase and on a quarterly basis thereafter, consistent with fair value accounting guidance in accordance with IFRS 13, Fair Value Measurement.

2. Basis of presentation (continued)

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the financial statements.

Decommissioning liabilities

Rehabilitation provisions are created based on the Company's internal estimates. Assumptions, based on the current economic environment, are made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at May 31, 2025 and 2024, the Company has no known rehabilitation requirements and accordingly, no provision has been made.

3. Material accounting policies

The unaudited condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in note 3 to the audited financial statements for the year ended August 31, 2024.

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets

	Quebec			Ontario			
	Urban	**Val d'Or**	**Beschefer East**	**Carscallen**	**Hemlo**	**Genex**	**Total**
Property acquisition costs							
Balance, August 31, 2023	$ 89,072	$ 11,836	$ 101,966	$ 359,582	$ 152,922	$ 340,000	$ 1,055,378
Acquisitions	-	-	47,500	-	-	-	47,500
Claim maintenance	-	-	4,741	1,400	-	-	6,141
Balance, August 31, 2024	89,072	11,836	154,207	360,982	152,922	340,000	1,109,019
Acquisitions	-	-	-	40,000	-	-	40,000
Balance, May 31, 2025	$ 89,072	$ 11,836	$ 154,207	$ 400,982	$ 152,922	$ 340,000	$ 1,149,019
Property exploration costs							
Balance, August 31, 2023	$ 2,225,116	$ 732,020	$ 11,966	$ 7,966,806	$ 188,274	$ 1,265,072	$12,389,254
Consulting	-	212	48,762	231	2,750	88,554	140,509
Drilling	-	2,750	-	-	-	-	2,750
Geochemistry	-	-	362,710	-	-	110,716	473,426
Geophysics	-	-	2,164	-	-	10,542	12,706
Other recoveries	-	-	(15,513)	-	-	-	-
Tax credits received	-	-	-	-	-	(157,422)	-
Balance, August 31, 2024	2,225,116	734,982	410,089	7,967,037	191,024	1,317,462	12,845,710
Assays	-	-	-	1,853	-	332	2,185
Consulting	-	787	40,528	29,875	-	36,830	108,020
Drilling	-	-	292,870	349,727	-	22,150	664,747
Geochemistry	-	-	2,201	-	-	-	2,201
Geophysics	-	-	45,331	-	-	-	45,331
Tax credits received	-	-	(2,904)	-	-	-	(2,904)
Balance, May 31, 2025	$ 2,225,116	$ 735,769	$ 788,115	$ 8,348,492	$ 191,024	$ 1,376,774	$13,665,290
Total exploration and evaluation assets							
August 31, 2024	$ 2,314,188	$ 746,818	$ 564,296	$ 8,328,019	$ 343,946	$ 1,657,462	$13,954,729
May 31, 2025	$ 2,314,188	$ 747,605	$ 942,322	$ 8,749,474	$ 343,946	$ 1,716,774	$14,814,309

4. Exploration and evaluation assets (continued)

<u>Quebec</u>

(a) Urban

During the year ended August 31, 2017, the Company acquired claims in the Urban area of Quebec through map staking. The Company has a 100% ownership in the claims and there is no net smelter return royalty (“NSR”).

During the year ended August 31, 2018, the Company acquired additional claims through staking.

(b) Launay

The Company retains a 1.5% NSR on the Launay property, of which one-half may be purchased by Beaufield Resources Inc. for $750,000.

(c) Val d'Or

In May 2020, the Company acquired 2 packages of claims in Tiblemont Township, Quebec by direct staking.

(d) Beschefer East

In June 2023, the Company entered into an option agreement to acquire 100% of the Beschefer East Project located north of La Sarre, Quebec. The Company can acquire 100% of the property in consideration for:

- On July 3, 2023, make a cash payment of $50,000 and issue $50,000 worth of common shares issued at the higher of $0.20 per share or the weighted average price of the common shares for the 10 trading days immediately preceding July 3, 2023 (completed);
- On or before July 3, 2024, issue $100,000 worth of common shares issued at the higher of $0.20 per share or the weighted average price of the common shares for the 10 trading days immediately preceding July 3, 2024 and incur $375,000 in aggregate work expenditures (completed);
- On or before July 3, 2025, issue $150,000 worth of common shares issued at the higher of $0.20 per share or the weighted average price of the common shares for the 10 trading days immediately preceding July 3, 2025 and incur $750,000 in aggregate work expenditures; and
- On or before July 3, 2026, issue $200,000 worth of common shares issued at the higher of $0.20 per share or the weighted average price of the common shares for the 10 trading days immediately preceding July 3, 2026 and incur $1,500,000 in aggregate work expenditures.

