Jayden Resources Inc.

Unaudited Interim Condensed

Consolidated Financial Statements

For the three months ended

March 31, 2026 and 2025

Contents

NOTICE OF NO AUDITOR REVIEW OF
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indication that an auditor has not reviewed the interim condensed consolidated financial statements.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements.

Jayden Resources Inc.
Interim Condensed Consolidated Statements of Loss
For the three months ended March 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

	Notes	Three Months Ended March 31, 2026	2025 (Restated Note 3)
Operating Expenses			
Administrative expenses	4	$ (122,057)	$ (95,043)
Exploration and evaluation expenses	5	-	(1,948)
Operating loss for the period		(122,057)	(96,991)
Other income (expense)			
Interest expense on loans payable	6	(6,918)	-
Other expense for the period		(6,918)	-
Net loss and comprehensive loss for the period		**$ (128,975)**	**$ (96,991)**
Loss per share			
- Basic and diluted		$ (0.00)	$ (0.00)
Weighted average number of common shares outstanding			
- Basic and diluted		58,517,849	58,517,849

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

Jayden Resources Inc.
Interim Condensed Consolidated Statements of Financial Position
As at March 31, 2026 and December 31, 2025
(Unaudited - Expressed in Canadian dollars)

	Notes	March 31, 2026	December 31, 2025
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		7,545	10,937
GST and QST receivables		6,698	5,717
Prepaid expenses		19,055	26,998
Total Assets		33,298	43,652
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Current liabilities			
Account payable and accrued liabilities	8	807,359	720,656
Interest payable	6	21,500	14,582
Loans payable	6	285,000	260,000
Total Liabilities		1,113,859	995,238
Shareholders' Deficit			
Share capital	7	56,531,433	56,531,433
Reserves		2,315,132	2,315,132
Accumulated deficit		(59,927,126)	(59,798,151)
Total Deficit		(1,080,561)	(951,586)
Total Liabilities and Shareholders' Deficit		33,298	43,652

(Nature of operations and going concern – Note 1)

Approved on Behalf of the Board

"Denise Lok" Director
Denise Lok

"David Eaton " Director
David Eaton

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

Jayden Resources Inc.

Interim Condensed Consolidated Statements of Changes in Equity
For the three months ended March 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except per share values)

	Number of issued shares	Share capital	Reserve	Accumulated deficit (Restated Note 3)	Total (Restated Note 3)
		$	$	$	$
Balances, January 1, 2025	58,517,849	56,531,433	2,315,132	(59,240,057)	(393,492)
Loss for the period - restated (Note 3)	-	-	-	(96,991)	(96,991)
Balances, March 31, 2025	58,517,849	56,531,433	2,315,132	(59,337,048)	(490,483)
Balances, January 1, 2026	58,517,849	56,531,433	2,315,132	(59,798,151)	(951,586)
Loss for the period	-	-	-	(128,975)	(128,975)
Balances, March 31, 2026	58,517,849	56,531,433	2,315,132	(59,927,126)	(1,080,561)

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

Jayden Resources Inc.
Interim Condensed Consolidated Statements of Cash Flows
For the three months ended March 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

	Three Months Ended March 31, 2026	2025
		(Restated Note 3)
	$	$
Cash flows from operating activities		
Net loss for the period	(128,975)	(96,991)
Adjustments for:		
Interest expense on loans payable	6,918	-
Changes in non-cash working capital items:		
Decrease in GST and QST receivables	(981)	2,014
Decrease in prepaid expenses	7,943	6,705
Increase in accounts payables and accrued liabilities	86,703	74,887
Net cash used in operating activities	(28,392)	(13,385)
Cash flows from financing activities		
Proceeds from loans payable	25,000	-
Net cash provided by financing activities	25,000	-
Net decrease in cash	(3,392)	(13,385)
Cash and cash equivalents, beginning of the period	10,937	16,899
Cash and cash equivalents, end of the period	7,545	3,514

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

1. Nature of operations and going concern

(a) Nature of operations

Jayden Resources Inc. (the “Company”) was incorporated under the laws of the Province of British Columbia. The common shares of the Company are listed on the TSX Venture Exchange (“TSXV”) under the trading symbol “JDN”, and on the OTCQB Venture Market under the trading symbol “JDNRF”. On August 8, 2012, the Company changed its place of jurisdiction and was registered in the Cayman Islands as an exempted company with limited liability by way of continuation. On September 2, 2021, the Company completed the continuation from the Companies Law (2021 Revision) of the Cayman Islands into the jurisdiction of British Columbia under the Business Corporations Act (British Columbia).

