

Nexcel Metals Corp.

Condensed Interim Financial Statements

For the Three Months Ended May 31, 2026 and 2025

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NEXCEL METALS CORP.
Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

As at	Notes	May 31, 2026 $	February 28, 2026 $
Assets			
Current Assets			
Cash		4,172,305	2,574,371
Amounts receivable		124,524	54,972
Deferred financing costs		7,042	60,402
Prepaid expenses		48,016	348,194
Total current assets		4,351,887	3,037,939
Non-current assets			
Exploration and evaluation assets	4	10,618,640	10,135,189
Total non-current assets		10,618,640	10,135,189
Total assets		14,970,527	13,173,128
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities	7	424,819	137,438
Flow-through premium liability	6	12,480	83,300
Total liabilities		437,299	220,738
Shareholders' Equity			
Share capital	5	10,754,369	8,461,530
Reserves		5,403,025	5,290,517
Deficit		(1,624,166)	(799,657)
Total shareholders' equity		14,533,228	12,952,390
Total liabilities and shareholders' equity		14,970,527	13,173,128

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 12)

NEXCEL METALS CORP.
Statements of Loss and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Notes	Three Months Ended May 31, 2026 $	May 31, 2025 $
Expenses:			
Consulting		20,000	–
Director fees	7	12,000	–
Foreign exchange		6,762	–
Management fees	7	72,000	–
Marketing and advertising		633,127	–
Office and administration		27,173	624
Professional fees		55,004	80,920
Regulatory and filing fees		18,861	37,458
Transfer agent and investor relations		21,132	3,191
Travel and related		29,270	–
		(895,329)	(122,193)
Other income:			
Flow-through premium recovery	6	70,820	–
Total other income		70,820	–
Loss and comprehensive loss for the period		(824,509)	(122,193)
Basic and diluted loss per share		(0.03)	(0.01)
Weighted average number of shares outstanding, basic and diluted		32,677,006	10,550,000

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

NEXCEL METALS CORP.
Statements of Changes in Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Number of Common Shares	Share Capital $	Special Warrants $	Reserves $	Deficit $	Total Equity $
Balance, February 28, 2026	30,190,554	8,461,530	–	5,290,517	(799,657)	12,952,390
Shares issued for cash	2,510,000	2,510,000	–	–	–	2,510,000
Share issuance costs	–	(524,406)	–	–	–	(524,406)
Finder's warrants	–	(116,334)	–	116,334	–	–
Finance fees paid in shares	25,000	25,000	–	–	–	25,000
Shares issued on exercise of warrants	2,737,506	398,579		(3,826)	–	394,753
Loss for the period	–	–	–	–	(824,509)	(824,509)
Balance, May 31, 2026	**35,463,060**	**10,754,369**	**–**	**5,403,025**	**(1,624,166)**	**14,533,228**
Balance, February 28, 2025	10,550,000	392,500	171,419	–	(129,206)	434,713
Loss for the period	–	–	–	–	(122,193)	(122,193)
Balance, May 31, 2025	**10,550,000**	**392,500**	**171,419**	**–**	**(251,399)**	**312,520**

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

NEXCEL METALS CORP.
Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Months Ended	
	May 31, 2026	**May 31, 2025**
	$	**$**
Operating activities		
Loss for the period	(824,509)	(122,193)
Items not affecting cash:		
Flow-through premium recovery	(70,820)	–
Changes in non-cash operating working capital items:		
Amounts receivable	(69,552)	3,914
Prepaid expenses	300,178	15,000
Accounts payable and accrued liabilities	156,909	86,872
Net cash used in operating activities	(507,794)	(16,407)
Investing activities		
Exploration and evaluation asset expenditures	(483,451)	(10,717)
Cash used in investing activities	(483,451)	(10,717)
Financing activities		
Proceeds from share issuance	2,510,000	–
Share issuance costs	(315,574)	–
Proceeds from exercise of warrants	394,753	–
Cash provided by financing activities	2,589,179	–
Change in cash	1,597,934	(27,124)
Cash, beginning of period	2,574,371	312,625
Cash, end of period	4,172,305	285,501
Supplemental cash flow information:		
Interest paid	–	–
Income taxes paid	–	–
Non-cash transactions:		
Fair value of finders' warrants	116,334	–
Shares issued as finance fee	25,000	–
Deferred financing costs	183,832	–

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Nexcel Metals Corp. (the "Company" or "Nexcel") was incorporated under the laws of the province of British Columbia on April 30, 2024. The Company is in the exploration stage, currently focusing on exploration, evaluation, and development of mineral resource properties in Canada. The Company's registered office is located at 6071 Boundary Road E., Surrey, BC, Canada. The Company's principal executive office is located at Suite 1710 – 1050 West Pender Street, Vancouver, BC. Canada.