The property is subject to a NSR of up to 2.5% on certain claims made up of a historical NSR of 1.5% and 1% granted to the vendor.

4. Exploration and evaluation assets (continued)

Ontario

(e) Carscallen

The Company holds a 100% interest in the Carscallen property, west of Timmins, Ontario. Some claims are subject to a 1.5% NSR while another group of claims is subject to a 2% NSR, of which the Company may buy back one-half for $1,000,000.

In October and November 2010, the Company signed three agreements to acquire 100% interests in additional mining claims in consideration of $10,000 cash and two 2% NSR royalties, of which 1% can be repurchased for $500,000 each.

In October 2013, the Company signed a memorandum of understanding ("MOU") with the Mattagami First Nations. The Company will pay 2% of all exploration costs eligible for assessment credit to the Mattagami First Nation.

On April 7, 2016, the Company acquired a 100% interest in an additional mining claim from an arm's length party, subject to a 2% NSR. The Company may purchase 0.5% of the NSR for $500,000 and a first right of refusal to purchase the remaining 1.5% NSR.

During the year ended August 31, 2017, the Company acquired additional claims through cash purchase agreements and staking. One of the claims is subject to a 2% NSR.

During the year ended August 31, 2018, the Company entered into three agreements for the purchase of six additional claims for the Carscallen property. Two of the claims are subject to a 2% NSR.

On May 6, 2020, the Company entered into an option agreement of 6 cell units (the "Carscallen Claims"). Pursuant to the option agreement, the Company acquired 100% interest in the Carscallen Claims, subject to a 3% NSR. The Company may purchase one-half of the NSR at any time for the sum of $1,000,000.

On February 28, 2025, the Company announced that it entered into an agreement to acquire a 100% interest in an additional 76 mineral claims located on the northwest boundary of the Carscallen Property. In consideration, the Company will make a cash payment of $10,000 and issue 300,000 common shares of the Company (completed). The claims are subject a 2% NSR. The Company may purchase 1% of the NSR at any time for the sum of $1,000,000.

(f) Hemlo

On May 12, 2017, the Company entered into an agreement to acquire a 100% interest in the Hemlo property. The vendor holds a 3% NSR, of which one-third may be purchased by the Company for $1,000,000.

During the year ended August 31, 2017, the Company acquired additional claims through cash purchase agreements and staking.

4. Exploration and evaluation assets (continued)

(g) Genex

On April 19, 2022, the Company entered into an option agreement to acquire 100% of the Genex Project, located near Timmins, Ontario. The Genex option agreement was approved by the TSX-V in July 2022. Under the terms of the option agreement, in consideration for an undivided 50% interest in the property (the "First Option"), the Company must:

- make a cash payment of $50,000, issue 500,000 common shares, and incur $750,000 in aggregate work expenditures on or before the first anniversary of the Effective Date (completed); cash payment of $50,000, issue 500,000 common shares, and contribute $500,000 in assessment credits from the Company's Carscallen Project within 20 days from the Effective Date (completed);
- make a cash payment of $50,000, issue 500,000 common shares, and incur $1,750,000 in cumulative work expenditures on or before the second anniversary of the Effective Date (second anniversary obligations suspended at the election of the Company in line with terms and conditions of Agreement); and
- make a cash payment of $100,000, issue 1,000,000 common shares, and incur $2,750,000 in cumulative work expenditures on or before the third anniversary of the Effective Date.

The agreement has an Effective Date of April 28, 2022 for all anniversary payments.

The vendor is also permitted to remove $500,000 each in assessment credits from the Genex Project during years 2 and 3.

In consideration for the additional 50% interest in the property (the "Second Option"), the Company must at any time after exercising the First Option make a one-time issuance of 2,500,000 common shares. If the Second Option is exercised, then the Company will own a 100% interest in the property and the vendor will retain a NSR of up to 2% calculated as the difference between 2% and any amounts payable pursuant to any existing royalties.