The Company is principally engaged in the business of acquiring, exploring and developing interests in mining projects. To date, the Company has not generated revenues from its principal activities and is considered to be in the exploration stage.

The head office and principal address of the Company are located at Suite 2250, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9. The registered and records office are located at 1500 Royal Centre P.O. Box 11117, 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

(b) Going concern

These interim condensed consolidated 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 operation, and do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities other than in the normal course of business and at amounts different from those reflected in the interim condensed consolidated financial statements.

The Company has not generated any revenues and has accumulated deficits of $59,927,126 since inception. The Company incurred a net loss for the period ended March 31, 2026 of $128,975. The Company will periodically have to raise additional funds from either debt or equity financings for cash consideration to continue operations until such time as the Company generates cash inflow from its operation. Though it has been successful in doing so in the past, there is no assurance it will be able to do so in the future. The Company’s continuing operations are entirely dependent upon the ability of the Company to obtain the necessary financing to complete the exploration and development of its mineral property interests, the existence of economically recoverable mineral reserves, and on future profitable production or proceeds from the disposition of the mineral property interests. These matters and conditions, primarily as a result of the conditions described above, indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as going concern. If the going concern assumption is not appropriate, material adjustments to the interim condensed consolidated financial statements could be required.

2. Basis of presentation

(a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards applicable to the presentation of the interim condensed consolidated financial statements, including the International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Boards ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB have been condensed or omitted. These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2025.

These interim condensed consolidated financial statements were approved by the board of directors for issue on May 28, 2026.

(b) Basis of measurement

These interim condensed consolidated financial statements have been prepared on a going concern basis, under the historical cost basis.

(c) Basis of consolidation

These interim condensed consolidated financial statements include the financial statements of the parent company, Jayden Resources Inc., and its wholly owned subsidiary, Jayden Resources (Quebec) Ltd., a corporation domiciled in the Province of Quebec.

A subsidiary is an entity over which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. A subsidiary is consolidated from the date upon which control is acquired by the Company. All intercompany transactions have been eliminated upon consolidation.

(d) Critical accounting judgements, estimates and assumptions

The preparation of the Company's interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgments, estimates and assumptions applied in the interim condensed consolidated financial statements, including the key sources of estimation uncertainty, were the same as those applied and set out in Note 2(d) to the Company's audited consolidated financial statements for the year ended December 31, 2025.

3. Material accounting policies

The material accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with the accounting policies disclosed in Note 3 of the audited consolidated financial statements for the year ended December 31, 2025. These interim condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2025.

(Unaudited - Expressed in Canadian Dollars)

3. Material accounting policies (continued)

Changes in Accounting Policies

During the year ended December 31, 2025, the Company changed its accounting policy from capitalizing exploration and evaluation expenditures to expensing them. The Company believes that expensing such costs as incurred provides more reliable and relevant financial information. It is more reliable and relevant because this policy eliminates the use of estimates and judgments regarding the valuation of exploration and evaluation assets and aligns the analysis to when the mineral property is considered economically and commercially viable. The cost of exploration properties, including the cost of acquiring prospective properties and exploration rights, and exploration and evaluation costs are expensed. The interim condensed consolidated financial statements for the period ended March 31, 2025 have been restated to reflect adjustments made as a result of this change in accounting policy.

