



AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Periods Ended December 31, 2025 and 2024
(in Canadian dollars)

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Management's Responsibility for Financial Reporting

The accompanying audited consolidated financial statements for Culico Metals Inc. (the "**Company**") are the responsibility of its management. The audited consolidated financial statements have been prepared by management in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") ("**IFRS Accounting Standards**"). The material accounting policies are disclosed in the notes to the audited consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions that were complete at the audited consolidated statement of financial position date. In the opinion of management, the audited consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with IFRS Accounting Standards.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced. Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as at the date of and for the period presented by the consolidated financial statements, and (ii) the audited consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company as at the date of and for the period presented by the audited consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the audited consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the audited consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the audited consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

/s/ Paul Huet

Paul Huet

President and Chief Executive Officer

Toronto, Canada

April 29, 2026

/s/ Carl Heinz-Gernandt

Carl Heinz-Gernandt

Chief Financial Officer



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Independent Auditor's Report

To the Shareholders of Culico Metals Inc.

Opinion

We have audited the consolidated financial statements of Culico Metals Inc. and its subsidiary (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2025 and the period from incorporation on April 5, 2024 to December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2025 and 2024, and its financial performance and its cash flows for the year ended December 31, 2025 and the period from incorporation on April 5, 2024 to December 31, 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that, during the year ended December 31, 2025, the Group is subject to a number of operational and financial uncertainties, its investment activities are at early stages, it has reported losses and has a limited operating history. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.



Valuation of investment in Kharrouba Copper Company Inc.

Description of the key audit matter

During the year, the Company acquired 30 million shares of Kharrouba Copper Company Inc. (KCC), a private company with copper mining and processing operations in the Kingdom of Morocco, with those shares being presented at fair value. The valuation of the investment in KCC is considered to be complex, specifically in connection with the following issue:

- KCC is an early stage, private company with limited reliable information available with respect to its assets, liabilities and operations. As such, the valuation of the Group's investment in KCC is based upon unobservable inputs.

We have therefore considered this a Key Audit Matter due to the significant judgements and estimates involved in unobservable inputs. Please refer to Notes 4 and 6 to the consolidated financial statements for the Company's significant judgements and estimates applied by management in assessing the fair value of the investment.

How the key audit matter was addressed in our audit

- Evaluated management's valuation approach, including data applied therein, to ensure the approach is appropriate and data applied is reasonable;
- Considered alternate sources of data on which to base a valuation of the investment in order to assess whether management's ultimate approach is the most appropriate;
- Reviewed management's disclosure in accordance with applicable accounting standards; and
- Consulted with internal valuations experts in consideration of our assessment of the valuation methodology proposed by management.

Other Information

Management is responsible for the other information. The other information comprises:

- The information, other than the consolidated financial statements and our auditor's report thereon, included in Management's Discussion and Analysis.

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

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

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



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

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

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

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

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

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

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

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



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditor's report is Bryndon Kydd.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, Canada
April 29, 2026



Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Note	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash		\$2,331,619	\$5,958,214
Accounts receivable		4,548	118,345
Prepaid expenses		28,740	32,538
Income tax receivable		19,346	-
		2,384,253	6,109,097
Non-current assets			
Investment in associate	5	3,430,932	3,973,643
Investment in Kharrouba Copper Company Inc.	6	4,143,600	-
Right of use assets	7	557,937	708,307
Deferred tax		-	97,244
Deposit		66,282	67,094
Total assets		\$10,583,004	\$10,955,385
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	\$279,823	\$851,695
Income tax liability		-	88,674
Lease obligations	7	125,117	60,963
		404,940	1,001,332
Non-current liabilities			
Lease obligations	7	519,202	661,363
Total liabilities		924,142	1,662,695
SHAREHOLDERS' EQUITY			
Share capital	9	10,842,584	10,889,872
Contributed surplus		2,814,642	1,045,577
Accumulated other comprehensive income		47,370	542
Deficit		(4,045,734)	(2,643,301)
Total shareholders' equity		9,658,862	9,292,690
Total liabilities and shareholders' equity		\$10,583,004	\$10,955,385

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

Reference is made to Note 18 for a subsequent event.



Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

For the periods ended December 31,	Note	2025	2024 *
Income			
Gain on sale of investment in associate	5	\$1,946,351	\$-
Gain on dilution of investment	5	2,250,584	-
Rental		120,345	-
Interest		91,001	118,861
		4,408,281	118,861
Expenses			
Share of loss in associate	5	1,423,146	26,357
General and administrative	11	4,093,764	2,729,838
Depreciation	7	136,492	8,398
Accretion	7	63,227	5,225
Foreign exchange loss		63,611	914
Loss before income taxes		(1,371,959)	(2,651,871)
Income tax recovery (expense) - current	12	63,820	(88,674)
Income tax recovery (expense) - deferred	12	(94,294)	97,244
Net income tax recovery (expense)		(30,474)	8,570
Net loss		(1,402,433)	(2,643,301)
Currency translation adjustments		46,828	542
Comprehensive loss		(\$1,355,605)	(\$2,642,759)
Net loss per share attributable to common shareholders			
Basic		(\$0.02)	(\$0.07)
Diluted		(\$0.02)	(\$0.07)
Weighted average number of common shares outstanding			
Basic	15	80,733,519	39,952,873
Diluted	15	80,733,519	39,952,873

* For 2024, the period represents April 5, 2024 to December 31, 2024.

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



Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

For the periods ended December 31,	Note	2025	2024 *
OPERATING CASH FLOWS			
Net loss		(\$1,402,433)	(\$2,643,301)
Items not affecting cash:			
Deferred tax expense (recovery)		94,294	(97,244)
Depreciation	7	136,492	8,398
Accretion	7	63,227	5,225
Share incentive plan expense	10	1,769,065	1,045,577
Gain on sale of associate	5	(1,946,351)	-
Gain on dilution of investment	5	(2,250,584)	-
Share of loss in associate	5	1,423,146	26,357
Foreign exchange		35,738	13,376
		(2,077,406)	(1,641,612)
Changes in non-cash working capital:			
Accounts receivable		113,797	(118,345)
Prepaid expenses and deposit		3,421	(98,623)
Accounts payable and accrued liabilities		(477,580)	784,165
Net change in non-cash working capital		(360,362)	567,197
Cash taxes paid		(41,523)	-
Net cash used in operating activities		(2,479,291)	(1,074,415)
INVESTING CASH FLOWS			
Proceeds on sale of investment	5	3,316,500	-
Investment in associate		-	(4,000,000)
Investment in Kharrouba Copper Company Inc.	6	(4,143,600)	-
Net cash used in investing activities		(827,100)	(4,000,000)
FINANCING CASH FLOWS			
Gross proceeds from the issuance of shares		-	11,426,000
Share issue costs	9	(188,225)	(395,191)
Payments on leases	7	(128,593)	-
Net cash provided by (used in) financing activities		(316,818)	11,030,809
Effect of exchange rate changes on cash		(3,386)	1,820
Net increase (decrease) in cash		(3,626,595)	5,958,214
Opening cash		5,958,214	-
Closing cash		\$2,331,619	\$5,958,214

* For 2024, the period represents April 5, 2024 to December 31, 2024.

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



Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars, except share numbers)

	Share capital		Contributed Surplus	Accumulated Other Comprehensive Earnings	Deficit	Total Equity
	Number	\$				
			\$	\$	\$	\$
Balance as at December 31, 2024	80,733,519	10,889,872	1,045,577	542	(2,643,301)	9,292,690
Equity issue costs (note 9)	-	(47,288)	-	-	-	(47,288)
Share incentive plan (note 10)	-	-	1,769,065	-	-	1,769,065
Comprehensive earnings (loss)	-	-	-	46,828	(1,402,433)	(1,355,605)
Balance as at December 31, 2025	80,733,519	10,842,584	2,814,642	47,370	(4,045,734)	9,658,862

	Share capital		Contributed Surplus	Accumulated Other Comprehensive Earnings	Deficit	Total Equity
	Number	\$				
			\$	\$	\$	\$
Balance as at April 5, 2024	1	1	-	-	-	1
Share cancelled	(1)	(1)	-	-	-	(1)
Equity issue	55,733,522	9,826,000	-	-	-	9,826,000
Equity issue costs	-	(536,128)	-	-	-	(536,128)
Shares to be issued	24,999,997	1,600,000	-	-	-	1,600,000
Share incentive plan	-	-	1,045,577	-	-	1,045,577
Comprehensive earnings (loss)	-	-	-	542	(2,643,301)	(2,642,759)
Balance as at December 31, 2024	80,733,519	10,889,872	1,045,577	542	(2,643,301)	9,292,690