5. Share capital

(a) Authorized share capital

(i) an unlimited number of common shares without par value, voting and participating; and

(ii) an unlimited number of preferred shares with an 8% non-cumulative dividend, redeemable at the request of the Company at paid-up capital.

5. Share capital (continued)

(b) Issued

<u>During the nine months ended May 31, 2025</u>

On March 25, 2025, the Company issued 300,000 common shares (valued at $30,000) for the acquisition of additional claims in the Carscallen Property (see note 4(e)).

<u>During the nine months ended May 31, 2024</u>

On December 21, 2023, the Company closed a non-brokered private placement of 2,914,750 flow-through units at a price of $0.16 per unit for gross proceeds of $466,360. Each unit consisted of one flow-through share of the Company and one-half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at a price of $0.25 per share until December 22, 2025. In connection with the private placement, the Company share issue costs of $28,065 and issued 140,000 finders' warrants exercisable for a period of 24 months at an exercise price of $0.18 per share. The 140,000 finders' warrants were assigned a grant date fair value of $7,848 as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 94%, which is based on historical volatility of the Company's share price, risk-free rate of return of 3.94% and an expected maturity of 2 years. The premium paid by investors was calculated as $0.03 per share, and accordingly, $87,443 was recorded as flow-through share liability. During the nine months ended May 31, 2025, $60,675 was derecognized as reversal of flow-through share liability and the flow-through share liability has been reduced to $nil.

(c) Stock options

The Company maintains a stock option plan (the “Plan”) pursuant to which options to purchase common shares may be granted for its eligible directors, officers and employees of the Company, as well as persons providing ongoing services to the Company.

The number of shares to be delivered upon the exercise of all options granted under the Plan shall not exceed 10% of the aggregate number of common shares of the Company issued and outstanding.

In the event that an optionee ceases to be an eligible person prior to the expiry date of their respective options, the options shall expire 12 months after the termination date or on the expiry date, whichever comes first (except for persons providing investor relations activities who will remain subject to a 30-day expiry period). In the event of termination with cause, the options of an eligible person shall expire on the date of notice of termination.

The purchase price of the common shares, upon exercise of each option granted under the Plan, shall be a price fixed for such option by the Board of Directors upon grant of each such option, but such price shall not be less than the market price at closing of transactions the day prior to the grant or any other regulations by the TSX-V. Each option, unless sooner terminated in accordance with the terms, conditions and limitations thereof, or unless sooner exercised, shall expire on the date determined by the Board of Directors when the option is granted or, failing such determination, not later than upon the tenth anniversary of the grant of the option.

(Expressed in Canadian Dollars)

5. Share capital (continued)

(c) Stock options (continued)

The total number of options granted to any one individual in any 12-month period will not exceed 5% of the issued common shares. The total number of options granted to a consultant in any 12-month period will not exceed 2% of the issued common shares at the time of grant. The total number of options granted to persons providing investor relations activities in any 12-month period will not exceed 2% of the issued common shares at the time of grant. These options must vest in stages over a 12-month period from the date of grant with no more than 25% of the options vesting in any three-month period.

A summary of changes of the Company's common share purchase options is presented below for the periods ended May 31, 2025 and 2024:

	Number of stock options	Weighted average exercise price
Balance, August 31, 2023	1,925,000	$ 0.54
Expired	(100,000)	1.50
Balance, May 31, 2024 and August 31, 2024	1,825,000	0.48
Issued (i)	1,200,000	0.08
Expired	(475,000)	0.20
Balance, May 31, 2025	2,550,000	$ 0.35

(i) On February 5, 2025, the Company granted 1,200,000 stock options to the directors of the Company exercisable at $0.37 per common share. The options vest immediately and expire in five years. The grant date fair value of $65,506 was assigned to the stock options as estimated by using the Black-Scholes valuation model with the following assumptions: expected dividend yield of 0%, expected volatility of 111%, which is based on historical volatility of the Company's share price, risk-free rate of return of 2.63% and an expected maturity of 5 years.