The following is a reconciliation of the Company's interim condensed consolidated statement of financial position as at March 31, 2025:

	March 31, 2025 as previously reported	Adjustment	March 31, 2025 as restated
	$	$	$
ASSETS			
Current assets			
Cash	3,514	-	3,514
GST and QST receivables	5,608	-	5,608
Prepaid expenses	2,644	-	2,644
	11,766		11,766
Non-current assets			
Exploration and evaluation assets	7,321,225	(7,321,225)	-
Total Assets	7,332,991	(7,321,225)	11,766
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Current liabilities			
Account payable and accrued liabilities	502,249	-	502,249
Total Liabilities	502,249	-	502,249
Shareholders' (Deficit) Equity			
Share capital	56,531,433	-	56,531,433
Reserves	2,315,132	-	2,315,132
Accumulated deficit	(52,015,823)	(7,321,225)	(59,337,048)
Total Equity (Deficit)	6,830,742	(7,321,225)	(490,483)
Total Liabilities and Shareholders' (Deficit) Equity	7,332,991	(7,321,225)	11,766

(Unaudited - Expressed in Canadian Dollars)

3. Material accounting policies (continued)

Changes in Accounting Policies

The following is a reconciliation of the Company's interim condensed consolidated statement of loss and comprehensive loss for the period ended March 31, 2025:

	March 31, 2025 as previously reported	Adjustment	March 31, 2025 as restated
Operating Expenses			
Administrative expenses	$ (95,043)	$ -	$ (95,043)
Exploration and evaluation expenses	-	(1,948)	(1,948)
Operating loss for the period	(95,043)	(1,948)	(96,991)
Net loss and comprehensive loss for the period	**$ (95,043)**	**$ (1,948)**	**$ (96,991)**
Loss per share			
- Basic and diluted	$ (0.00)		$ (0.00)
Weighted average number of common shares outstanding			
- Basic and diluted	58,517,849		58,517,849

(Unaudited - Expressed in Canadian Dollars)

3. Material accounting policies (continued)

Changes in Accounting Policies (continued)

The following is a reconciliation of the Company's interim condensed consolidated statement of cash flows for the period ended March 31, 2025:

	March 31, 2025 as previously reported	Adjustment	March 31, 2025 as restated
	$	$	$
Cash flows from operating activities			
Net loss for the period	(95,043)	(1,948)	(96,991)
Changes in non-cash working capital items:			
Decrease in GST and QST receivables	2,014	-	2,014
Decrease in prepaid expenses	6,705	-	6,705
Increase in accounts payables and accrued liabilities	74,887	-	74,887
Net cash used in operating activities	(11,437)	(1,948)	(13,385)
Cash flows from investing activities			
Expenditures of exploration and evaluation assets	(1,948)	1,948	-
Net cash (used in) provided by investing activities	(1,948)	1,948	-
Net decrease in cash	(13,385)	-	(13,385)
Cash and cash equivalents, beginning of the period	16,899		16,899
Cash and cash equivalents, end of the period	3,514	-	3,514

(Unaudited - Expressed in Canadian Dollars)

4. Administrative expenses

A breakdown of the administrative expenses of the Company for the three months ended March 31, 2026 and 2025 are as follows:

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
	$	$
Consulting fees	36,000	40,000
Corporate administration	50,838	49,652
Professional fees	23,043	4,508
Regulatory and shareholder services	12,176	883
	122,057	95,043

5. Exploration and evaluation expenses

The schedule below summarizes the accumulated exploration and evaluation expenses incurred on each property as at March 31, 2026 and December 31, 2025:

	As at March 31, 2026	**As at December 31, 2025**
Acquisition	$	$
Storm Lake Properties	3,632,300	3,632,300
Wheatcroft Property	1,058,617	1,058,617
	4,690,917	4,690,917
Exploration and evaluation expenditures		
Storm Lake Properties	1,964,793	1,964,793
Wheatcroft Property	765,515	765,515
	2,730,308	2,730,308
Exploration and evaluation expenses	7,421,225	7,421,225

Storm Lake Gold Property

On February 17, 2021, the Company entered into a property option agreement with three arm's length vendors (the "Optionors") to acquire a 100% interest in the Storm Lake Gold Property located in the Frotet-Evans Greenstone Belt in central Quebec. Under the terms of the agreement, the Company can acquire a 100% interest in the Storm Lake Gold Property by making cash and share payments to the Optionors totaling $750,000 and 6,600,000 common shares respectively, and incurring not less than $3,000,000 in exploration expenditures.