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



Notes to the Consolidated Financial Statements
For the year ended December 31, 2025 and the period from April 5, 2024 to December 31, 2024
(Expressed in Canadian dollars, unless otherwise indicated)

1. NATURE OF OPERATIONS

Culico Metals Inc. (“**Culico**” or “**Company**”) is a company domiciled in Canada incorporated on April 5, 2024 (“**Inception Date**”), under the Canada Business Corporations Act. The Company's registered office is located at 100 King Street West, Suite 3400, 1 First Canadian Place, Toronto, Ontario, M5X 1A4, Canada.

Culico is a company focused on creating value in the mineral exploration, development and production sector. Culico's assets include: 1) 2.4 million, or 0.75%, of the common shares of Americas Gold and Silver Corporation (“**AGS**”) after taking into consideration the impact of a 1 for 2.5 reverse share split on August 26, 2025. AGS is listed on the Toronto Stock exchange under the stock symbol ‘USA’. The Company accounts for AGS using the equity method of accounting (note 5). The fair value of the AGS shares was \$16.9 million on December 31, 2025; 2) 30 million common shares, or approximately 8% of Kharrouba Copper Company Inc. (“**KCC**”) which was acquired for \$4.1 million (note 6) during the year ended December 31, 2025; 3) a 1% lithium royalty on certain mining interests held by Kali Metals Limited (ASX:KM1); and 4) the right to receive the trailing asset sale proceeds for the Dumont asset being an amount up to US\$30 million.

The Company is a reporting issuer under applicable securities legislation in each of the provinces of Canada and its outstanding common shares are listed on the TSXV under the symbol “**CLCO**”. Initially, the Company was listed on the TSXV as a Sandbox Listing, as it did not meet all TSXV's listing requirements at the time. On August 1, 2025, The Company exited the TSXV Sandbox and obtained full listing status on the TSXV.

In respect of 2025, these consolidated financial statements are as at December 31, 2025 and for the full year from January 1 to December 31. In respect of 2024, these consolidated financial statements are as at December 31, 2024 and for period from April 5, 2024 to December 31, 2024.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements were authorized for issue by the Board of Directors of Culico on April 28, 2026.

Basis of preparation and going concern

These consolidated financial statements have been prepared on a historical cost basis in accordance with IFRS Accounting Standards applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due.

In assessing whether the going concern assumption remains appropriate, management evaluates all available information about the future, covering a period of at least, but not limited to, twelve months from the end of the reporting period. As a newly listed entity with a primary focus on making strategic investments in the mining industry an inherently high-risk and capital-intensive sector the Company is subject to a number of operational and financial uncertainties. These factors, combined with the early stage of its investment activities, reported losses and limited operating history, may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to sustain operations and meet its ongoing obligations is dependent upon management's ability to secure additional financing through equity offerings, debt arrangements, or the



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For the year ended December 31, 2025 and the period from April 5, 2024 to December 31, 2024
(Expressed in Canadian dollars, unless otherwise indicated)

monetization of existing assets. While management is actively pursuing these options, there is no assurance that such financing or asset sales will be available or completed on terms favorable to the Company, or at all.

Should the Company be unable to continue as a going concern, adjustments would be required to the carrying value of its assets and liabilities, the reported amounts of revenues and expenses, and the classification of balance sheet items. These consolidated financial statements do not reflect any such adjustments that could arise from this uncertainty. Such adjustments could be material.

The Company's presentation currency is Canadian dollars.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments to fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. MATERIAL ACCOUNTING POLICIES

The Company's consolidated financial statements consolidate the accounts of Culico and its wholly owned subsidiary, Mountain West Metals Inc. ("MWM"). MWM is a corporate office which is incorporated in the United States and whose functional currency is the US dollar.

A subsidiary is an entity over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date that control is transferred to the Company and are de-consolidated from the date control ceases. Accounting policies of subsidiaries are consistent with the policies adopted by the Company. All intercompany transactions, balances and unrealized gains or losses from intercompany transactions are eliminated on consolidation.

Investment in Associate

The Company accounts for its investments in AGS as an investment in associate using the equity method. An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights but can also arise where the Company has less than 20% if it has the power to be actively involved and influential in policy decisions affecting the entity.