The following table reflects the actual stock options issued and outstanding as of May 31, 2025:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
February 22, 2026	0.70	0.73	900,000	900,000
January 25, 2027	0.35	1.65	450,000	450,000
February 5, 2030	0.08	4.69	1,200,000	1,200,000
	0.35	2.76	2,550,000	2,550,000

(Expressed in Canadian Dollars)

5. Share capital (continued)

(d) Warrants

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

	Number of warrants	Weighted average exercise price
Balance, August 31, 2023	-	$ -
Issued	1,457,375	0.25
Balance, May 31, 2024, August 31, 2024 and May 31, 2025	1,457,375	$ 0.25

The following warrants were outstanding and exercisable as of May 31, 2025:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of warrants outstanding	Number of warrants exercisable
December 22, 2025	0.25	0.56	1,457,375	1,457,375

(e) Finders' warrants

	Number of warrants	Weighted average exercise price
Balance, August 31, 2023	217,000	$ 0.24
Issued (note 5(b))	140,000	0.18
Balance, May 31, 2024 and August 31, 2024	357,000	0.22
Expired	(175,000)	0.24
Balance, May 31, 2025	182,000	$ 0.19

The following finders' warrants were outstanding and exercisable as of May 31, 2025:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of warrants outstanding	Number of warrants exercisable
June 23, 2025	0.24	0.06	42,000	42,000
December 22, 2025	0.18	0.56	140,000	140,000
	0.19	0.70	182,000	182,000

(Expressed in Canadian Dollars)

6. Related party transactions

The Company's related parties include companies controlled by officers and close family members of directors and key management, as described below.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

The Company's key management personnel are members of the Board of Directors, as well as the chief executive officer ("CEO"), chief financial officer and the corporate secretary. Key management compensation is as follows:

	Three Months Ended May 31, 2025	Three Months Ended May 31, 2024	Nine Months Ended May 31, 2025	Nine Months Ended May 31, 2024
Consulting and management fees (i)	**$ 18,750**	$ 18,750	**$ 75,000**	$ 56,250
Professional fees (ii)	**9,601**	12,194	**33,131**	30,090
Regulatory fees (ii)	**8,061**	7,366	**24,531**	22,348
Total short-term compensation	**36,412**	38,310	**132,662**	108,688
Share-based payments	**-**	-	**65,506**	-
Total key management compensation	**$ 36,412**	$ 38,310	**$ 198,168**	$ 108,688

As at May 31, 2025, the balance due to related parties amounted to $10,000 (August 31, 2024 - $11,893) and was recorded in accounts payable and accrued liabilities.

(i) Management fees to the Company's CEO are paid pursuant to a 2020 consulting agreement under which Silverwater Capital Corp., a company controlled by the Company's CEO, receives a monthly fee of $6,250. The Company can terminate the agreement with three months' notice. The fees are recorded partially as consulting fees in exploration and evaluation assets.

(ii) During the three and nine months ended May 31, 2025, the Company paid professional fees and regulatory fees of $17,662 and $57,662, respectively (three and nine months ended May 31, 2024 - $19,560 and $52,438, respectively) to Marrelli Support Services Inc., DSA Corporate Services Inc., and Marrelli Trust Company Ltd., together known as the "Marrelli Group", for:

- An employee of Marrelli Group to act as the CFO of the Company;
- Bookkeeping services;
- Regulatory filing services;
- Corporate secretarial services; and
- Transfer agent services.

7. Commitment

In connection with the flow-through share financings in 2023, the Company has committed to incur qualifying Canadian Exploration Expenditures (as such term is defined in the Income Tax Act (Canada)) of a total of $1,249,626 by December 31, 2024. If the Company does not incur the required qualifying expenditures, it will be required to indemnify the holders of the flow-through shares for any tax and other costs payable by them as a result of the Company not making the required expenditures.

As at May 31, 2025, the Company has incurred the required qualifying exploration expenditures.

8. Subsequent events

On June 12, 2025, the Company closed its non-brokered private placements raising total gross proceeds of $1,699,999 through the issuance of (i) 4,175,993 units at a price of $0.15 per unit for gross proceeds of $626,399, and (ii) 6,606,770 flow-through common shares at a price of $0.1625 per share for gross proceeds of $1,073,600. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional share at a price of $0.22 per share for a period of 2 years from the date of issuance. In connection with the private placement, the Company paid cash finders' fees of $76,471 and issued 408,434 finders' warrants. The finders' warrants are exercisable at $0.22 per share for a period of 2 years from the date of issuance. As at May 31, 2025, the Company received gross proceeds totaling $206,200 in connection with the private placement.

On June 23, 2025, 42,000 finders' warrants expired unexercised.

On July 2, 2025, the Company issued 750,000 common shares (valued at $101,250) for the acquisition of Beschefer East Project (see note 4(d)).