



CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED

JUNE 30, 2025 AND 2024



Years ended June 30, 2025 and 2024

CONSOLIDATED FINANCIAL STATEMENTS

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Independent Auditor's Report

**Raymond Chabot
Grant Thornton LLP**
Suite 2000
600 De La Gauchetière Street West
Montréal, Quebec
H3B 4L8

T 514-878-2691

To the Shareholders of
Mines Abcourt Inc.

Opinion

We have audited the consolidated financial statements of Mines Abcourt Inc. (hereafter "the Company"), which comprise the consolidated statements of financial position as at June 30, 2025 and 2024, and the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated tables of cash flows for the years then ended, and notes to 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 Company as at June 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting standards").

Basis for opinion

We conducted our audit 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 consolidated financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit 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 to the consolidated financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company'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 period. 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 matters described below to be the key audit matters to be communicated in our report.

Information other than the consolidated financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information 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 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 the consolidated financial statements in accordance with IFRS Accounting standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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 audit resulting in this independent auditor's report is Louis Berardi.

Raymond Chabot Grant Thornton LLP¹

Montréal
October 22, 2025

¹ CPA auditor, public accountancy permit no. A115879

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

(in Canadian dollars)

	NOTES	JUNE 30, 2025	JUNE 30, 2024
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash		2,578,587	757,753
Receivables	6	439,272	348,960
Inventory	7	733,080	1,212,493
Refundable tax credit resources and refundable credit on mining rights		2,874,070	466,592
Prepaid expenses and deferred expenses		4,159,512	353,595
		10,784,521	3,139,393
NON-CURRENT ASSETS			
Deposit		211,683	211,683
Deposits for restoration	14	2,024,708	2,024,708
Property, plant and equipment	9	8,387,241	8,688,199
		10,623,632	10,924,590
		21,408,153	14,063,983
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	10	7,471,718	6,398,727
Deferred revenue		–	38,641
Mining taxes payable		–	515,548
Current portion of lease obligation	11	18,237	17,221
Current portion of long-term debt	12	–	1,116,667
Other Liabilities		341,841	–
		7,831,796	8,086,804
NON-CURRENT LIABILITIES			
Lease obligation	11	13,257	31,499
Long-term debt	12	–	150,000
Convertible debenture	13	2,250,342	–
Provisions for restoration of mining sites	14	11,912,292	12,079,816
		22,007,687	20,348,119
NEGATIVE EQUITY			
Share capital	15	73,770,396	57,551,585
Warrants		6,230,572	2,623,249
Equity component of convertible debenture	13	585,844	–
Contributed surplus		8,295,499	7,650,641
Deficit		(89,481,845)	(74,109,611)
		(599,534)	(6,284,136)
		21,408,153	14,063,983

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

On behalf of the Board:

'Pascal Hamelin', Director

'Loic Bureau', Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

		YEARS ENDED JUNE 30,	
	NOTES	2025	2024
		\$	\$
Revenues		–	265,120
Expenses			
Administration	17	3,657,276	3,762,272
Care and maintenance expenses		3,350,461	2,702,092
Exploration and evaluation expenses	17	8,322,676	4,682,988
Operating loss		(15,330,413)	(10,882,230)
Finance costs and income			
Finance income		(101,889)	(74,461)
Change in fair value of investments	8	855,118	–
Finance costs (recovery)		(50,954)	599,372
Loss before income and mining taxes		(16,032,688)	(11,407,141)
Deferred income and mining taxes		(1,611,673)	178,430
Net loss and comprehensive loss		(14,421,015)	(11,585,571)
Basic and diluted net loss per share		(0.02)	(0.02)
Weighted average number of shares outstanding (basic and diluted)		793,947,286	492,313,234

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

CONSOLIDATED STATEMENTS OF CHANGES OF EQUITY

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

	SHARE CAPITAL	WARRANTS	EQUITY COMPONENT OF CONVERTIBLE DEBENTURE	CONTRIBUTED SURPLUS	DEFICIT	TOTAL
	\$	\$	\$	\$	\$	\$
BALANCE AS AT JUNE 30, 2024	57,551,585	2,623,249	—	7,650,641	(74,109,611)	(6,284,136)
EQUITY FINANCING						
Issuance of units (note 15)	8,018,146	3,097,746	—	—	—	11,115,892
Issuance of flow-through shares (note 15)	4,687,748	—	—	—	—	4,687,748
Issuance of shares to account payable settlement (note 15)	364,732	135,268	—	—	—	500,000
Issuance of shares as advance on contracts (note 15)	2,409,114	890,886	—	—	—	3,300,000
Exercised warrants (note 15)	648,020	(148,020)	—	—	—	500,000
Expired warrants	—	(368,557)	—	368,557	—	—
Share issuance costs (note 15)	91,051	—	—	115,383	(951,219)	(744,785)
CONVERTIBLE DEBENTURE (note 13)	—	—	585,844	—	—	585,844
OPTIONS						
Granted to employees, officers, directors, consultants or I.R. representatives (note 16)	—	—	—	160,918	—	160,918
NET LOSS FOR THE PERIOD	—	—	—	—	(14,421,015)	(14,421,015)
BALANCE AS AT JUNE 30, 2025	73,770,396	6,230,572	585,844	8,295,499	(89,481,845)	(599,534)

	SHARE CAPITAL	WARRANTS	CONTRIBUTED SURPLUS	DEFICIT	TOTAL
	\$	\$	\$	\$	\$
BALANCE AS AT JUNE 30, 2023	52,464,386	621,918	7,374,384	(62,328,624)	(1,867,936)
EQUITY FINANCING					
Issuance of units (note 15)	5,023,704	1,978,166	—	—	7,001,870
Settlement of royalty payable	63,495	23,165	—	—	86,660
Share issuance costs (note 15)	—	—	900	(195,416)	(194,516)
OPTIONS					
Granted to employees, officers, directors, consultants or I.R. representatives	—	—	275,357	—	275,357
NET LOSS FOR THE PERIOD	—	—	—	(11,585,571)	(11,585,571)
BALANCE AS AT JUNE 30, 2024	57,551,585	2,623,249	7,650,641	(74,109,611)	(6,284,136)

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

CONSOLIDATED TABLES OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

		YEARS ENDED JUNE 30,	
	NOTES	2025	2024
		\$	\$
Operating activities			
Net loss		(14,421,015)	(11,585,571)
Non cash adjustments for:			
Change in fair value of investments	8	855,118	–
Amortization	9	192,431	165,854
Sale of a property	17	(1,500,000)	–
Deferred income and mining taxes		(1,561,389)	(170,712)
Adjustment to provision for restoration of impaired mining assets		–	130,398
Accretion expense	14	353,117	437,746
Interests on lease obligation	11	2,295	901
Stock-based compensation	16	160,918	275,357
Change in working capital items	5	(1,613,823)	589,079
		(17,532,348)	(10,156,948)
Financing activities			
Repayment of lease obligation	11	(19,521)	(6,003)
Repayment of long-term debt	12	(1,266,667)	(587,574)
Convertible debenture	13	3,000,000	–
Issuance of shares and units	15	18,043,056	7,001,870
Shares and units issuance costs		(636,454)	(99,083)
		19,120,414	6,309,210
Investing activities			
Disposal of investments	8	644,882	–
Refundable tax credit resources and refundable credit on mining rights		–	224,847
Supplier deposit		–	(211,683)
Deposit for restoration	14	–	3,867,786
Acquisition of property, plant and equipment	9	(412,114)	(239,433)
		232,768	3,641,517
Change in cash		1,820,834	(206,221)
Cash, beginning of year		757,753	963,974
Cash, end of year		2,578,587	757,753

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

1. INCORPORATION AND NATURE OF ACTIVITIES

Abcourt Mines Inc. (together, with its subsidiary, the « Company ») was incorporated by letters patent of amalgamation in January 1971 and continued under Part 1A of the Quebec Companies Act in March 1981. On February 14, 2011, the Company was automatically continued under Business Companies Act (Quebec) following the coming into force of this law. The Company is engaged in the acquisition, exploration and evaluation, development and operating of mining properties in Canada, primarily gold. Its shares are trading on the TSX Venture Exchange under the symbol ABI, on the Berlin Stock Exchange under the symbol AML-BE and on the Frankfurt Exchange under the symbol AML-FF. The Company's head office is located at 475 De l'Église Avenue, Rouyn-Noranda, (Quebec) J0Z 1Y0.

These consolidated financial statements were approved for issue by the Board of Directors on October 22, 2025.

2. GENERAL INFORMATION, BASIS OF PRESENTATION AND GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis, which provides that the Company will be able to realize its assets and meet its obligations in the normal course of business.

The Company's ability to ensure the continuity of its operations relies on the realization of its assets and on additional financing. Despite the Company's ability to obtain financing in the past, there can be no assurance that it will be able to obtain financing in the future, and there can be no assurance that such financing will be available on terms acceptable to the Company. The Company has not yet determined whether the mining properties contain ore reserves that can be economically exploited and has not yet generated operating revenues. Recovery of the cost of mineral properties depends on the ability to economically exploit the ore reserves, obtaining the necessary financing for the exploration of these properties and bringing them into commercial production or proceeds from the sale of the properties. As at June 30, 2025, the Company has a deficit of \$89,481,845, cash of \$2,578,587 and working capital of \$2,952,725. These uncertainties cast significant doubt on the ability of the company to continue as a going concern.