Under the equity method, the investment is initially recognized at cost, including transaction costs, and the carrying amount is increased or decreased to recognize the Company's share of profits or losses of associates after the date of acquisition. The Company's share of profits or losses of associates is recognized in the consolidated statement of comprehensive income. Adjustments are made to align inconsistencies between the Company's accounting policies and its associate's policies, if any, before applying the equity method. The Company assesses at each period-end whether there is any objective evidence that its investments in associates are impaired. If impaired, the carrying value of the Company's investment in associates is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal and value in use) and charged to the consolidated statement of comprehensive income.



Notes to the Consolidated Financial Statements
For the year ended December 31, 2025 and the period from April 5, 2024 to December 31, 2024
(Expressed in Canadian dollars, unless otherwise indicated)

The Company recognizes a gain or loss on the sale of all or part of an investment in an associate as the difference between the net disposal proceeds and the carrying amount. A dilution of the Company's interest is treated as an indirect sale and the gain or loss is measured as the difference between the fair value of the consideration deemed received and the carrying cost of the investment.

Functional and Presentation Currency

Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars. The functional currency of Culico is the Canadian dollar and the functional currency of MWM is the United States dollar. The consolidated financial statements of the Company are translated into the presentation currency. Assets and liabilities have been translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (the average rate for the period).

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who has been identified as the Chief Executive Officer, is responsible for allocating resources and assessing performance of the operating segments. As at December 31, 2025, one operating segment was identified for reporting purposes which is in Canada. See Note 17 for additional information as it relates to the jurisdictions in which the Company operates.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease by determining whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A right-of-use asset and lease liability is recognized at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, including periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments remaining to be paid at the commencement date. The lease payments are discounted using the implicit interest rate in the lease. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability. If the rate cannot be readily determined, the Company's incremental rate of borrowing is used. The lease liability is increased by interest expense and decreased by lease payments. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of twelve months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



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(Expressed in Canadian dollars, unless otherwise indicated)

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from the proceeds in equity in the period that the transaction occurs.

Share-based compensation

The fair value of share options, restricted share units and director share units is measured at the grant date, including an estimate of the forfeiture rate, and recognized over the period during which the units vest. The fair value of the units granted is measured at the fair value on the grant date, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. The fair value of share options granted to employees, directors and consultants is recognized as an expense over the vesting period with a corresponding increase in contributed surplus.

Earnings per share

The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all options, director share units and restricted share units outstanding that may add to the total number of common shares.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is an unconditional and legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Company classifies its financial assets measured subsequently at amortized cost; or measured subsequently at fair value (either through other comprehensive income (loss), or through net income (loss)).

i) Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- the financial asset is held within a business model whose objective is to hold 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.



Notes to the Consolidated Financial Statements
For the year ended December 31, 2025 and the period from April 5, 2024 to December 31, 2024
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ii) Financial assets measured at fair value

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income.

Investments in equity instruments that are held for trading are measured at fair value through profit and loss (“FVTPL”).

Financial liabilities are subsequently measured at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, shall be subsequently measured at fair value.

Fair value

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s-length transaction.

Fair values of financial instruments traded in active markets are determined based on quoted market prices, where available. For financial instruments not traded in an active market, fair values are determined based on appropriate valuation techniques. Such techniques may include discounted cash flow analysis, using recent arm’s-length market transactions, reference to the current fair value of another instrument that is substantially the same, and other valuation models. The Company applies a hierarchy to classify valuation methods used to measure financial instruments carried at fair value. Levels 1 to 3 are defined based on the degree to which fair value inputs are observable and have a significant effect on the recorded fair value, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques use significant observable inputs, directly or indirectly, or valuations are based on quoted prices for similar instruments; and;

Level 3: Valuation techniques use significant inputs that are not based on observable market data (unobservable inputs).

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or in equity, in which case it is recognized in other comprehensive income or in equity, respectively.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regards to previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided for using the balance sheet liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred taxes are not recognized where the temporary difference arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that does not affect either accounting or taxable profit or loss, other than where the initial recognition of such an asset or liability arises in a business combination. The amount of deferred tax provided is based on the expected manner of



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realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred income tax assets and liabilities are presented as non-current.

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

New accounting standards, amendments and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. The IASB issued IFRS 18 – *Presentation and Disclosure in Financial Statements* with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. This standard is being assessed for its impact on the Company in the current or future reporting periods.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Certain amounts included in the consolidated financial statements require management to make judgments and/or estimates. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the consolidated financial statements.

