MINES ABCOURT MINES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED DECEMBER 31, 2025

(Unaudited - in Canadian dollars)

Three and six months ended December 31, 2025

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

	NOTES	DECEMBER 31, 2025 (Unaudited) $	JUNE 30, 2025 (Audited) $
ASSETS			
CURRENT ASSETS			
Cash		**2,026,439**	2,578,587
Receivables		**1,253,927**	439,272
Inventory	4	**6,071,353**	733,080
Refundable tax credit resources and refundable credit on mining rights		**4,333,486**	2,874,070
Prepaid expenses and deferred expenses		**2,600,296**	4,159,512
		16,285,501	10,784,521
NON-CURRENT ASSETS			
Deposits		**351,683**	211,683
Deposits for restoration	9	**5,602,113**	2,024,708
Property, plant and equipment	5	**16,702,450**	8,387,241
		22,656,246	10,623,632
		38,941,747	21,408,153
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	6	**5,740,753**	7,471,718
Current portion of lease obligation	7	**210,141**	18,237
Current portion of long-term debt	8	**1,040,000**	–
Other liabilities		**949,569**	341,841
		7,940,463	7,831,796
NON-CURRENT LIABILITIES			
Lease obligation	7	**159,522**	13,257
Long-term debt	8	**16,076,184**	2,250,342
Provisions for restoration of mining sites	9	**12,125,786**	11,912,292
		36,301,955	22,007,687
EQUITY			
Share capital	10	**81,774,422**	73,770,396
Warrants	11	**10,238,361**	6,230,572
Equity component of convertible debenture		**585,844**	585,844
Contributed surplus		**8,976,888**	8,295,499
Deficit		**(98,935,723)**	(89,481,845)
		2,639,792	(599,534)
		38,941,747	21,408,153

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

On behalf of the Board:

‘Pascal Hamelin’, Director

‘Noureddine Mokaddem’, Director

		Three months ended December 31,		Six months ended December 31,	
		2025	**2024**	**2025**	**2024**
	Notes	**$**	$	**$**	$
Revenues		**4,889,149**	–	**4,889,149**	–
Costs of sales		**5,312,911**	–	**11,452,215**	–
Tax credit resources		**(902,000)**	–	**(2,031,518)**	–
Profit (loss) from mining operations		**478,238**	–	**(4,531,548)**	–
Expenses					
Administration	12	**760,871**	654,908	**2,177,729**	1,430,665
Care and maintenance		**221,626**	1,163,598	**250,914**	2,051,031
Exploration and evaluation	12	**101,678**	593,593	**351,746**	1,094,753
Gain on disposal of property and assets		**–**	–	**(382,769)**	–
Operating loss		**(605,937)**	(2,412,099)	**(6,929,168)**	(4,579,449)
Other items					
Finance income		**(57,865)**	(12,477)	**(102,261)**	(38,691)
Change in fair value of investments		**–**	644,882	**–**	210,232
Finance costs		**1,271,116**	(421,037)	**2,238,259**	(284,532)
Exchange loss (gain) on long-term debt	8	**(208,007)**	–	**65,620**	–
Loss before income and mining taxes		**(1,611,181)**	(2,623,467)	**(9,130,786)**	(4,463,368)
Deferred income and mining taxes		**(470,833)**	(173,000)	**(470,833)**	(173,000)
Net loss and comprehensive loss		**(1,140,348)**	(2,450,467)	**(8,659,953)**	(4,290,368)
Basic and diluted net loss per share		**(0.00)**	(0.00)	**(0.01)**	(0.01)
Weighted average number of shares outstanding (basic and diluted)		**1,083,850,030**	732,316,551	**1,047,907,389**	699,975,521