On June 2, 2025, the Company's common shares commenced trading on the Canadian Securities Exchange ("CSE") under the ticker symbol "NEXX". On September 18, 2025, the Company's common shares commenced trading on the OTCQB Venture Market under the ticker symbol "NXXCF".

These condensed interim financial statements are prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

To date, the Company has incurred losses and further losses are anticipated as the Company continues to develop its business. The continuing operations of the Company are dependent upon its ability to generate profitable operations in the future, and to continue to secure additional financing. There can be no assurance that the Company will be successful in its efforts to raise additional financing or, if financing is available, that it will be on terms that are acceptable to the Company. The Company has working capital of $3,914,588 as at May 31, 2026 and incurred a loss of $824,509 for the period ended May 31, 2026. The Company anticipates it will need further funding to maintain its operations and activities for the next twelve months. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These condensed interim financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting using the principles of IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

These condensed interim financial statements do not include all the information required for full annual financial statements and, accordingly, should be read in conjunction with the Company's audited financial statements for the year ended February 28, 2026. The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its audited financial statements for the year ended February 28, 2026.

These condensed interim financial statements were authorized by the Company's directors on July 22, 2026.

2. BASIS OF PREPARATION (CONTINUED)

b) Basis of Presentation

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

These condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

c) Use of Estimates and Judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, accrued liabilities, impairment of exploration and evaluation assets, and unrecognized deferred income tax assets.

Significant judgments in applying accounting policies

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements:

Exploration and Evaluation Expenditures

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) New Standards, Amendments, and Interpretations that are Not Yet Effective

IFRS 18 – *Presentation and Disclosure in Financial Statements*

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with early adoption permitted.

The Company is currently assessing the impact of this amendment on its financial statements.

4. EXPLORATION AND EVALUATION ASSETS

The following expenditures were incurred on the Company's exploration and evaluation assets:

	Lac Ducharme Property $	Burnt Hill Property $	Total $
Balance, February 28, 2025	129,527	–	129,527
Costs Incurred:			
Acquisition Costs			
Option payments and other acquisition costs	41,000	9,746,043	9,787,043
Exploration Expenditures			
Geological consulting and technical fees	113,218	79,385	192,603
Assay	7,500	360	7,860
Resource claims maintenance	–	4,100	4,100
Field supplies	14,056	–	14,056
Balance, February 28, 2026	**305,301**	**9,829,888**	**10,135,189**
Costs Incurred:			
Acquisition Costs			
Option payments and other acquisition costs	–	19,622	19,622
Exploration Expenditures			
Geological consulting and technical fees	–	463,829	463,829
Balance, May 31, 2026	**305,301**	**10,313,339**	**10,618,640**

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

A. Lac Ducharme Property

On August 1, 2024, the Company entered into an option agreement on the Lac Ducharme Property in the Cote-Nord region of Quebec, Canada. Pursuant to this agreement. the Company can earn a 100% interest in the property by fulfilling certain cash payment, share issuance, and exploration expenditure requirements.

a) Cash payments
   i) $10,000 on or before the date that is seven days after August 1, 2024 (paid);
   ii) $20,000 on or before the date that is seven days after a public listing event which occurred on June 2, 2025 (paid); and
   iii) $20,000 on or before the date that is twelve months after a public listing event (see note 12).

b) Shares
   i) 50,000 shares on or before the date that is seven days after a public listing event which occurred on June 2, 2025 (issued);
   ii) 100,000 shares on or before the date that is twelve months after a public listing event (see note 12);
   iii) 100,000 shares on or before the date that is twenty-four months after a public listing event; and
   iv) 600,000 shares on or before the date that is thirty-six months after a public listing event.

c) Exploration expenditures of $1,000,000 as follows:
   i) $75,000 on or before December 31, 2024 (fulfilled);
   ii) $100,000 on or before the date that is twelve months after a public listing event which occurred on June 2, 2025 (fulfilled);
   iii) $225,000 on or before the date that is twenty-four months after a public listing event; and
   iv) $600,000 on or before the date that is thirty-six months after a public listing event.