Upon TSXV approval of the transaction (the "Effective Date"), the Company will pay $200,000 and issue 2,200,000 shares to the Optionors. On the nine (9) month anniversary of the Effective Date an additional 2,200,000 shares will be issued. On the fifteen (15) month anniversary of the Effective Date an additional $300,000 and 2,200,000 shares; and on the thirty (30) month anniversary of the Effective Date a further $250,000.

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and evaluation expenses (continued)

The Company will incur exploration expenditures of not less than $3,000,000 as follows:

(i) Not less than $150,000 on or before the twelve (12) month anniversary of the Effective Date;
(ii) Not less than a further $1,350,000 on or before the two-year anniversary of the Effective Date; and
(iii) Not less than a further $1,500,000 on or before the three-year anniversary of the Effective Date.

The Company has met all the terms of exploration expenditures above.

On July 5, 2021, the Company paid $200,000 and issued 2,200,000 shares with a fair value of $2,090,000 to the Optionors.

On April 5, 2022, the Company issued 2,200,000 shares with a fair value of $660,000 to the Optionors at the nine-month anniversary.

On October 5, 2022, the Company paid $300,000 cash and issued 2,200,000 shares with a fair value of $352,000 to the Optionors at the fifteen-month anniversary.

On January 4, 2024, the Company entered into an extension agreement with the vendors to extend the final payment date of $250,000 of the Storm Lake Option Agreement from January 5, 2024 to October 31, 2024. The Company made a cash payment of $30,000 in exchange for the extension.

The final payment remains outstanding as at March 31, 2026, and management is in discussion with the Optionors on a deferred payment date.

The schedule below outlines the expenditures incurred on the Storm Lake Gold Property during the periods ended March 31, 2026 and December 31, 2025:

	As at December 31 2024	Additions/ (Writedowns)	As at December 31 2025	Additions/ (Writedowns)	As at March 31 2026
	$	$	$	$	$
Acquisition					
Cash payment	530,300	-	530,300	-	530,300
Share issuance	3,102,000	-	3,102,000	-	3,102,000
	3,632,300	-	3,632,300	-	3,632,300

	Cumulative to December 31, 2024	Expenditures during the year	Cumulative to December 31, 2025	Expenditures during the year	Cumulative to March 31, 2026
Exploration and evaluation expenditures	$	$	$	$	$
Assays and reports	1,250	-	1,250	-	1,250
Camp construction	345,984	-	345,984	-	345,984
Drilling	1,943,672	-	1,943,672	-	1,943,672
Equipment and supplies	203,962	-	203,962	-	203,962
Field expenses	182,332	-	182,332	-	182,332
General administration	221,720	145	221,865	-	221,865
Geological consulting	186,272	1,803	188,075	-	188,075
Permitting	4,528	-	4,528	-	4,528
Surveys and geophysics	90,258	-	90,258	-	90,258
Travel and accommodation	23,494	-	23,494	-	23,494
Tax credits	(1,240,627)	-	(1,240,627)	-	(1,240,627)
Total exploration and evaluation expenditures	1,962,845	1,948	1,964,793	-	1,964,793

(Unaudited - Expressed in Canadian Dollars)

5. Exploration and evaluation expenses (continued)

Wheatcroft Property

On October 26, 2022, The Company entered into an amended and restated purchase and sale agreement with Kenorland Minerals North America Ltd. ("Kenorland") for the purchase of a 100% interest in the Wheatcroft Property in Manitoba. The Company will pay Kenorland $125,000 cash and issue 5,557,447 common shares, equaling to 9.9% of the Company's then-issued and outstanding shares. Furthermore, the Company was committed to issue additional shares to Kenorland upon future financings up to $10,000,000, equaling 9.9% of proceeds, for a value of up to $990,000. The maximum number of additional shares that may be issued to Kenorland would be 19,800,000 shares, representing a value of $990,000 at the minimum deemed price of $0.05 per additional share, being the lowest dollar amount a financing may be conducted pursuant to the TSXV policies. The property is subject to a 3% net smelter return in favour of Kenorland and the Company can reduce to 2% by making a cash payment of $1,000,000.

On October 28, 2022, the Company paid $125,000 cash and issued 5,557,447 shares with a fair value of $833,617 to Kenorland to close the transaction. As a result, the Company received 100% interest in the Wheatcroft Property.