Subsequent to June 30, 2025 (Note 23), The Company has secured debt financing to enable it to move into the development phase and carry out the work required to restart production at the Sleeping Giant mine. The Company believes that the eventual achievement of commercial production will enable it to generate sufficient cash to be able to realize its assets and meet its obligations in the normal course of business.

The consolidated financial statements do not reflect the adjustments that would be necessary to the carrying amount of assets and liabilities, the amounts reported for revenues and expenses, and the classifications of items in the statement of financial position if the going concern assumption were not appropriate. These adjustments could be material.

3. NEW OR REVISED STANDARDS AND INTERPRETATIONS

New and revised IFRSs issued but not yet effective

At the date of authorization for publication of these consolidated financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards, amendments or interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations neither adopted nor listed below have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

IFRS 18 Financial Statements: Presentation and Disclosure

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. Although IFRS 18 incorporates many of the requirements of IAS 1, it introduces new requirements to better-structured financial statements and provides more detailed and useful information to investors, including:

- two new subtotals defined in the statement of comprehensive income, namely (1) operating income and (2) net income before financing and income taxes;
- the classification of all income and expenses in the statement of comprehensive income into one of five categories;
- a new requirement to disclose performance measures defined by management;
- improved principles related to the consolidation and breakdown of information in financial statements and accompanying notes.

The publication of IFRS 18 also results in consequential amendments to other IFRS standards, including IAS 7 Cash Flow Statements.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE

Statement of compliance

These consolidated financial statements of Abcourt Mines Inc. were prepared by management in accordance with International Financial Reporting Standards ("IFRS") in effect as at June 30, 2025. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary Pershimex. A subsidiary is an entity over which the Company exercises control. The Company controls an entity when it has power over it, when it is exposed to or is entitled to variable returns from its participation in the entity and can influence those returns.

Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases. All intercompany transactions, balances, revenues and expenses are eliminated upon consolidation.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)**Functional currency**

The reporting currency and the currency of all of the Company's transactions is the Canadian dollar, since it represents the currency of the primary economic environment in which the Company operates.

Currency conversion

The Company's consolidated financial statements are reported in Canadian currencies, which is the functional currency. Transactions in foreign currencies are converted at the exchange rates prevailing at the time they are made. At each closing date, monetary assets and liabilities denominated in foreign currencies are converted at the closing prices. Exchange differences resulting from transactions are recorded in the income statement for the period. Exchange differences related to operating activities are recorded in earnings of the period; exchange differences related to financing transactions are recognized in profit or loss or in equity.

Tax credit relating to resources and government assistance

The Company is entitled to a resource tax credit on eligible exploration and evaluation expenses incurred in the province of Quebec. These amounts are recognized based on management's estimates and if the Company is reasonably assured that they will be received. At this time, the resource tax credit and the mining duties credit are recognized as a reduction of exploration and evaluation expenses in the statement of comprehensive income.

Inventory

Inventories consist of gold and silver inventories (gold and silver doré and gold in circuit), ore stockpiles and mine supplies. Inventories are carried at the lower of cost and net realizable value. The cost of the gold and silver inventories and ore stockpiles is determined using the weighted average cost based on normal production capacity. The cost of gold and silver inventories and ore stockpiles includes all costs incurred in bringing each product to its present location and condition. The cost of gold and silver inventories and ore stockpiles includes direct costs of materials and labour related directly to mining and processing activities and production process and directly attributable overhead costs. The cost of mine supplies is determined using the first in, first out cost method.

Net realizable value is the estimated selling price in the ordinary course of business less any applicable estimated selling expenses.

Revenue recognition

Revenue includes gold and silver sales and other revenues. Revenue from the sale of refined gold and silver is recognized when control of the gold and silver is transferred to the customer. This is when there is a binding agreement to sell the gold and silver to the customer at a specific price and the Company gave irrevocable instructions to deliver the refined gold and silver to the customer. Following the transmission of the instructions to deliver the gold and silver, the customer has control over the product and the Company has no further unrealized obligations affecting the acceptance of the product. The payment is due and generally received on the settlement date.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)**Revenue recognition (continued)**

Milling revenue is recognized when the ore processing service is performed by the Company, accepted by the client and collection is reasonably assured. The performance obligations are satisfied when milling services have been completed. At this point in time, the Company physically transfers the milled products, and the significant risks and rewards related to the metals to the customers.

Exploration and evaluation expenses

Exploration and evaluation expenses are the costs incurred in the initial search for mineral deposits with economic potential. Expenditures incurred before the entity has obtained the legal rights to prospect a specific area are accounted for as an expense.

Costs related to the acquisition of mining properties and exploration and evaluation expenses are recognized as an expense in the statement of the consolidated income until the technical feasibility and commercial viability of the extraction of a mineral resource are demonstrated. The item "Exploration and evaluation expenses" includes costs and exploration tax credits that are directly attributable to the research and analysis of existing exploration data, conducting geological studies, exploratory drilling and sampling, the examination and testing of extraction and processing methods and the compilation of pre-feasibility and feasibility studies. Exploration expenses relate to initial search for deposit. Project evaluation expenses consist of a detailed assessment of deposits or other projects that have already been identified as having geological potential. The item also includes proceeds from the sale of royalties on properties net of costs from the sale of the royalty.

When the technical feasibility and commercial viability of extracting a mineral resource can be demonstrated, the costs are then capitalized and classified as mining assets under development in property, plant and equipment. Capitalization of expenses begins when management and the board of directors have determined that a project has demonstrated a potential for development and an economic analysis, which will be presented to, and formally approved by the board of directors, demonstrates the commercial viability and economic benefits of the project.

Although management has engaged a qualified person to verify titles of the mining properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's property title. Property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements. There is no indication to this day that these situations may exist.

Impairment of long-term assets

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Therefore, some assets are tested individually for impairment, and some are tested at a cash generating unit level.

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the higher of the fair value less costs of sell and its value in use (present value of the future cash flows expected). An impairment loss is recognized when their carrying amount exceeds the recoverable value. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its recoverable amount.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated losses.

Historical cost includes expenses directly attributable to the acquisition or construction of the asset, any other cost directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the property, plant and equipment asset and restoring the site on which it is located. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with that asset will flow to the Company and the cost can be measured reliably.

Mining assets under development

Costs incurred on properties identified as having technical feasibility and commercial viability are not amortized. Costs include all expenditures to develop the property to commercial production. When commercial production is achieved, costs are transferred to the various classes of property, plant and equipment of the producing mine sites.

Depletion of mining sites in production

Property, plant and equipment of mining sites in production are depleted using the units-of-production method in order to write down the cost to estimated residual value, except in the case of assets whose useful life is shorter than the life of the mine, in which case, the straight-line method and/or declining method is applied. The depletion rate of the Elder mine is calculated in accordance with the number of ounces of gold sold using measured and indicated resources. The depletion calculation also takes into account future developments and equipment costs necessary to access these resources. The depletion rate for the Sleeping Giant mill is calculated based on the number of tons of ore processed using the estimated mineral resources.

Depreciation – other property, plant and equipment

Depreciation of an asset begins when it is available for use, i.e. as soon as it is in the location and in the condition for it to be capable of operating in the manner intended by management. Depreciation of property, plant and equipment is calculated according to the estimated useful life of the asset using the linear and / or declining method and at the following rates:

Mobile equipment	Linear 20%
	Declining balance 30%
Building	Linear 33%
Furniture and production equipment	Declining balance 20%
Computer equipment	Linear 30%
Equipment	Linear 10% – 20%

The estimated useful life, residual values, the mineral resources and depreciation method are reviewed at the end of each financial year-end and the impact of any change in estimates is recognized prospectively.

Upon disposal or abandonment, the carrying amounts of property, plant and equipment are derecognized and any associated gains or losses are recognized in profit or loss.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)**Financial instruments***Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all material risks and rewards are transferred.

A financial liability is derecognized when extinguished, discharged, canceled or when it expires.

Classification and initial measurement of financial assets

Financial assets are measured initially at fair value adjusted for transaction costs, if any.

The financial assets are classified into the following category:

- at amortized cost;
- at fair value through profit or loss

The classification is determined by both:

- the entity's business model for managing the financial asset;
- the characteristics of the contractual cash flows of the financial asset.

All income and expenses relating to financial assets recognized in profit or loss are presented in finance costs and income.

*Subsequent measurement of financial assets***Financial assets at amortized cost**

Financial assets are measured at amortized cost if they meet the following conditions:

- They are held according to a business model whose objective is to hold financial assets in order to collect its contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After their initial recognition, they are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Cash, accounts receivable and other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held under a business model other than «held for collection» or «held for collection and sale» are classified in the FVTPL category. In addition, regardless of the entity's business model, financial assets whose contractual cash flows do not consist solely of principal and interest payments are recognized at FVTPL. The category also includes an investment in equity instruments.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)**Financial instruments (continued)**

Assets in this category are measured at fair value, with gains or losses recognized in net income. The fair value of financial assets in this category is determined based on transactions in an active market or by applying a valuation technique when there is no active market.