The property is subject to a 2% net smelter return royalty (“NSR”), of which the Company has the right to purchase one half for $1,000,000.

B. Burnt Hill Property

During the year ended February 28, 2026, the Company entered into a series of agreements to acquire ownership interest in the Burnt Hill Property (the “Property”) located in New Brunswick, Canada.

a) Initial Interest and Assignment

On August 1, 2025, the Company entered into an assignment agreement with Northex Capital Partners Inc. ("Northex") and Cadillac Ventures Inc. ("Cadilac"), allowing Nexcel to assume Northex’s rights to acquire Cadillac's 58% interest in the Property and the associated obligations.

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

B. Burnt Hill Property (continued)

a) Initial Interest and Assignment (continued)

Nexcel fulfilled the terms of the assignment by:

(i) reimbursing Northex for $5,000 non-refundable deposit and $25,000 refundable deposit previously paid to Cadillac, totalling $30,000 (paid);
(ii) making monthly payments of $5,000 to Cadilac until the completion of the transaction (paid);
(iii) incurring $52,495, inclusive of taxes, in exploration expenditures and renewal fees required to maintain the Project claims in good standing (incurred); and
(iv) issuing 1,000,000 common shares of the Company to Northex at a fair value of $0.78 per share for a total of $780,000 (issued).

Of these payments, items (i) and (ii) were credited against cash consideration payable to Cadilac, and item (iii) was credited against share consideration payable to Cadilac.

b) Option Agreement

On October 3, 2025, the Company entered into an option agreement with Cadillac (the "Optionor") and Wyloo Ring of Fire Ltd. (the "Minority Owner") pursuant to which the Company may earn up to a 58% interest in the Property. The Property was owned 58% by the Optionor and 42% by the Minority Owner.

Under the terms of this agreement, the Company may acquire the Optionor's 58% interest in the Property in four stages as follows:

- First Option (to 29.6%): by paying $200,000 in cash, of which $30,000 is payable to Northex for reimbursement of deposits, issuing $330,000 in common shares of the Company, and making $5,000 monthly payments until the first cash installment is made;
- Second Option (to 38.3%): by paying $25,000 in cash and issuing $200,000 in common shares of the Company on or before the first anniversary of this agreement;
- Third Option (to 46.4%): by paying $25,000 in cash and issuing $200,000 in common shares of the Company on or before the second anniversary of this agreement; and
- Fourth Option (to 58%): by paying $200,000 in cash and issuing $200,000 in common shares of the Company any time after the second anniversary of this agreement.

In December 2025, the Company fulfilled the First Option and earned an initial 29.6% interest in the Property through i) an aggregate cash payment of $200,000, consisting of $170,000 to Cadillac and $30,000 to Northex as reimbursement of deposits, and ii) the issuance of 355,775 common shares at a fair value of $0.78 per share for a total of $277,505 to Cadillac. The fair value of the shares issued, together with the exploration expenditures of $52,495 incurred, fulfils the $330,000 share consideration requirement.

c) Acquisition of Minority Interest

On February 17, 2026, the Company closed a definitive purchase agreement (dated January 30, 2026 and amended February 4, 2026) to acquire an additional 42% interest in the Property from the Minority Owner. This transaction increased the Company's total interest in the project to 71.6%

4. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

B. Burnt Hill Property (continued)

c) Acquisition of Minority Interest (continued)

The Company fulfilled its consideration for the 42% interest through the following:

- Common Shares: the issuance of 3,931,094 common shares at a fair value of $0.92 per share for a total fair value of $3,616,606. These shares are subject to a voluntary resale restriction released over a 36-month period; and
- Warrants: the issuance of 6,250,000 non-transferrable common share purchase warrants with a fair value of $4,871,933. The fair value of the finder's warrants was estimated using the Black-Scholes option pricing model with a share price of $0.92, exercise price of $0.90, volatility of 162%, risk free interest rate of 2.58%, dividend rate of 0%, and expected life of 3 years. Each warrant is exercisable to acquire one common share of the Company at a price of $0.90 for a period of 36 months following the closing date. The warrants include a restriction preventing exercise if the holder's ownership exceeds 19.99% of the Company's outstanding shares, unless disinterested shareholder approval is obtained.