On August 28, 2025, the Company paid $100,000 to Kenorland to buy out a 9.9% share top-up clause on all future equity financings of the Company pursuant to a purchase agreement entered into on October 26, 2022 to acquire the Wheatcroft Property.

The schedule below outlines the expenditures incurred on the Wheatcroft Property during the periods ended March 31, 2026 and December 31, 2025:

	As at December 31 2024	Additions/ (Writedowns)	As at December 31 2025	Additions/ (Writedowns)	As at March 31 2026
	$	$	$	$	$
Acquisition					
Cash payment	125,000	100,000	225,000	-	225,000
Share issuance	833,617	-	833,617	-	833,617
	958,617	100,000	1,058,617	-	1,058,617

	Cumulative to December 31, 2024	Expenditures during the year	Cumulative to December 31, 2025	Expenditures during the period	Cumulative to March 31, 2026
Exploration and evaluation expenditures	$	$	$	$	
Assays and reports	57,092	-	57,092	-	57,092
Drilling / Helicopter services	121,984	-	121,984	-	121,984
Environmental / Community Relations	45,327	-	45,327	-	45,327
Equipment and supplies	1,478	-	1,478	-	1,478
Field expenses	11,001	-	11,001	-	11,001
General administration	69,790	-	69,790	-	69,790
Geological consulting	60,425	-	60,425	-	60,425
Reclamation	3,317	-	3,317	-	3,317
Surveys and geophysics	248,540	-	248,540	-	248,540
Travel and accommodation	146,561	-	146,561	-	146,561
Total exploration and evaluation expenditures	765,515	-	765,515	-	765,515

(Unaudited - Expressed in Canadian Dollars)

6. Loans payable

The Company received loans from eight lenders with principals totalling $285,000. Each loan carries an interest rate of 10% per annum, and matures on the earlier of (i) the completion of a private placement by the Company, and (ii) one year from advance. Principal and accrued interest are due upon maturity.

In April 2025, the Company received a loan advance of $75,000.

In June 2025, the Company received loan advances totalling $100,000.

In July 2025, the Company received loan advances totalling $85,000.

In January 2026, the Company received a loan advance of $25,000.

The schedule below outlines the continuity schedule on the loans payable as at March 31, 2026 and December 31, 2025:

	$
Balance as at December 31, 2024	-
Additions	260,000
Interest expense	14,582
Balance as at December 31, 2025	274,582
Additions	25,000
Interest expense	6,918
Balance as at March 31, 2026	306,500

(Unaudited - Expressed in Canadian Dollars)

7. Share capital and stock options

(a) Share capital

i. Authorized: Unlimited common shares without par value

ii. Issued and Outstanding – Common Shares:

March 31, 2026 and December 31, 2025: 58,517,849

The Company had no share capital transactions for the periods ended March 31, 2026 and 2025.

(b) Stock options

The Company has a stock option plan, adopted by the Board on May 2, 2022, and approved by the shareholders on July 7, 2022, whereby the maximum number of shares subject to the plan, in the aggregate, shall not exceed 10% of the Company's issued and outstanding shares. The maximum term of any option will be ten years and the vesting is at the direction of the board, however, options granted to consultants performing "investor relations' activities" must at a minimum vest in stages over a period of not less than twelve months, with no more than ¼ of the options vesting in any three month period or such longer period as the board determines. The exercise price shall be no less than the discount market price as determined in accordance with TSX-V policies. The stock option plan also allows option holders to exercise options on a "Cashless Exercise" or "Net Exercise" basis, as expressly permitted by TSX-V policy.

The Company had no stock options outstanding as at March 31, 2026 and December 31, 2025 and has no stock option transactions for the periods then ended.

(c) Share purchase warrants

The movement of share purchase warrants of the Company during the periods ended March 31, 2026 and 2025 are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2024	3,833,333	$	0.21
Expired during the period	(2,999,999)	$	0.21
Balance, December 31, 2025	833,334	$	0.21
Expired during the period	(833,334)	$	0.21
Balance, March 31, 2026	-	$	-

On January 12, 2026, 833,334 share purchase warrants expired unexercised.

The Company had no share purchase warrants outstanding as at March 31, 2026.