Impairment of financial assets

The impairment provisions of IFRS 9 use forward-looking information, i.e. the expected credit loss model.

The recognition of credit losses is not dependent on the identification of credit loss event by the Company. Rather, the latter must take into account a wider range of information for the assessment of credit risk and the assessment of expected credit losses, including past events, current circumstances, reasonable and justifiable forecasts that affect the expected recoverability of future cash flows of the financial instrument.

The measurement of expected credit losses is determined by probability-weighted estimate of credit losses over the expected life of the financial instrument.

Receivables and other receivables

The Company make use of a simplified approach in accounting for receivables and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any time during the life of the financial instrument. The Company uses past experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Company's financial liabilities include accounts payable, accrued liabilities (except salaries and holidays payable and amounts due to governments) long-term debt as well as the convertible debentures. Obligations related to lease agreements are not financial instruments under IFRS 9.

Financial liabilities are measured initially at fair value adjusted for transaction costs, if applicable. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

All expenses related to financial liabilities are in profit or loss within finance costs.

Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)

Provisions and contingent liabilities (continued) Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Provisions for restoration of mining sites

The Company is subject to environmental laws and regulations enacted by federal and provincial authorities. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. To take into account the estimated cash flows required to settle its obligations arising from environmentally acceptable closure plans (such as dismantling and demolition of infrastructures, removal of residual matter and site restoration), provisions are recognized in the year, when the Company has an actual restoration mining site obligation and it is likely that an outflow will be required in settlement of the obligation and the obligation is reasonably determinable. These provisions are determined on the basis of the best estimates of future costs, based on information available on the reporting date.

Future costs are discounted using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the liability. A corresponding asset is recognized in the related mining asset when establishing the provision.

The provision is reviewed annually to reflect changes in the estimated outflow of resources as a result of changes in obligations or legislation, changes in the current market-based discount rate or an increase that reflects the passage of time. The accretion of the liability to its fair value as a result of the passage of time is charged to earnings while changes resulting from the revisions to either the timing or the amount of the original estimate of the undiscounted cash flows are accounted for as part of the carrying amount of the related long-lived asset. Costs of restoration of mining sites are deducted from the provision when incurred (see note 14).

Share-based compensation

The Company operates an equity-settled share-based remuneration plan (share options plan) for its eligible directors, officers, employees and consultants. The Company's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values unless that fair value cannot be estimated reliably. In that case the fair value of goods and services received will be valued according to the fair value of the equity instrument granted. Where employees or third-party providing services similarly to those of employees, are rewarded using share-based payments, the fair value of the services rendered by the employees is determined indirectly by reference to the fair value of the equity instruments granted.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)

Share-based compensation (continued)

All equity-settled share-based payments (except for warrants and options issued to brokers and intermediaries) are ultimately recognized as an expense in the profit or loss, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity. Warrants and options issued to brokers and intermediaries are recorded as issuance cost of financial equity instruments and the counterpart as contributed surplus within equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Convertible debenture

Compound financial instruments issued by the Company include a debenture convertible into common shares of the Company at the holder's option, where the number of shares to be issued is fixed and does not vary according to changes in fair value.

The compound financial instruments are separated into liability and equity components based on the terms of the contract. On issuance of the instrument, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. The proceeds are allocated to the liability component first and the remainder of the proceeds is allocated to the conversion option that is recognized and included in equity. Transaction costs are apportioned between the liability and equity components, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

The liability component is subsequently measured at amortized cost using effective interest rate method until it is extinguished on conversion or redemption. The carrying amount of the conversion option is not remeasured in subsequent years.

Interest related to the financial liability is recognized in profit or loss. Upon conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

Share capital

The share capital represents the amount received on the issuance of shares. When shares are issued following the exercise of share purchase options or warrants, this item also includes compensation recognized or the value of warrants recognized previously in contributed surplus and warrants.

Issuance of Units

Proceeds from unit issuances are allocated between shares and warrants issued using the relative fair value method. The Company uses the Black-Scholes valuation pricing model to determine the fair value of warrants issued.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)**Flow-through shares**

The Company considers that the issue of flow-through shares is in substance an issue of common shares and the sale of tax deductions to the benefit of investors. The proceeds received from flow-through placements are allocated between share capital and other liability using the residual method. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liability in the statement of financial position. When eligible expenditures are incurred (as long as there is the intention to renounce them), the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

Other equity items

Contributed surplus includes expenses related to stock options until the exercise of these options and expenses related to expired warrants. When these options are exercised, the corresponding compensation costs are transferred to share capital.

Contributed surplus includes charges related to share purchase options until such equity instruments are exercised and charges related to warrants expired. When options are exercised, corresponding compensation costs are transferred to share capital.

Warrants included expenses relating to warrants until the exercise of the warrants. When the warrants are exercised, corresponding compensation are transferred to share capital. When the warrants are expired, the corresponding charges are transferred to contributed surplus.

Deficit includes all current and prior period retained profits or losses, less issuance costs net of any income tax benefit on the related issuance expenses.

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to class « B » shares holders of the Company by the weighted average number of class « B » shares outstanding during the period. Diluted earnings per share are calculated by adjusting the earnings attributable to class « B » shares holders of the Company as well as the weighted average number of class « B » shares outstanding, for the effects of all dilutive potential class « B » shares which include share purchase options and warrants. Dilutive potential class « B » shares shall be deemed to have been converted into class « B » shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential class « B » shares.

See note 16 for the information on the dilutive potential share purchase options and warrants outstanding. In 2025 and 2024, no options were considered given their anti-dilutive effect on earnings per share.

Income taxes and deferred taxes

Tax expenses recognized in profit or loss comprise the sum of current tax and deferred tax not recognized directly in equity.

Current tax is payable on taxable profit and is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax expenses include also mining taxes.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)

Income taxes and deferred taxes (continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes except when deferred income results from an initial recognition of goodwill or from initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is measured, without discounting, at the tax rates that are expected to be applied to temporary differences when they will reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year and which, expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or loss in the year that includes the date of enactment.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only when the Company has a right and intentions to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, or directly in equity, in which case the related deferred tax is also recognized in equity.

Segmented information

The Company presents and discloses segmented information based on information regularly reviewed by key operational decision makers, i.e. the president and the board of directors.

The Company has determined that there is one segment, namely the acquisition, exploration and evaluation of mining properties. All the Company activities are conducted in Canada.

Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires management to use good judgment and to make estimates and assumptions that affect the application of accounting policies as well as the carrying amount of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed regularly. Any revision of accounting estimates is recognized in the period in which the estimates are revised as well as in future periods affected by these revisions.

Key sources of uncertainty for estimations

a) Impairment of property, plant and equipment

Determining if there are any facts and circumstances indicating impairment losses or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases.

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. No devaluation in 2025 and 2024.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)**Significant accounting judgments, estimates and assumptions (continued)***Key sources of uncertainty for estimations (continued)*

b) Evaluation of the tax credit relating to resources and credit for mining rights

Credit related to resources and mining duties credit for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the consolidated statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their reimbursement. In 2025, the Company recorded a resources tax credit and a credit on duties refundable for losses totaling \$2,874,070 (440,000 \$ in 2024).

The calculation of these credits necessarily involves a degree of estimation and judgment in respect of certain elements whose tax treatment cannot be determined with certainty until a notice of assessments and payments have been received from the relevant taxation authority. Differences arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to tax credits relating to resources, to mining duties credits refundable, to exploration and evaluation expenses and to income tax expense in future years.

The amounts recognized in the consolidated financial statements are based on the Company's management's best estimates and judgment as described above. However, the inherent uncertainty as to the ultimate outcome of these elements means that the eventual resolution could differ from the accounting estimates and thus have an impact on the financial position of the Company and its cash flow. In 2016, the Company received notices of reassessments following the audit by the tax authorities tax credits relating to resources as well as mining rights for the taxation years 2011, 2012, 2013 and 2014. The Company filed notices of objection with respect to these new notices of assessment. The amounts claimed have been recognized in accounts payable and accrued liabilities and amount to \$1,434,936. As of June 30, 2025, a settlement has been reached (see Note 22).

c) Provisions related to the restoration of mining sites

The Company annually assesses its provisions for the restoration of mining sites. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. These factors include estimates of the extent and cost of restoration activities, legislative changes, known environmental impacts, the effectiveness of repair and restoration measures and changes in the discount rate. These uncertainties may lead to discrepancies between the actual expenses and the amounts provisioned.

d) Fair value of convertible debenture

Determining the fair value of the components of the convertible debenture (the debt and equity components) involves the use of the discounted cash flow method. The valuation of the convertible debenture requires the use of highly subjective assumptions that can significantly affect the fair value estimate. The valuation of the convertible debenture is subjective and can have a significant impact on earnings.

4. MATERIAL ACCOUNTING POLICIES INFORMATION AND STATEMENT OF COMPLIANCE (CONTINUED)

Significant accounting judgments, estimates and assumptions (continued)

Key sources of uncertainty for estimations (continued)

e) Share-based compensation

The fair value of share purchase options granted to employees is determined by using the Black-Scholes pricing model that considers the exercise price and expected life of the option, the current price of the underlying share, its expected volatility, expected dividends on the share and the current risk-free interest rate for the expected life of the option. The inputs used to determine the fair value are composed of estimates aim to approximate the expectations that would likely be reflected in a current market or negotiated exchange price for the option. During the year, an amount of \$160,918 (\$275,357 in 2024) was recorded as share-based compensation following the granting of 6,500,000 share purchase options (19,000,000 share purchase options in 2024).