Measurement of share incentive plan expense

Areas of significant accounting policy judgment affecting the amounts recognized in the consolidated financial statements include the portion of director and executive compensation expense to be issued in the form of share incentive plan awards. The ability to issue the share incentive plan awards is subject to the restrictions described in note 9. Further, the measurement of share options uses the black-scholes model which includes the assumption for the share price volatility of the Company. Due to limited history trading on the stock market, the volatility measure is subject to judgments about the future movement of the share price.

Measurement of KCC

The Company's investment in KCC is accounted for using the fair value method of accounting and therefore changes in fair value will be charged to profit or loss through the statement of earnings. For the reasons noted in Note 6, cost was an appropriate measure of fair value. The Company will continue to closely monitor the activities of KCC and will record a fair value adjustment at such time as there is reliable information to make such an adjustment.

Income taxes

Preparation of the consolidated financial statements requires an estimate of income taxes in each of the jurisdictions in which the Company operates. The process involves an estimate of the Company's current tax exposure and an assessment of temporary differences resulting from differing treatment of items, such as depreciation expense, for tax and accounting purposes, and when they might reverse. These differences may result in deferred tax assets and liabilities that are included in the Company's consolidated statement of



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financial position. An assessment is also made to determine the likelihood that the Company's future tax assets will be recovered from future taxable income. To the extent that recovery is not considered likely, the related tax benefits are not recognized. Judgment is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets, net of valuation allowances, are realizable. The impact of different interpretations and applications could be material.

5. INVESTMENT IN ASSOCIATE

Due to significant representation on both the Culico and AGS boards as well as some commonality of senior management, the Company is considered to have significant influence of AGS and consequently accounts for its investment using the equity method despite having less than a 20% ownership interest.

The following table reflects the movements in the Company's investment in associate:

For the periods ended December 31,	2025	2024
Opening balance	\$3,973,643	\$-
Acquisition of AGS	-	4,000,000
Disposition	(1,370,149)	-
Gain on dilution of investment	2,250,584	-
Share of loss in associate	(1,423,146)	(26,357)
Closing balance	\$3,430,932	\$3,973,643

The following tables are summarized financial information for the Company's investment in AGS for the periods ended December 31, 2025 and 2024:

Summarized statement of income		
For the periods ended December 31,	2025	2024
Revenue	\$164,930,658	\$5,702,919
Cost of sales	118,680,876	4,905,669
Depletion and amortization	29,695,742	1,112,532
Other	132,381,977	2,196,605
Loss before income taxes	115,827,937	2,511,887
Income tax expense	6,465,264	42,688
Net loss	122,293,201	2,554,575
Comprehensive loss (income)	103,489	(985,687)
Total comprehensive loss	\$122,396,690	\$1,568,888

Summarized statement of financial position		
As at December 31,	2025	2024
Cash and cash equivalents	\$177,880,580	\$28,780,878
Other current assets	186,440,632	29,802,497
Total current assets	364,321,212	58,583,375
Non current assets	355,440,439	378,224,924
Total assets	\$719,761,651	\$436,808,299
Current liabilities	\$118,096,378	\$99,874,049
Non current liabilities	144,207,679	100,407,881
Total liabilities	262,304,057	200,281,930
Net assets	\$457,457,594	\$236,526,369



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Reconciliation of summarized financial information to carrying value

As at December 31,	2025	2024
Net assets	\$457,457,594	\$236,526,369
Culico's ownership percentage	0.75%	1.68%
Share of net assets	\$3,430,932	\$3,973,643

Note that certain AGS share and per share figures below have been conformed for the impact of a 1 for 2.5 reverse share split which was completed on August 26, 2025.

During the year ended December 31, 2025, the Company sold 1.6 million shares of AGS for \$2.085 per share for total proceeds, net of transaction fees, of \$3,316,500 resulting in a net gain of \$1,946,351.

During the year ended December 31, 2025, AGS issued 82.6 million common shares which, together with the sale of the 1.6 million shares noted above, reduced the Company's ownership on AGS from 1.68% at December 31, 2024 to 0.75% at December 31, 2025. During the year ended December 31, 2025, the Company recognised \$2,250,584 of dilution gains due to the deemed disposition of a portion of its investment.