(Unaudited - Expressed in Canadian Dollars)

8. Related party balances and transactions

Key management includes directors and other key personnel, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), who have authority and responsibility for planning, directing, and controlling the activities of the Company.

All related party transactions are in the normal course of operations and are measured at fair value. All amounts due to related parties, other than specifically disclosed, are non-interest bearing, unsecured, and have no fixed terms of repayment.

Related party transactions with directors, management personnel, and companies controlled by those directors and management personnel include the following:

		As at	
		March 31,	December 31,
	Notes	2026	2025
		$	$
Amounts due to related companies / directors			
- Baron Global Financial Canada Ltd.	(1)	278,849	236,929
- David Eaton	(2)	413,137	378,000
- Treewalk Ventures Inc.	(4)	3,956	-
		695,942	614,929

Balances due to related parties include the following:

		Three Months Ended	
		March 31,	March 31,
	Notes	2026	2025
		$	$
Management services provided by			
- Baron Global Financial Canada Ltd.	(1)	30,000	30,000
- David Eaton	(2)	30,000	30,000
- Justin Lau	(3)	3,000	-
- Treewalk Ventures Inc.	(4)	3,768	-
Administration and rent reimbursement paid to			
- Baron Global Financial Canada Ltd.	(1)	9,807	9,807

(1) Baron Global Financial Canada Ltd ("Baron") provided corporate advisory services.
(2) Mr. David Eaton, director and CEO of the Company, is the Chairman of Baron.
(3) Mr. Justin Lau was appointed as CFO of the Company effective October 1, 2025.
(4) Mr. Alexander McAulay, who is the CEO of Treewalk Ventures Inc., serves on the Company's Board of Directors.

9. Financial instruments

The Company is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's board of directors meets regularly and co-operates closely with key management to identify and evaluate risks and to formulate strategies to manage financial risks. The Company has not used any derivatives or other instruments for hedging purposes and does not hold or issue derivative financial instruments for trading purposes. The most significant risks to which the Company is exposed to are described below.

(i) Market risk

Currency risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates. Some of the operating expenses and cash and cash equivalents held are denominated in foreign currencies. The Company does not enter into derivative financial instruments to mitigate this risk but the Company does not believe its net exposure to foreign exchange risk is significant as no significant financial assets or financial liabilities were held in foreign currencies.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Company has interest-bearing assets in relation to cash at banks carried at floating interest rates with reference to the market. The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates. The exposure to interest rates for the Company is considered minimal. The Company's loans payable are subject to fixed interest rates and are not exposed to fluctuations of market interest rates.

The policies to manage interest rate risk have been followed by the Company since prior years and are considered to be effective.

(ii) Credit risk

The Company's cash are held in authorized Canadian financial institutions. Management believes that the credit risk concentration with respect to its financial instruments is minimal. The Company adopts conservative investment strategies. Usually investments are in liquid securities quoted on recognized stock exchanges. No margin trading is allowed. The credit and investment policies have been followed by the Company and are considered to have been effective in limiting the Company's exposure to credit risk to a desirable level.

(iii) Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company has a working capital deficit of $1,080,561 as at March 31, 2026 (2025: $951,586). The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the board of directors are actively involved in the review, planning and approval of significant expenditures and commitments.

9. Financial instruments (continued)

The liquidity policies have been followed by the Company since prior years and are considered to have been effective in managing liquidity risk.

(iv) Fair value measurements

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets. The fair value hierarchy has the following three levels:

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

The level in the fair value hierarchy within which the financial asset is categorized in its entirety is based on the lowest level of input that is significant to the fair value measurement.

There are no financial assets and liabilities measured at fair value as at March 31, 2026 and December 31, 2025.

Financial instruments that are not measured at fair value are represented by cash and cash equivalents, accounts payable and accrued liabilities, interest payable and loans payable. The fair value of these financial instruments approximates their carrying value due to their short-term nature.

10. Capital risk management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern so as to benefit from its operations to provide an adequate return for its shareholders. The capital structure of the Company consists of shareholders' equity.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties. The Company defines capital that it manages as its shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company has historically relied on the equity financing to fund the acquisition, exploration and development of mineral properties. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.