As the Company currently maintains exclusive control over all operational and strategic decision-making and bears 100% of the exploration costs to advance the Burnt Hill Project, it recognizes and capitalizes 100% of the exploration and evaluation expenditures incurred as exploration and evaluation assets.

5. SHARE CAPITAL

a) Common Shares

Authorized
The authorized capital stock of the Company is an unlimited number of common shares without par value.

Issued and Outstanding

Transactions during the Period Ended May 31, 2026

i) During the period ended May 31, 2026, the Company issued a total of 2,737,506 common shares for gross proceeds of $394,753 in connection with the exercise of 2,737,506 share purchase warrants, with exercise prices ranging from $0.10 to $0.45 per share.

ii) On May 26, 2026, the Company closed a brokered public offering of 2,510,000 common shares in the capital of the Company (the "Offered Shares") at a price of $1.00 per share (the "Offering Price") for gross proceeds of $2,510,000, pursuant to a prospectus supplement dated April 29, 2026 to the Company's final short-form base shelf prospectus dated March 9, 2026.

5. SHARE CAPITAL (CONTINUED)

a) Common Shares (continued)

In consideration for services rendered in connection with this offering, the Company paid the lead agent an aggregate cash commission of $175,700 and issued an aggregate of 175,700 broker warrants. Each broker warrant is exercisable to acquire one common of the Company at an exercise price of $1.15 per share until May 26, 2028. The fair value of the broker warrants was estimated at $116,334 by using the Black-Scholes option pricing model with the following assumptions: share price of $1.09, exercise price of $1.15, expected life of 2 years, volatility of 120.8%, expected dividend yield of 0%, and risk-free interest rate of 2.83%.

The Company also paid the agent a corporate finance fee consisting of $50,000 plus applicable taxes in cash, and $25,000 in Offered Shares issued at the Offering Price. In addition, the Company also incurred other share issuance costs totaling $271,206.

As at May 31, 2026, there were 2,400,000 common shares subject to escrow which includes 2,250,000 shares issued to officers of the Company with the initial release date from escrow being no earlier than ten days following public announcement of the results of the Lac Ducharme Phase I Work Program ("Initial Release Date"). The remaining tranches will be released over 36 months from the date of the Initial Release Date which was October 24, 2025.

Transactions during the Period Ended May 31, 2025

There were no share transactions during the period ended May 31, 2025

b) Share Purchase Warrants

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

	Number of Warrants #	Weighted Average Exercise Price $
Balance at February 28, 2025	7,550,000	0.10
Issued	18,866,357	0.58
Exercised	(2,344,000)	0.12
Balance at February 28, 2026	24,072,357	0.47
Issued	175,700	1.15
Exercised	(2,737,506)	0.14
Balance at May 31, 2026	21,510,551	0.52

5. SHARE CAPITAL (CONTINUED)

b) Share Purchase Warrants (continued)

As at May 31, 2026, the Company had outstanding warrants as follows:

Expiry Date	Weighted Average Exercise Price $	Number of Warrants Outstanding #
July 18, 2027	0.50	15,400
July 18, 2027	0.75	220,000
December 4, 2027	0.35	161,000
December 4, 2027	0.42	66,500
December 4, 2027	0.45	8,842,251
December 4, 2027	0.50	1,206,800
May 26, 2028	1.15	175,700
June 2, 2028	0.10	3,490,000
June 2, 2028	0.20	1,082,900
February 17, 2029	0.90	6,250,000
		21,510,551

As at May 31, 2026, there were 150,000 share purchase warrants subject to escrow and will be released over 36 months from the date of the Initial Release Date, as defined in Note 5(a).

c) Stock option plan and Restricted share unit plan

The Company has a stock option plan (the “Plan”) by which the directors may grant options to purchase common shares to directors, officers, employees, and service providers of the Company on the terms that the directors may determine within the limitations set forth in the Plan. The maximum number of common shares issuable upon the exercise of options granted pursuant to the Plan is set at 10% of the total issued and outstanding shares. Options granted under the Plan will have the term, exercise price and vesting determined by the directors.