Critical judgments in the application of accounting policies

a) Going Concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances (See note 2).

b) Beginning of the development phase

The Company evaluates the potential of each project to determine when it should progress from the exploration and evaluation phase to the development phase. Technical feasibility and commercial viability will be considered achieved when the Company has met the following conditions:

- Obtaining a pre-feasibility or technical feasibility and commercial viability study;
- Decision of the Company on this basis to proceed to the development phase;
- Obtaining mining permits;
- Obtain the necessary funding to carry out the development plan

Once management has determined that a project has demonstrated development potential based on these criteria and once approved by the board of directors, the project enters the development phase. As at June 30, 2025, the Sleeping Giant project is classified as an exploration and evaluation project. Subsequently to year end, the Sleeping Giant project has started its development phase (note 23).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

5. ADDITIONAL INFORMATION ON CASH FLOWS

	YEARS ENDED JUNE 30,	
	2025	2024
	\$	\$
Changes in non-cash working capital items:		
Receivables	(90,312)	716,964
Refundable tax credit resources and refundable credit on mining rights	(2,407,478)	(440,000)
Inventory	479,413	(750,181)
Prepaid expenses and deferred expenses	(153,907)	(254,179)
Accounts payable and accrued liabilities	1,112,650	819,704
Deferred revenue	(38,641)	38,641
Mining taxes payable	(515,548)	458,130
	(1,613,823)	589,079

	YEARS ENDED JUNE 30,	
	2025	2024
	\$	\$
Items not affecting cash flows:		
Warrants granted to investors	4,123,900	2,001,331
Warrants granted to intermediaries	115,383	900
Issuance of shares to account payable settlement	500,000	—
Issuance of shares as advance on contracts	3,300,000	—
Issuance of units as royalty repayment	—	86,660
Issuance of shares as settlement of issuance costs	91,051	—
Issuance costs unpaid	203,764	95,433
Financing costs deferred	352,010	—

An amount of \$515,548 of mining and income taxes paid for the year ended June 30, 2025 (none in 2024).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

6. RECEIVABLES

	30 JUIN 2025	30 JUIN 2024
	\$	\$
Commodity taxes	394,269	285,834
Other receivables	45,003	63,126
	439,272	348,960

7. INVENTORY

	30 JUIN 2025	30 JUIN 2024
	\$	\$
Gold and silver inventories	581,100	773,000
Mining Supplies	151,980	439,493
	733,080	1,212,493

8. INVESTMENTS

	30 JUIN 2025	30 JUIN 2024
	\$	\$
Balance, beginning of year	–	–
Acquisition (Note 17)	1,500,000	–
Change in fair value	(855,118)	–
Disposal	(644,882)	–
Balance, end of year	–	–

The Company held equity investments in other company listed on the Canadian Venture Exchange ("CDNX").

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

9. PROPERTY, PLANT AND EQUIPMENT

	FURNITURE AND COMPUTER EQUIPMENT	MILL AND OTHER EQUIPMENT ^(A)	EXPLORATION – BUILDINGS AND EQUIPMENT	RIGHT-OF-USE ASSET – MOBILE EQUIPMENT	TOTAL
	\$	\$	\$	\$	\$
COST					
Balance as at June 30, 2023	139,840	9,473,599	1,953,972	–	11,567,411
Additions	2,725	182,276	54,432	53,822	293,255
Provision for restoration adjustment	–	(84,666)	(19,860)	–	(104,526)
Balance as at June 30, 2024	142,565	9,571,209	1,988,544	53,822	11,756,140
Additions	2,856	73,339	335,919	–	412,114
Provision for restoration adjustment	–	(421,720)	(98,921)	–	(520,641)
Balance as at June 30, 2025	145,421	9,222,828	2,225,542	53,822	11,647,613
ACCUMULATED AMORTIZATION					
Balance as at June 30, 2023	55,258	2,490,835	355,994	–	2,902,087
Amortization	16,946	81,921	61,007	5,980	165,854
Balance as at June 30, 2024	72,204	2,572,756	417,001	5,980	3,067,941
Amortization	14,221	72,590	87,679	17,941	192,431
Balance as at June 30, 2025	86,425	2,645,346	504,680	23,921	3,260,372
NET CARRYING AMOUNT					
Balance as at June 30, 2024	70,361	6,998,453	1,571,543	47,842	8,688,199
Balance as at June 30, 2025	58,996	6,577,482	1,720,862	29,901	8,387,241

(A) Other equipment includes production equipment, mobile equipment and computer equipment of the Sleeping Giant site.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	JUNE 30, 2025	JUNE 30, 2024
	\$	\$
Accounts payable	5,616,907	3,727,790
Royalties payable	209,829	250,289
Salaries and benefits payable	856,750	630,137
Payable to governments	788,232	1,790,511
	7,471,718	6,398,727

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

11. LEASE OBLIGATION

	JUNE 30, 2025	JUNE 30, 2024
	\$	\$
Balance, beginning of year	48,720	–
Addition	–	53,822
Interests	2,295	901
Repayment	(19,521)	(6,003)
Balance, end of year	31,494	48,720
Current portion	18,237	17,221
Non-current portion	13,257	31,499

Maturity analysis – undiscounted contractual cash flow

	JUNE 30, 2025	JUNE 30, 2024
	\$	\$
Less than 1 year	19,512	19,512
1 to 5 years	13,508	33,020
	33,020	52,532

12. LONG-TERM DEBT

	JUNE 30, 2025	JUNE 30, 2024
	\$	\$
Balance, beginning of year	1,266,667	1,854,241
Repayment	(1,266,667)	(587,574)
Balance, end of year	–	1,266,667
Current portion	–	1,116,667
Non-current portion	–	150,000

The loans were fully repaid during the year ended June 30, 2025.

As at June 30, 2024, the balance of long-term debt consisted of loans authorized for a maximum amount of \$3,000,000 bearing interest at fixed rate of 7.16% and 7.25% and prime rate plus 1.5% (7.95%), secured by a first rank hypothec of \$3,000,000 on equipment and mobile equipment of the Sleeping Giant mine and mill facility and a mortgage of \$250,000 on accounts receivable and inventory and on the universality of movable property.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

13. CONVERTIBLE DEBENTURE

On June 26, 2025, the Company issued a secured convertible debenture with a director for \$3 million, with a term of 48 months, bearing interest at three-month Secured Overnight Financing Rate (SOFR) plus 10%.

The principal amount of the debenture is convertible into a fixed number of common shares of the Company at a conversion price of \$0.05 per share during the first year, and at a conversion price of \$0.10 per share for subsequent years, at any time at the holder's option. All accrued interest on the debenture will be payable in cash. The Company may redeem the debenture at any time prior to the maturity date, without penalty.

The Company has entered into security agreements with the Lender to issue a second priority security interest, subject to certain permitted encumbrances, in all of the Company's movable and immovable property, present and future, tangible and intangible, of whatever nature and wherever situated, including real estate interests, mineral rights, inventory and equipment.

Upon initial recognition, the conversion option of the convertible debenture was deemed to meet the definition of an equity instrument. The proceeds received, \$3,000,000, were first allocated to the financial liability component of the convertible debenture, based on its fair value of \$2,250,342, with the remaining amount of \$749,658 allocated to the equity component. Deferred taxes of \$163,814 were recorded as a reduction of the equity component. The debenture's implicit rate is 27%.

	JUNE 30, 2025
	\$
Proceed from disposal of convertible debenture	3,000,000
Amount classified in equity	749,658
Debt component of the convertible debenture at issuance	2,250,342

14. PROVISIONS FOR RESTORATION OF MINING SITES

	JUNE 30, 2025	JUNE 30, 2024
	\$	\$
Balance, beginning of year	12,079,816	11,616,198
Changes of estimates	(520,641)	25,872
Accretion expenses	353,117	437,746
Balance, end of year	11,912,292	12,079,816

The rate used to determine the future value is 2.68% et 3.2% (2.59% and 3.17% as at June 30, 2024), while the rate reflecting current market assessments (adjusted to take into account the risks specific to this liability) used to determine the present value of the provisions is 3.64% et 2.69% (3.55% and 4.05% as at June 30, 2024). The payments schedule was determined by taking into account the measured and indicated resources, the estimated annual production level and the estimated mine life.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

14. PROVISIONS FOR RESTORATION OF MINING SITES (CONTINUED)

The revised estimates follow the revision of the estimated cash flow schedules following the update of the resources and their estimated useful lives at the Elder and Sleeping Giant sites. During the year ended June 30, 2025, the Company revised the expected cash outflow dates. The revised estimates were charged to property, plant and equipment.