6. INVESTMENT IN KHARROUBA COPPER COMPANY INC.

During the year ended December 31, 2025, the Company acquired 30 million shares of KCC for US\$3 million (CAD\$4,143,600) representing approximately 8% of the outstanding shares of KCC. KCC is a private Canadian company with copper mining and processing operations near Marrakesh in the Kingdom of Morocco. The Company has the right to appoint one member to the board of directors of KCC for so long as the Company owns 5% or more of the KCC shares; no director appointed to date. KCC is accounted for using the fair value method of accounting as the Company does not have significant influence. Changes in fair value will be charged to profit or loss through the statement of earnings and KCC has been identified as a level 3 asset in accordance with the Company's fair value hierarchy. For the year ended December 31, 2025, management concluded that the original transaction price was the best estimate of fair value due to the lack of new reserve reports, no new raises of equity nor significant changes in operations since the Company acquired KCC. The Company will continue to closely monitor the activities of KCC and will record a fair value adjustment at such time as there is reliable information to make such an adjustment.

7. RIGHT OF USE ASSETS

The right of use assets relate primarily to the adoption of an office property lease in Reno, Nevada. The lease term is for 63 months and can be extended at the Company's option for one five year term. The Company measured the right of use asset and lease obligation assuming the initial 63 month term discounted at 9% and did not include the option to extend for an additional five years.

The following table reflects the movements in the Company's right of use assets:



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For the periods ended December 31,	2025	2024
Opening balance	\$708,307	\$-
Additions	17,908	698,064
Depreciation	(136,492)	(8,398)
Foreign exchange	(31,786)	18,641
Closing balance	\$557,937	\$708,307

As at December 31,	2025	2024
Cost	\$700,020	\$716,949
Accumulated Depreciation	(142,083)	(8,642)
Net book value	\$557,937	\$708,307

The following table reflects the movements of lease obligations as it relates to the right of use asset described above:

For the periods ended December 31,	2025	2024
Opening balance	\$722,326	\$-
Additions	17,908	698,064
Payments	(128,593)	-
Accretion expense	63,227	5,225
Foreign exchange	(30,549)	19,037
Closing balance	644,319	722,326
Less current portion	125,117	60,963
Non-current portion	\$519,202	\$661,363

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

As at December 31,	2025	2024
Accounts payable	\$21,277	\$416,186
Accrued liabilities	258,546	435,509
	\$279,823	\$851,695

9. SHARE CAPITAL

The Company is authorized to issue an unlimited amount of common shares.

During the year ended December 31, 2025, the Company accrued and paid \$47,288 in share issue costs that had not been previously recorded. The Company paid \$140,937 in share issue costs that had been accrued in accounts payable and accrued liabilities as at December 31, 2024.

10. SHARE INCENTIVE PLAN

The Company has a share incentive plan that provides for the granting of share options and other equity-based awards including restricted share units and director share units to key officers, directors, employees and consultants of the Company.



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Options

Share options will vest and become exercisable, as to one third of the share options granted, on each of the first, second and third anniversaries of the date of grant, provided that the participant is an eligible employee, eligible director, consultant or other participant at the time of vesting.

As at December 31, 2025 and December 31, 2024, the Company had 8,025,000 options outstanding with a weighted average exercise price of \$0.105 per share which were granted on October 4, 2024. The options vest over three years from the grant date, have a remaining contractual life of 3.8 years. On December 31, 2025, 2,675,000 were vested and exercisable (December 31, 2024 – nil).

During the year ended December 31, 2025, the Company recorded share incentive payment expense in respect of options of \$315,254 (December 31, 2024 - \$114,690).

No options were granted and no options were exercised during the year ended December 31, 2025.

Restricted share units (“RSUs”)

A portion of executive and staff compensation is settleable with the grant of RSUs. Under the Plan, redemption of vested restricted share units RSUs shall take place no later than the third anniversary of the date of grant. Upon redemption of a vested unit, the participant will have one common share of the Company. The expense is recorded in the statement of comprehensive earnings in general and administrative expenses in the statement of loss and comprehensive loss and credited to contributed surplus in the equity section of the statement of financial position.

As at December 31, 2025 and December 31, 2024, the RSUs could not be issued because the Company did not have sufficient room to grant more convertible securities beyond the options described above. In accordance with regulatory guidelines, the Company needs to meet certain restrictions on the number of convertible securities that are issuable relative to the Company’s total outstanding common shares.