The Company has a restricted stock unit plan (the “RSU Plan”) dated effective December 3, 2025 by which the directors are authorized to provide for the granting, vesting, settlement, and method of settlement of RSUs. The aggregate maximum number of common shares made available for issuance under the RSU Plan, including any other share compensation arrangements, shall not exceed 20% of the total issued and outstanding shares.

There have been no Plan or RSU Plan grants to date.

6. FLOW-THROUGH PREMIUM LIABILITY

The Company issued flow-through units with any resulting flow-through premium recorded as a flow-through premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of flow-through premium is then recorded as income.

On December 4, 2025, the Company raised $499,800 through the issuance of flow-through units. A flow-through premium liability of $83,300 was recorded during the period ended February 28, 2026.

	$
Balance, April 30, 2025	–
Liability incurred on flow-through units issued	83,300
Balance, February 28, 2026	83,300
Settlement of flow-through premium liability upon incurring eligible expenditures	(70,820)
Balance, May 31, 2026	12,480

As at May 31, 2026, the Company had remaining flow-through expenditure commitments of approximately $75,000.

7. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for planning, directing, and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers its directors, Chief Executive Officer, and Chief Financial Officer to be key management personnel.

a) For the three months ended May 31, 2026, the Company incurred $40,000 (2025 - $nil) in management fees to the CEO and a company controlled by the CEO of the Company. As at May 31, 2026, the Company owed $1,000 in accounts payable and accrued liabilities to the Company's CEO for expenses paid on behalf of the Company.
b) For the three months ended May 31, 2026, the Company incurred $32,000 (2025 - $nil) in management fees to a company controlled by the CFO of the Company. As at May 31, 2026, the Company owed $2,359 in accounts payable and accrued liabilities to the Company's CFO for expenses paid on behalf of the Company.
c) For the three months ended May 31, 2026, the Company incurred $12,000 (2025 - $nil) in directors' fees to the Company's directors.

8. SEGMENT INFORMATION

The Company operates in one segment, with all assets and operations located in Canada.

9. MANAGEMENT OF CAPITAL

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 business and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

10. COMMITMENTS

On February 27, 2026, the Company entered into a consulting agreement for technical advisory services for a term of twelve months. As consideration for these services, the Company has committed to granting 50,000 stock options to the consultant. Each option entitles the consultant to acquire one common share of the Company at an exercise price equal to the market price on the date of grant. These options vest immediately upon issuance. As at May 31, 2026, these options have not yet been formally granted.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The Company's financial instruments consist of cash and accounts payable and accrued liabilities, which are classified as and measured at amortized cost. The fair values of these instruments approximate their carrying values due to their short-term nature.

The Company's financial instruments are characterized using a fair value hierarchy based on whether the inputs to those valuation techniques are observable (inputs reflect market data obtained from independent sources) or unobservable (inputs reflect the Company's market assumptions).

The three levels of fair value estimation are:

- Level 1 – unadjusted quoted prices in active markets for identical instruments.
- Level 2 – quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Risk Management

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure.

The Company's cash is held with a major financial institution in Canada, and management believes the exposure to credit risk with respect to such institutions is not significant.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has no debt subject to variable interest rates. Accordingly, the Company has limited exposure to interest rate movements.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company is exposed to liquidity risk through accounts payable and accrued liabilities. To mitigate this risk, the Company has a planning and budgeting process in place by which it projects the funds required to support its operations.

The Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and public offerings. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

12. SUBSEQUENT EVENTS

a) On June 1, 2026, the Company entered into an amended agreement pursuant to which certain terms of the original Lac Ducharme option agreement (Note 4) were revised, including the payment schedule and the number of common shares issuable. Under the amended agreement, the third scheduled cash instalment was eliminated, and the number of common shares to be issued on or before the date that is twelve months after a public listing event was increased from 100,000 shares to 130,000 shares (issued on June 9, 2026).

b) On June 21, 2026, the Company entered into an option agreement to acquire a 100% interest in a mineral claim package located in New Brunswick, referred to as the Fitzgerald Claims (the "Fitzgerald Claims"). The Fitzgerald Claims comprise 25 mineral claim units and are contiguous to the Company's existing Burnt Hill Project claim blocks. Under the terms of the agreement, the Company may earn a 100% interest in the Fitzgerald Claims through a combination of cash payments totalling $100,000 and the issuance of 225,000 common shares over a period of 36 months, subject to the terms and conditions of the agreement.