The following table presents the estimated undiscounted cash flows arising from future restoration costs used in the calculation of provisions related to mine site restoration as at June 30, 2025:

	TOTAL ESTIMATED AMOUNT OF ANTICIPATED CASH MOVEMENTS	EXPECTED DATE OF CASH OUTFLOWS
	\$	
Elder site	797,616	2028
Sleeping Giant site	17,187,338	2035 - 2038
	17,984,954	

The following table sets forth the distribution of provisions for restoration of mining sites:

	JUNE 30, 2025	JUNE 30, 2024
	\$	\$
Elder site	723,298	701,132
Sleeping Giant site	11,188,994	11,378,684
	11,912,292	12,079,816

Deposits for restoration include the following items:

	JUNE 30, 2025	JUNE 30, 2024
	\$	\$
Term deposit, 3.95%, maturing on December 2026	2,000,000	2,000,000
Deposit with the Québec government	24,708	24,708
	2,024,708	2,024,708

Following the increase in restoration costs at the Sleeping Giant mine, the financial guarantee required by the MNRF is \$12,212,697. The Company is required to make one remaining payment of \$1,710,621 due in March 2026. For the Elder mine, the financial guarantee required by the MNRF is \$704,425. The Company is required to make one remaining payment of \$51,713 due in February 2026.

As of June 30, 2025, financial guarantees totaling \$11,154,809 (\$10,502,077 for the Sleeping Giant mine and \$652,732 for the Elder mine) have been issued to the MRNF in the form of bonds issued by an insurance company. Under the bond agreement, the insurance company guarantees the MNRF the restoration costs set out in the restoration plans. In accordance with the terms of the agreement, the Company has provided an irrevocable letter of credit in the amount of \$2,000,000 from a Canadian bank. This bond is also secured by a \$3,700,000 mortgage on the Sleeping Giant property. The letter of credit is secured by a term deposit in the same amount.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

15. SHARE CAPITAL

Authorized:

Unlimited number of preferred shares without par value which may be issued in one or more series; the privileges, rights, conditions and restrictions will be determined by the Board of Directors (none outstanding).

Unlimited number of subordinate Class « A » shares, without par value, non-voting (none outstanding).

Unlimited number of Class « B » shares», without par value, with voting rights.

Changes in the Company Class « B » share capital were as follows:

	NUMBER OF SHARES ISSUED	AMOUNT
Balance as at June 30, 2023	428,108,504	52,464,386
Common shares issued	152,938,150	5,023,704
Issuance of shares in payment of royalties	2,166,506	63,495
Balance as at June 30, 2024	583,213,160	57,551,585
Common shares issued	239,350,166	8,018,146
Flow-through shares issued ⁽¹⁾	101,296,170	4,687,748
Issuance of shares to account payable settlement	10,000,000	364,732
Issuance of shares as advance on contracts	66,000,000	2,409,114
Warrants exercised	10,000,000	648,020
Shares issuance costs	1,821,024	91,051
Balance as at June 30, 2025	1,011,680,520	73,770,396

⁽¹⁾ The carrying amount of the flow-through shares is presented net of the liability for the flow-through share premium of \$1,739,416.

Year ended June 30, 2025

On June 26, 2025, the Company closed an additional tranche of its non-brokered private placement for gross proceeds of \$256,000 consisting of 5,120,000 units at a price of \$0.05. Each unit consists of one Class «B» share and one warrant. Each warrant entitles its holder to purchase one Class «B» share of the Company at an exercise price of \$0.08 until June 26, 2028. The gross proceeds of the offering were presented net of the fair value of the warrants, in the amount of \$69,257.

As part of this tranche of the offering, the Company also issued 10,000,000 units in settlement of a supplier account in the amount of \$500,000. The gross proceeds were reported net of the fair value of the warrants, in the amount of \$135,268.

As part of this tranche of the offering, the Company also issued 6,000,000 units as an advance payment on a contract in the amount of \$300,000. The gross proceeds were presented net of the fair value of the warrants, in the amount of \$81,161.

On May 5, 2025, the Company closed an additional tranche of its non-brokered private placement for gross proceeds of \$1,613,004 consisting of:

- 25,620,000 units at a price of \$0.05 per unit for gross proceeds of \$1,281,000
- 5,533,400 flow-through common shares at a price of \$0.06 per share for a gross proceed of \$332,004.

15. SHARE CAPITAL (CONTINUED)

Year ended June 30, 2025 (continued)

Each unit consists of one class « B » share and one warrant. Each warrant entitles its holder to purchase one class « B » share of the Company at a price of \$0.08 until May 6, 2028, subject to acceleration in certain circumstances. The gross proceeds has been presented net of the fair value of the warrants totaling \$345,753 and net of the liability for the flow-through share premium of \$83,001 presented in other liabilities in the statement of financial position.

As part of this tranche of the offering, the Company also issued 60,000,000 units as an advance payment on a contract in the amount of \$3,000,000. The gross proceeds were presented net of the fair value of the warrants, in the amount of \$809,725.

In connection with the private placement, the Company issued 128,004 warrants to a broker. Each warrant entitles its holder to purchase one Class « B » common share at the exercise price of \$0.05 until May 6, 2028.

On April 3, 2025, the Company closed an additional tranche of its non-brokered private placement for gross proceeds of \$1,668,040 consisting of:

- 2,300,000 units at a price of \$0.05 \$ per unit for gross proceeds of \$115,000
- 25,884,000 flow-through common shares at a price of \$0.06 per share for a gross proceed of \$1,553,040.

Each unit consists of one class « B » share and one warrant. Each warrant entitles its holder to purchase one class « B » share of the Company at a price of \$0.08 until April 3, 2028, subject to acceleration in certain circumstances. The gross proceeds has been presented net of the fair value of the warrants totaling \$32,652 and net of the liability for the flow-through share premium of \$258,840 presented in other liabilities in the statement of financial position.

In connection with the private placement, the Company issued 1,535,040 warrants to a broker. Each warrant entitles its holder to purchase one Class « B » common share at the exercise price of \$0.05 until April 3, 2028.

On March 3, 2025, the Company issued 60,000,000 units at a price of \$0.05 per unit for gross proceeds of \$3,000,000. Each unit consists of one class « B » share and one warrant. Each warrant entitles its holder to purchase one class « B » share of the Company at a price of \$0.08 until March 3, 2028. The gross proceeds have been presented net of the fair value of the warrants totaling \$830,469.

On February 18, 2025, a director exercised 10,000,000 warrants at a price of \$0.05 for a gross proceed of \$500,000. The gross proceeds have been presented together with the fair value of the warrants of \$148,020.

On December 11, 2024, the Company closed a brokered private placement of \$5,254,013 consisting of:

- 12,943,500 units at a price of \$0.055 per unit for a gross proceed of \$711,893
- 69,878,770 flow-through common shares at a price of \$0.065 per share for a gross proceed of \$4,542,120.

15. SHARE CAPITAL (CONTINUED)**Year ended June 30, 2025 (continued)**

Each unit consists of one class « B » share and one warrant. Each warrant entitles its holder to purchase one class « B » share of the Company at a price of \$0.08 until December 11, 2027. The gross proceeds have been presented net of the fair value of the warrants totaling \$172,092 net of the liability for the flow-through share premium of \$1,397,575 presented in other liabilities in the statement of financial position.

In connection with the private placement, the Company issued 4,085,236 warrants to a broker. Each warrant entitles its holder to purchase one Class « B » common share at the exercise price of \$0.055 until December 11, 2027.

On October 10, 2024, the Company closed a non-brokered private placement of 20,866,666 units at a price of \$0.06 per unit for total gross proceeds of \$1,252,000. Each unit consists of one Class « B » common share of the Company and one warrant. Each whole warrant entitles the holder to purchase one Class « B » common share at an exercise price of \$0.08 per share until October 10, 2027. Gross proceed has been presented net of fair value of warrants amounting to \$405,041.

On July 24, 2024, the Company closed a private placement of 112,500,000 units at a price of \$0.04 per unit for a gross proceed of \$4,500,000. Each unit consists of one class « B » share and one warrant. Each warrant entitles its holder to purchase one class « B » share of the Company at a price of \$0.06 until July 24, 2027. Gross proceed has been presented net of fair value of warrants amounting to \$1,242,483.

Year ended June 30, 2024

On June 27, 2024, the Company completed the fifth and final tranche of a private placement consisting of 12,551,400 units at a price of \$0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.06 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$627,570 was presented net of the fair value of the warrants, in the amount of \$186,058.

On May 31, 2024, the Company completed the fourth tranche of a private placement consisting of 21,200,000 units at a price of \$0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.06 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$1,060,000 was presented net of the fair value of the warrants, in the amount of \$309,799.

15. SHARE CAPITAL (CONTINUED)**Year ended June 30, 2024 (continued)**

On April 30, 2024, the Company completed the third tranche of a private placement consisting of 7,648,312 units at a price of \$0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.06 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$382,416 was presented net of the fair value of the warrants, in the amount of \$105,363.

On April 23, 2024, the Company completed the second tranche of a private placement consisting of 18,310,000 units at a price of \$0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.06 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$915,500 was presented net of the fair value of the warrants, in the amount of \$271,738.

On March 26, 2024, the Company completed the first tranche of a private placement consisting of 28,724,688 units at a price of \$0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.06 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$1,436,234 was presented net of the fair value of the warrants, in the amount of \$403,213.

In connection with the private placement, the Company paid a cash commission of \$500 and issued 10,000 warrants to a broker. Each warrant entitles its holder to purchase one Class « B » common share at the exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant.