The following table reflects the continuity of RSUs for the periods ended December 31, 2025 and 2024:

RSUs	
	Units
Opening - April 5, 2024	-
Additions	7,577,863
Closing, December 31, 2024	7,577,863
Additions	15,441,512
Closing, December 31, 2025	23,019,375

No RSUs were exercised during the periods ended December 31, 2025 and 2024.

As at December 31, 2025, the weighted average remaining contractual life of the outstanding RSUs was 2.0 years. Of the total outstanding RSU’s, 14,021,358 RSUs were vested and not yet issued due to the above noted restriction and have a remaining contractual life of 2.2 years.

During the year ended December 31, 2025, the Company granted 15,441,512 RSUs (2024 – 7,577,863) at a weighted average fair value price of \$0.217 per share (2024 - \$0.105).



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During the period ended December 31, 2025, the Company recorded share-based payments expense in respect of RSUs of \$1,120,082 (2024 – \$795,676).

Director share units (“DSUs”)

A portion of the board of directors’ compensation is settleable with the grant of DSUs. Under the Plan, a participant is only entitled to payment in respect of a DSU when the participant ceases to be a director of the Company. Upon redemption of a vested unit, the participant will have one common share of the Company. The expense is recorded in the statement of comprehensive earnings in general and administrative expenses in the statement of loss and comprehensive loss and credited to contributed surplus in the equity section of the statement of financial position.

As at December 31, 2025 and December 31, 2024, the DSUs could not be issued because the Company did not have sufficient room to grant more convertible securities beyond the options described above. In accordance with regulatory guidelines, the Company needs to meet certain restrictions on the number of convertible securities that are issuable relative to the Company’s total outstanding common shares.

The following table reflects the continuity of DSUs for the periods ended December 31, 2025 and 2024:

	Units
Opening - April 5, 2024	-
Additions	1,287,718
Closing, December 31, 2024	1,287,718
Additions	1,732,450
Closing, December 31, 2025	3,020,168

No DSUs were exercised during the periods ended December 31, 2025 and 2024. As at December 31, 2025, a portion representing 1,093,065 DSUs would be exercisable in respect of a director that ceased to be a director of the Company but which are not yet exercisable due to the above noted restriction.

During the year ended December 31, 2025, the Company granted 1,732,450 DSUs (2024 – 1,287,718) at a weighted average fair value price of \$0.176 per share (2024 - \$0.105).

All outstanding DSUs are fully vested.

During the period ended December 31, 2025, the Company recorded share-based payments expense in respect of DSUs of \$333,729 (2024 – \$135,211).



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11. GENERAL AND ADMINISTRATIVE EXPENSES

For the periods ended December 31,	2025	2024
Employee related	\$1,236,663	\$1,045,565
Director fees	333,730	105,979
Share incentive plan	1,769,065	1,045,577
Professional fees	355,951	96,096
Consulting fees	55,975	200,306
Public company fees	57,299	55,624
Investor relations	59,335	5,942
Office and general	180,073	136,733
Travel	45,673	37,366
Other	-	650
	\$4,093,764	\$2,729,838

12. INCOME TAX

The following tables reconcile the expected income tax expense at the Canadian statutory income tax rates to the amounts recognized in the statement of consolidated loss and comprehensive loss for the periods ended December 31, 2025 and 2024:

For the periods ended December 31,	2025	2024
Loss before income taxes	(\$1,371,959)	(\$2,651,871)
Statutory tax rate	26.5%	26.5%
Expected income tax recovery	(363,569)	(702,746)
Non-deductible items and other	10,940	20,383
Stock based compensation	(107,752)	251,937
Non-deductible portion of capital loss	(367,527)	3,493
Change in deferred tax assets not recognized	742,700	415,976
Foreign tax rate differences	115,682	2,387
Net income tax expense (recovery)	\$30,474	(\$8,570)

For the periods ended December 31,	2025	2024
Current tax expense (recovery)	(\$63,820)	\$88,674
Deferred tax expense (recovery)	94,294	(97,244)
Net income tax expense (recovery)	\$30,474	(\$8,570)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Details of deferred tax liabilities are as follows:

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	Balance December 31, 2024	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Balance December 31, 2025
Right of use assets	(\$148,744)	\$30,619	\$-	(\$118,125)
Investments	-	(132,454)	-	(132,454)
Tax losses	-	132,454	-	132,454
Accrued bonus	74,378	(72,121)	-	2,257
Stock based compensation	19,923	(19,318)	-	605
Lease liability	151,687	(33,474)	-	118,213
Other	-	-	(2,950)	(2,950)
Net deferred tax asset	\$97,244	(\$94,294)	(\$2,950)	\$-

	Balance April 5, 2024	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Balance December 31, 2024
Right of use assets	\$-	(\$148,744)	\$-	(\$148,744)
Accrued bonus	-	74,378	-	74,378
Stock based compensation	-	19,923	-	19,923
Lease liability	-	151,687	-	151,687
Net deferred tax asset	\$-	\$97,244	\$-	\$97,244

The unrecognized deductible temporary differences as at December 31, 2025 and 2024 are comprised of the following:

As at December 31,	2025	2024
Investments	\$-	\$26,359
Stock based compensation	2,227,954	-
Accrued bonus	229,438	-
Lease liability	86,381	-
Non-capital losses	2,320,282	1,556,540
Total unrecognized deductible temporary differences	\$4,864,055	\$1,582,899

The Company has not recognized a deferred tax asset in respect of non-capital loss carry forward of approximately \$2,320,282 (2024 - \$1,556,540) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring from 2044 to 2045.

13. RELATED PARTY TRANSACTIONS

The following table reflects remuneration of key management, which primarily consists of the Company's directors and executive officers:



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For the periods ended December 31,	2025	2024
Employee related and directors fees expense	\$1,421,095	\$815,219
Share incentive plan expense	1,705,406	1,042,004
	\$3,126,501	\$1,857,223

On December 31, 2025, in respect of the above noted remuneration, the Company owed \$229,438 (December 31, 2024 - \$458,814) which was included in accounts payable and accrued liabilities on the statement of financial position.

14. CAPITAL MANAGEMENT

Capital is defined as shareholders' equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets. In order to maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are subject to approval by the Board of Directors.

15. EARNINGS PER SHARE

Basic net earnings per share was calculated using the weighted average number of shares and common share equivalents issued and outstanding during the period. Equity based awards are reflected in diluted earnings per share by application of the treasury stock method. Due to being in a loss position for the periods ended December 31, 2025 and 2024, no equity-based awards were dilutive for those periods.

16. MANAGEMENT OF FINANCIAL RISKS

The Company is exposed to the following risks:

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. The Company intends to reduce its credit risk on its cash by deposits and investments with major Canadian and United States banks rated "A" or higher.



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(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they arise. Under the Arrangement, the Company was injected with cash along with certain assets and rights to establish independent liquidity.

The following table summarizes the expected maturity of the Company's financial liabilities based on the remaining period from the balance sheet date to the contracted maturity date on an undiscounted basis:

As at December 31, 2025	Payments by period					Total	Carrying Value
	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years			
Accounts payable and accrued liabilities	\$279,823	\$-	\$-	\$-	\$-	\$279,823	\$279,823
Lease obligations	178,045	371,910	228,085	-	-	778,040	644,319
	\$457,868	\$371,910	\$228,085	\$-	\$-	\$1,057,863	\$924,142

(iii) Currency risk

The Company holds the majority of its cash in Canadian dollars. The majority of its expenses, however, relate to employee related costs which are predominantly denominated in US dollars. The Company is not currently at risk if the Canadian dollar changed significantly but it will explore options in the future to mitigate the risk.

17. SEGMENT REPORTING

The Company has determined that it has one segment. Information by jurisdiction for the Company's non-current assets is detailed below:

As at December 31, 2025	2025	2024
Canada	\$7,624,532	\$4,023,643
United States	574,219	822,645
	\$8,198,751	\$4,846,288

18. SUBSEQUENT EVENT

As at December 31, 2025, the Company was party to a tail payment agreement under which it was entitled to receive 15% of the net proceeds from a sale of, or other monetization event involving, the Dumont Nickel Project (net of certain agreed costs and deductions) up to a maximum of US\$30 million. After the recent sale of the Dumont Nickel Project that would have resulted in \$nil proceeds to the Company, the purchaser of these assets agreed to enter into a new tail payment under which the Company is entitled to receive a payment of US\$30 million less certain tax deductions upon the purchaser receiving a return of three times its invested capital on a sale of, or other monetization event involving, the Dumont Nickel Project. Such agreement is dated April 28, 2026.