On December 15, 2023, the Company completed the fourth and final tranche of a private placement consisting of 6,250,000 units at a price of \$0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.05 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$250,000 was presented net of the fair value of the warrants, in the amount of \$67,454.

On November 16, 2023, the Company completed the third tranche of a private placement consisting of 5,225,000 units at a price of \$0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.05 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$209,000 was presented net of the fair value of the warrants, in the amount of \$60,289.

On October 20, 2023, the Company issued 2,166,506 units at a price of \$0.04 per unit in payment of a 2% NSR on the sleeping Giant property. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.05 for a period of 3 years from the date of issuance of the warrant. The gross amount of \$86,660 was presented net of the fair value of the warrants, in the amount of \$23,165.

On October 12, 2023, the Company completed the second tranche of a private placement consisting of 13,460,000 units at a price of \$0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.05 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$538,400 was presented net of the fair value of the warrants, in the amount of \$136,578.

15. SHARE CAPITAL (CONTINUED)**Year ended June 30, 2024 (continued)**

On September 6, 2023, the Company completed the first tranche of a private placement consisting of 39,568,750 units at a price of \$0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.05 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$1,582,750 was presented net of the fair value of the warrants, in the amount of \$437,674.

In connection with the private placement, the Company paid a cash commission of \$1,800 and issued 45,000 warrants to a broker. Each warrant entitles its holder to purchase one unit at the exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at a price of \$0.05 for a period of 3 years from the date of issuance of the warrant.

16. SHARE PURCHASE OPTIONS AND WARRANTS**Share purchase options**

The shareholders of the Company approved a stock option plan (the « plan ») whereby the Board of directors may grant to employees, officers, directors and suppliers of the Company, share purchase options to acquire shares of the Company, for such terms and at such exercise price as may be determined by the Board of Directors. It was originally adopted in October 1996 and approved by shareholders of the Company on December 1st, 1997, and has subsequently been modified several times with the approval of shareholders in December 2001, December 2012 as well as in August 2023. The conditions and exercise price of each share purchase options are determined by the board of directors. The exercise price of the options cannot be lower than the closing price of the common shares on the TSXV, the day preceding the grant, subject to the minimum exercise price permitted by the rules of this exchange on time of each grant. The expiration date of the options cannot exceed 5 years from the date of their grant and the options cannot be assigned or transferred.

The plan provides that the maximum number of shares in the capital of the Company that can be reserved for issuance under the plan shall be equal to 42,810,000 shares. The maximum number of shares that may be reserved for issuance of option to any one person during a period of 12 months under the plan is 5% of the number of shares issued and outstanding at the time of the grant (on an undiluted basis). The maximum of the total number of shares of the Company that may be issued under the aggregate equity compensation awarded or issued to insiders (as a group) must not exceed 10% of the issued shares of the Company at any time (unless the Company has obtained the required disinterested shareholders approval in accordance with the requirements of the TSX Venture Exchange).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

16. SHARE PURCHASE OPTIONS AND WARRANTS (CONTINUED)

Share purchase options (continued)

The maximum number of shares which may be reserved for issuance of share purchase option to a consultant may not exceed 2% of the outstanding shares at the time of grant on a period of twelve months. The maximum number of shares which may be reserved for issuance of share purchase option to an investor relations representative may not exceed 2% of the outstanding shares at the time of grant on a period of twelve months. The options granted to investor relations representative can only be acquired on a period of twelve months, at the rate of 25% per quarter.

Changes in the Company's share purchase options were as follows:

	YEARS ENDED JUNE 30 2025 AND 2024	
	Number of options	Weighted average exercise price
		\$
Outstanding as at June 30, 2023	9,797,600	0.09
Granted	19,000,000	0.05
Expired	(800,000)	0.07
Cancelled	(1,533,333)	0.05
Outstanding as at June 30, 2024	26,464,267	0.06
Granted	6,500,000	0.05
Expired	(866,667)	0.05
Cancelled	(1,933,333)	0.05
Outstanding as at June 30, 2024	30,164,267	0.06
Exercisable as at June 30, 2025	22,597,600	0.06

During the year ended June 30, 2025, the Company granted share purchase options to directors and employees of the Company. The weighted average fair value of the share purchase options of \$0.03 (\$0.02 as at June 30, 2024) was established using the Black-Scholes valuation model and base on the following weighted average assumptions:

	JUNE 30, 2025	JUNE 30, 2024
Average share price at date of grant	\$0.05	\$0.04
Expected dividend yield	—	—
Expected average volatility	73%	75%
Average risk-free interest rate	2.96%	3.72%
Expected average life	5 years	5 years
Average exercise price	\$0.05	\$0.05

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the share purchase options granted.

During the year 2025, an amount of \$160,918 (\$275,357 for year 2024) of share-based payments (all of which related to equity-settled share-based payment transactions) was recognized in profit or loss and credited to contributed surplus.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

16. SHARE PURCHASE OPTIONS AND WARRANTS (CONTINUED)

Share purchase options (continued)

The following tables summarize the information related to the share purchase options granted under the plan:

NUMBER OF SHARE PURCHASE OPTIONS OUTSTANDING AS AT JUNE 30, 2025		EXERCISE PRICE	EXPIRATION DATE
OUTSTANDING	EXERCISABLE	\$	
100,000	100,000	0.05	July 2025
1,000,000	1,000,000	0.05	December 2025
5,140,800	5,140,800	0.09	December 2025
266,667	266,667	0.05	January 2026
856,800	856,800	0.09	December 2026
2,000,000	2,000,000	0.10	April 2027
1,000,000	1,000,000	0.05	November 2027
12,833,333	9,066,667	0.05	August 2028
1,000,000	1,000,000	0.05	June 2026
2,966,667	1,166,667	0.05	August 2029
1,500,000	500,000	0.05	January 2030
1,500,000	500,000	0.05	February 2030
30,164,267	22,597,600		

NUMBER OF SHARE PURCHASE OPTIONS OUTSTANDING AS AT JUNE 30, 2024		EXERCISE PRICE	EXPIRATION DATE
OUTSTANDING	EXERCISABLE	\$	
500,000	500,000	0.05	December 2025
266,667	266,667	0.05	February 2025
5,140,800	5,140,800	0.09	December 2025
856,800	856,800	0.09	December 2026
2,000,000	1,500,000	0.10	April 2027
1,000,000	666,667	0.05	November 2027
15,200,000	5,816,667	0.05	August 2028
1,500,000	500,000	0.05	December 2028
26,464,267	15,247,600		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

16. SHARE PURCHASE OPTIONS AND WARRANTS (CONTINUED)

Warrants to investors

Changes in the Company's warrants to investors were as follows:

	YEARS ENDED JUNE 30, 2025 AND 2024	
	Number of warrants	Weighted average exercise price
		\$
Outstanding as at June 30 2023	45,891,960	0.16
Granted	155,104,656	0.06
Expired	(6,984,960)	0.25
Outstanding as at June 30 2024	194,011,656	0.07
Granted	315,350,166	0.07
Exercised	(10,000,000)	0.05
Expired	(18,382,000)	0.15
Outstanding as at June 30 2025	480,979,822	0.07

During year 2025, the Company issued warrants to investors in connection with private placements. The weighted average fair value of \$0.01 (\$0.01 as at June 30, 2024) was determined using the Black-Scholes valuation model and based on the following weighted average assumptions:

	JUNE 30, 2025	JUNE 30, 2024
Average share price at date of grant	\$0.05	\$0.04
Expected dividend yield	—	—
Expected average volatility	72%	65%
Average risk-free interest rate	2.95%	4.15%
Expected average life	3 years	3 years
Average exercise price	\$0.07	\$0.06

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the share purchase options granted

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

16. SHARE PURCHASE OPTIONS AND WARRANTS (CONTINUED)

Warrants to investors (continued)

The following tables summarize the information related to the warrants to investors:

NUMBER OF WARRANTS OUTSTANDING AS AT AS AT JUNE 30, 2025	EXERCISE PRICE	EXPIRATION DATE
15,025,000	\$0.15	July 2025
5,000,000	\$0.15	September 2025
500,000	\$0.15	October 2025
29,568,750	\$0.05	September 2026
15,626,506	\$0.05	October 2026
5,225,000	\$0.05	November 2026
6,250,000	\$0.05	December 2026
28,724,688	\$0.06	March 2027
18,310,000	\$0.06	April 2027
28,848,312	\$0.06	May 2027
12,551,400	\$0.06	June 2027
112,500,000	\$0.06	July 2027
20,866,666	\$0.08	October 2027
12,943,500	\$0.08	December 2027
60,000,000	\$0.08	March 2028
2,300,000	\$0.08	April 2028
85,620,000	\$0.08	May 2028
21,120,000	\$0.08	June 2028
480,979,822		

NUMBER OF WARRANTS OUTSTANDING AS AT AS AT JUNE 30, 2024	EXERCISE PRICE	EXPIRATION DATE
1,632,000	\$0.11	November 2024
16,750,000	\$0.15	May 2025
15,025,000	\$0.15	July 2025
5,000,000	\$0.15	September 2025
500,000	\$0.15	October 2025
39,568,750	\$0.05	September 2026
15,626,506	\$0.05	October 2026
5,225,000	\$0.05	November 2026
6,250,000	\$0.05	December 2026
28,724,688	\$0.06	March 2027
18,310,000	\$0.06	April 2027
28,724,312	\$0.06	May 2027
12,551,400	\$0.06	June 2027
194,011,656		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

16. SHARE PURCHASE OPTIONS AND WARRANTS (CONTINUED)

Warrants to intermediaries

Changes in the Company's warrants to intermediaries were as follows:

	YEARS ENDED JUNE 30, 2025 AND 2024	
	Number of warrants	Weighted average exercise price
		\$
Outstanding as at June 30, 2023	1,162,000	0.15
Granted	55,000	0.05
Outstanding as at June 30, 2024	1,217,500	0.15
Granted	5,748,280	0.05
Outstanding as at June 30, 2025	6,965,780	0.07

During year 2025, the Company issued warrants to intermediaries in connection with private placements. The weighted average fair value of \$0.02\$ (\$0.02 as at June 30, 2024) was determined using the Black-Scholes valuation model and based on the following weighted average assumptions:

	JUNE 30, 2025	JUNE 30, 2024
Average share price at date of grant	\$0.05	\$0.04
Expected dividend yield	—	—
Expected average volatility	72%	63%
Average risk-free interest rate	2.82%	4.34%
Expected average life	3 years	3 years
Average exercise price	\$0.05	\$0.05

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the warrants granted.

During year 2025, an amount of \$115,383 (\$900 in 2024) of share issuances costs was recognized in deficit and credited to contributed surplus.

The following table summarizes the information related to intermediaries' warrants:

NUMBER OF WARRANTS OUTSTANDING AS AT JUNE 30, 2025	EXERCISE PRICE	EXPIRATION DATE
862,500	\$0.15	July 2025
300,000	\$0.15	September 2025
45,000	\$0.05	September 2026
10,000	\$0.06	March 2027
4,085,236	\$0.06	December 2027
1,535,040	\$0.05	April 2028
128,004	\$0.05	May 2028
6,965,780		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

16. SHARE PURCHASE OPTIONS AND WARRANTS (CONTINUED)

Warrants to intermediaries (continued)

NUMBER OF WARRANTS OUTSTANDING AS AT JUNE 30, 2024	EXERCISE PRICE	EXPIRATION DATE
862,500	\$0.15	July 2025
300,000	\$0.15	September 2025
45,000	\$0.05	September 2026
10,000	\$0.06	March 2027
1,217,500		

17. OTHER INFORMATION ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

Administration

	YEARS ENDED JUNE 30,	
	2025	2024
	\$	\$
Salaries and benefits	1,610,120	1,413,520
Shareholders and investors relations	717,304	580,686
Professional fees	604,567	549,727
Office and other expenses	179,994	164,207
Interest and penalties on taxes	78,033	282,475
Interest and bank fees	61,720	33,838
Insurances	52,189	166,210
Share-based compensation	160,918	275,357
Amortization of property, plant and equipment	192,431	165,854
Adjustment to provision for restoration of impaired mining assets	–	130,398
	3,657,276	3,762,272

Exploration and evaluation

	YEARS ENDED JUNE 30,	
	2025	2024
	\$	\$
Exploration and evaluation	13,792,270	6,546,732
Refundable tax credit resources and refundable credit on mining rights	(2,407,478)	(400,000)
Settlement of litigation with Revenue Québec (note 22)	(959,789)	–
Sale of a property ⁽¹⁾	(1,500,000)	(500,000)
Proceeds from the sale of gold and silver	(602,327)	(923,746)
	8,322,676	4,682,986

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

17. OTHER INFORMATION ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

Exploration and evaluation (continued)

⁽¹⁾ Option agreement

On June 17, 2024, the Company entered into an option agreement with Québec LaFleur Minerals Inc. (formerly Québec Pegmatite Holdings Corp. Holdings Corp.) (« LaFleur »), under which Abcourt granted LaFleur the right to acquire a 100% interest in 141 mining claims owned by the Company and covering approximately 5,579 hectares. The optioned property includes portions of the Courville and Abcourt Barvue projects, namely the Jolin (Courville) and Bartec (Abcourt-Barvue) areas, and contiguous to the Swanson property

Under the terms of the agreement, LaFleur was to pay \$500,000 in cash within 10 days of signing the agreement to acquire 25% of the property, and three additional payments of \$500,000 to acquire 50%, 75% and 100% within 6, 18 and 24 months from signing the agreement. The agreement provided for the possibility of making the three payments under certain conditions through the issuance of LaFleur shares.

On July 8, 2024, LaFleur elected to accelerate the exercise of the remaining conditions of the agreement by proceeding with the payment through the issuance of shares from its share capital for a total of \$1,500,000 to acquire the remaining 75% interest in the property. LaFleur issued 4,299,211 shares to Abcourt at a deemed price of \$0.3489 per share.

18. RELATED PARTY TRANSACTIONS

Key Management personnel of the Company are the senior officers, namely the Chief Executive Officer and the Chief Financial Officer and the members of the Board.

Remuneration of key management includes the following expenses:

	YEARS ENDED JUNE 30,	
	2025	2024
	\$	\$
Salaries and benefits	1,150,020	1,269,039
Share-based compensation	102,582	198,612
	1,252,602	1,467,651

In addition to the amounts presented in the note on key management remuneration, here are the related party transactions for the years ended June 30, 2025 and 2024:

	YEARS ENDED JUNE 30,	
	2025	2024
	\$	\$
Professional fees with a firm in which one of the directors of the Company is a partner	390,734	154,145

As at June 30, 2025, balance due to related parties amounted to \$701,291 (\$542,590 as at June 30, 2024). These transactions are measured at the value of the consideration paid or received, which was established and agreed by the related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

19. INCOME AND MINING TAXES

The income and mining tax expense is made up of the following items:

	YEARS ENDED JUNE 30,	
	2025	2024
	\$	\$
Mining taxes	(50,284)	349 142
Recovery of deferred taxes and deferred mining taxes	(1,561,389)	(170 712)
	(1,611,673)	178 430

The reconciliation of the income tax expense, calculated using the combined federal and Quebec Provincial basis rate, with the income tax expense shown in the financial statements is detailed as follows:

	YEARS ENDED JUNE 30,	
	2025	2024
	\$	\$
Loss before taxes	(16,032,688)	(11,407,141)
Taxes at the combined basic rate of 26.5% (26.5% in 2024)	(4,248,662)	(3,139,492)
Temporary differences unrecognized	2,603,763	2,827,291
Tax impact of issuance of flow-through shares	1,203,662	–
Share-based compensation	42,643	73,383
Fulfillment of obligations related to flow-through financings	(1,397,575)	(170,712)
Mining duties	(50,284)	349,142
Mining taxes deductible	13 325	–
Non deductible expenses and others	221 455	238,817
Income and mining taxes (payable)	(1,611,673)	178,430

Recognized deferred tax assets (liabilities):

	EARNINGS	EQUITY	JUNE 30, 2025
Tax credits related to resources	(202,136)	–	(202,136)
Convertible debenture	–	(163,814)	(163,814)
Non-capital losses	365,950	–	365,950
Total deferred tax assets	163,814	(163,814)	–
Reversal of other liabilities related to flow-through shares	1,397,575	–	–
Deferred taxes on earnings	1,561,389	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

19. INCOME AND MINING TAXES (CONTINUED)

As of June 30, 2025, the Company has the following temporary differences for which no deferred tax assets have been recognized:

	FEDERAL	QUEBEC	MINING DUTIES
Property, plant and equipment	2,104,475	2,006,086	—
Exploration and evaluation assets	53,321,747	42,796,019	12,587,463
Non-capital losses	23,329,142	18,343,673	—
Capital losses	2,655,122	2,655,122	—
Share issuance costs	781,263	781,263	—
Lease obligation	31,494	31,494	—
Provisions related to the restoration of mining sites	1,679,284	1,679,284	1,679,284
	83,902,527	68,292,941	14,266,747

As of June 30, 2024, the Company has the following temporary differences for which no deferred tax assets have been recognized:

	FEDERAL	QUEBEC	MINING DUTIES
Property, plant and equipment	1,819,781	1,721,392	—
Exploration and evaluation assets	50,657,180	38,373,454	12,218,163
Non-capital losses	16,364,094	13,235,733	—
Capital losses	2,227,563	2,227,563	—
Share issuance fees	275,793	275,793	—
Provisions related to the restoration of mining sites	1,326,167	1,326,167	1,326,167
	72,670,578	57,160,101	13,544,330

The ability to realize tax benefits depends on many factors, including the likelihood of future taxable income. Deferred tax assets are recognized only if it is probable that sufficient taxable income will be available to enable the recovery of these assets. Consequently, certain deferred tax assets have not been recognized; these unrecognized assets total an amount of \$22,029,867 (\$19,026,755 as at June 30, 2024).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

(in Canadian dollars)

19. INCOME AND MINING TAXES (CONTINUED)

As at June 30, 2025, the Company has non-capital losses available to reduce income tax in future years. The deferred tax asset on these losses has not been recognized. These losses expire within the following periods:

	FÉDÉRAL	PROVINCIAL
2032	154,679	410,792
2033	377,089	376,640
2034	219,388	219,388
2035	271,736	250,618
2036	2,622,278	279,343
2037	353,240	351,495
2038	283,826	282,063
2039	163,369	163,369
2040	99,655	99,655
2041	239,576	239,576
2042	655,107	272,7950
2043	3,326,765	1,228,118
2044	6,241,111	6,164,336
2045	8,321,323	8,261,598
	23,047,306	18,961,837

20. FINANCIAL INSTRUMENTS RISKS

Risk management objectives and policies

The Company is exposed to various risks with respect to financial instruments. The financial assets and liabilities of the Company are summarized, by category, in note 4, Financial Instruments. The main types of risk are credit risk and liquidity risk.

The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to volatile financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Company is exposed are described below.

Market risk

Market risk is the risk of changes in prices, such as interest rates, foreign exchange rates, gold price and equity prices on shares owned that affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

20. FINANCIAL INSTRUMENTS RISKS (CONTINUED)**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Deposits and long-term debt bear interest at a fixed rate. With respect to deposits, the Company is exposed to a limited change in fair value due to the nature of the asset.

The convertible debenture bear interest at a variable rate which exposes the Company to an interest rate-related variation. Counterparties cannot demand settlement solely because of an adverse change in fair value. The sensitivity of the net loss of a variation in interest rates of +/- 0.5% would have a non-significant impact. This change is considered reasonably possible in the current market.

Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk due to its financial assets, particularly its cash.

The credit risk of cash is considered negligible, since the counterparties are reputable banks whose external credit rating is excellent.

Liquidity risk

Liquidity risk is the risk that an entity will have difficulty honoring commitments linked to financial liabilities. Liquidity risk management aims to maintain a sufficient amount of cash and ensure that the Company has sufficient sources of financing. The Company establishes budget forecasts to ensure that it has the necessary funds to meet its obligations. Accounts payable and accrued liabilities and the short-term portion of long-term debt are due during the next financial year. The principal of the convertible debenture is payable in full in June 2029 while the interest is payable monthly.

Fair value of financial instruments

Financial assets and financial liabilities measured at fair value in the consolidated statements of financial position are grouped according to three levels of the fair value hierarchy.

Current financial assets and liabilities, which include cash, receivables and accounts payable and accrued liabilities, approximate their fair value due to their short-term maturity. Therefore, no details regarding their fair value are presented. The carrying amount of the convertible debenture approximates fair value as the credit spread is similar to the credit spread that the Company would obtain under similar conditions at the reporting date and is classified as Level 2 in the fair value hierarchy.

21. POLICIES AND PROCESSES FOR MANAGING CAPITAL

As at June 30, 2025, the capital of the Company consists of negative equity amounting to \$599,534 (negative equity of \$6,284,136 as at June 30, 2024). The Company's capital management objective is to have sufficient capital to be able to meet its obligation related to operation and its exploration and evaluation plan in order to ensure the growth of its activities. It has also the objective to have sufficient liquidity to finance its operations, its exploration and evaluation expenses, the investing activities and the working capital requirements.

There was no significant change in the Company's approach to capital management during the year ended June 30, 2025. The Company is subject to regulatory requirements related to the use of funds raised by flow-through financing. These funds must be incurred for eligible exploration and evaluation expenditures. During the year, the Company complied with these regulatory requirements. Other than flow-through financing, the Company is not subject to any externally imposed capital requirements.

22. COMMITMENTS

Flow-through financings

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company is committed to take all the necessary measures to this effect. Refusal of certain expenses by the tax authorities would have negative tax consequences for the Company or for investors. In the past, the Company has respected its commitments under the flow-through share agreements signed. In 2025, the Company received \$6,427,164 following flow-through offering for which it renounced tax deductions for the benefit of investors. Management is required to fulfill its commitments within the stipulated period of one year from the renounced date. As at June 30, 2025, the balance of expenses to be incurred related to flow-through financings amounted to \$1,885,044.

Royalties

As at June 30, 2025, the following royalties are payable on production done on the Company mining properties:

Properties	Royalties
Elder	2% to 3% NSR
Vendôme	2 % NSR on Xstrata claims
Tagami	1% to 2% NSR
Jonpol	2,5% NSR
Aldermac	\$2/tonne on 1,500,000 tons
Aldermac ouest	2% NSR
Sleeping Giant	\$5/tonne totaling 350,000 tons
	2% NSR

Although the Company has taken steps to identify the royalties on the mining properties, in accordance with industry practices, property titles may be subject to unregistered prior agreements, and they can be lost or revoked if regulatory measures are not respected.

22. COMMITMENTS (CONTINUED)**Litigation with Revenue Québec**

In 2016, the Company received notices of reassessments following the audit by the tax authorities of the tax credits relating to resources as well as mining rights for the years 2011, 2012, 2013 and 2014. The Company filed notices of objection with respect to these new notices of assessment. The amounts claimed and accrued interest since 2016 have been recognized in accounts payable and accrued liabilities and amount to \$1,476,196.

On August 30, 2024, the Company reached an out-of-court settlement with Revenue Québec. Pursuant to the agreement, Revenue Québec has granted the refundable tax credit resources and the refundable credit on mining rights for the 2013 fiscal year and has maintained the 2016 notices of reassessment for the 2011, 2012 and 2014 fiscal years. In December 2024, the Company received notices of assessment from Revenue Québec confirming the agreement. Accounts payable and accrued liabilities of \$1,452,757 have been reversed to profit and loss, consisting of \$959,789 in credits (Note 17) and \$492,968 in reduction of financial expenses.

23. SUBSEQUENT EVENTS

Subsequent to June 30, 2025, the Company realized the following events, therefore the impacts on the financial statements remain to be determined:

Financing through loansNebari Natural Resources Credit Fund II, LP (« Nebari »)

On July 3, 2025, the Company entered into a secured credit facility with Nebari for an amount of USD \$8 million, with a term of 36 months, bearing interest at the three-month forward SOFR rate plus 12%

The Company issued 87,040,000 non-transferable warrants to the lender. Each warrant is exercisable to acquire one common share of the Company at an exercise price of \$0.0625 per warrant share until July 3, 2028.

The Company has entered into security agreements with the Lender to issue a first priority security interest, subject to certain permitted encumbrances, in all of the Company's movable and immovable property, present and future, tangible and intangible, of every kind and nature and wherever situated, including real estate interests, mineral rights, inventory and equipment.

On September 10, 2025, the Company entered into an amendment to the secured credit facility with Nebari for an increase in the amount of USD \$2 million, on the same terms as the initial facility. The Company issued 14,905,298 non-transferable warrants to the lender. Each warrant is exercisable to acquire one common share of the Company at an exercise price of \$0.093 per warrant share until September 10, 2028.

On September 19, 2025, the Company entered into an amendment to the secured credit facility with Nebari for an increase in the amount of USD \$2 million, on the same terms as the initial facility. The Company issued 14,395,259 non-transferable warrants to the lender. Each warrant is exercisable to acquire one common share of the Company at an exercise price of \$0.096 per warrant share until September 19, 2028.

23. SUBSEQUENT EVENTS (CONTINUED)Investissement Québec

On August 11, 2025, the Corporation entered into loan offers with Investissement Québec in the amount of \$5,800,000 to finance resource tax credits. The first loan for a maximum amount of \$1,300,000 for the fiscal year ending June 30, 2025, and a second loan for a maximum amount of \$4,500,000 for the fiscal year ending June 30, 2026.

The Loans will bear interest at an annual rate equal to the prime rate plus 2.55%, until no later than December 31, 2026 in the case of the loan relating to the fiscal year ending June 30, 2025, and until no later than December 31, 2027 in the case of the loan relating to the fiscal year ending June 30, 2026. The loans will be secured by a first-ranking security interest on refundable tax credits and an irrevocable standby letter of credit representing 10% of the loans.

Royalty buyback

On September 19, 2025, the Company exercised its option to reduce the net smelter return royalty on all metallic and non-metallic minerals mined or otherwise recovered from each of the Sleeping Giant and Dormex properties, held by Maverix Metals, from 2% to 1.5% pursuant to the terms of a royalty agreement entered into between the Company and Maverix on September 22, 2022. The royalty rate was reduced by 0.5% in consideration of a cash payment of USD \$2,000,000.

Pursuant to the terms of the Agreement, the Company may, at any time prior to September 22, 2028, elect to further reduce the royalty rate by 0.5% upon payment of USD \$4,000,000 to Maverix Metals, thereby reducing the royalty rate to 1.0%.

Equity financing

On October 14, 2025 the Company announced a brokered private placement for aggregate gross proceeds of up to \$8,500,000 from the sale of (i) up to 41,666,666 Charity Flow-Through Units of the Company to charity purchasers at a price of \$0.12 per Charity Flow-Through Unit and (ii) up to 41,176,471 Units of the Company at a price of \$0.085 per Unit.

Each charity flow-through unit will consist of one flow-through share and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share of the Company at a price of \$0.12 per share for up to 36 months following the closing date of the private placement.

Each unit will consist of one common share of the Company and one warrant, each warrant will entitle the holder to acquire one common share at a price of \$0.12 per share up to 36 months after the closing date of the private placement.

Granting of share purchase options

On August 28, 2025, the Board of Directors of the Company granted 21,600,000 shares purchase options to its directors, officers, employees, and consultants of the Company as an exercise price of \$0.08, for a period of five years.