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

	NOTES	SHARE CAPITAL	WARRANTS	EQUITY COMPONENT OF CONVERTIBLE DEBENTURE	CONTRIBUTED SURPLUS	DEFICIT	TOTAL
		$	$	$	$	$	$
BALANCE AS AT JUNE 30, 2025		**73,770,396**	**6,230,572**	**585,844**	**8,295,499**	**(89,481,845)**	**(599,534)**
EQUITY FINANCING							
Issuance of units	10	**3,718,838**	**1,281,162**	**–**	**–**	**–**	**5,000,000**
Issuance of flow-through units	10	**2,916,675**	**1,004,764**	**–**	**–**	**–**	**3,921,439**
Exercise of warrants	10	**876,449**	**(177,489)**	**–**	**–**	**–**	**698,960**
Expired warrants	10	**–**	**(253,360)**	**–**	**253,360**	**–**	**–**
Issuance of warrants	8	**–**	**2,152,712**	**–**	**–**	**–**	**2,152,712**
Exercise of stock options	10	**492,064**	**–**	**–**	**(112,214)**	**–**	**379,850**
Share issuance costs		**–**	**–**	**–**	**92,882**	**(793,925)**	**(701,043)**
STOCK OPTIONS							
Granted to employees, officers, directors, consultants or IR representatives		**–**	**–**	**–**	**447,361**	**–**	**447,361**
NET LOSS FOR THE PERIOD		**–**	**–**	**–**	**–**	**(8,659,953)**	**(8,659,953)**
BALANCE AS AT DECEMBER 31, 2025		**81,774,422**	**10,238,361**	**585,844**	**8,976,888**	**(98,935,723)**	**2,639,792**

	SHARE CAPITAL	WARRANTS	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	4,644,277	1,819,616	–	–	**6,463,893**
Issuance of flow-through shares	3,144,545	–	–	–	**3,144,545**
Expired warrants	–	(27,658)	27,658	–	**–**
Share issuance costs	–	–	77,000	(653,293)	**(576,293)**
STOCK OPTIONS					
Granted to employees, officers, directors, consultants or IR representatives	–	–	81,012	–	**81,012**
NET LOSS FOR THE PERIOD	–	–	–	(4,290,368)	**(4,290,368)**
BALANCE AS AT DECEMBER 31, 2024	**65,340,407**	**4,415,207**	**7,836,311**	**(79,053,272)**	**(1,461,347)**

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

		Three months ended December 31,		Six months ended December 31,	
		2025	**2024**	**2025**	**2024**
	Notes	**$**	$	**$**	$
Operating activities					
Net loss		**(1,140,348)**	(2,450,467)	**(8,659,953)**	(4,290,368)
Adjustments for:					
Amortization	5	**95,682**	47,354	**192,338**	100,985
Change in fair value of investments		**–**	644,882	**–**	210,232
Stock-based compensation		**107,452**	–	**447,361**	81,012
Interests on lease obligation	7	**9,817**	643	**10,266**	1,357
Gain on disposal of property and assets		**–**	–	**(382,789)**	(1,500,000)
Foreign exchange loss (gain)	8	**(214,976)**	–	**58,651**	–
Credit facility accretion	8	**258,258**	–	**404,738**	–
Convertible debenture accretion	8	**30,925**	–	**60,283**	–
Accretion expense on provisions for restoration of mining sites	9	**106,742**	48,691	**213,494**	156,727
Deferred revenue		**–**	–	**–**	(38,641)
Deferred income and mining taxes		**(470,833)**	(173,000)	**(470,833)**	(173,000)
Change in non-cash working capital items	3	**(7,463,887)**	(2,933,877)	**(8,336,622)**	(3,412,572)
		(8,681,168)	(4,815,774)	**(16,463,066)**	(8,864,268)
Financing activities					
Repayment of lease obligation	7	**(59,628)**	(5,253)	**(64,881)**	(10,507)
Long-term debt	8	**1,040,000**	–	**17,430,200**	–
Repayment of long-term debt		**–**	(168,751)	**–**	(320,834)
Proceeds from issuance of units	10	**10,000,000**	6,506,013	**10,000,000**	11,006,013
Proceeds from issuance of warrants and stock options		**924,465**	–	**1,078,810**	–
Share issuance costs	10	**(685,172)**	(512,638)	**(701,043)**	(576,293)
		11,219,665	5,819,371	**27,743,086**	10,098,379
Investing activities					
Deposits		**350,000**	–	**(140,000)**	–
Deposits for restoration		**–**	–	**(3,577,405)**	–
Acquisition of property, plant and equipment	5	**(1,456,415)**	(96,012)	**(8,114,763)**	(291,400)
		(1,106,415)	(96,012)	**(11,832,168)**	(291,400)
Net change in cash		**1,432,082**	907,585	**(552,148)**	942,711
Cash, beginning of period		**594,357**	792,879	**2,578,587**	757,753
Cash, end of period		**2,026,439**	1,700,464	**2,026,439**	1,700,464

The accompanying notes are an integral part of these condensed consolidated interim 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, (Québec) J0Z 1Y0.

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on February 18, 2026.

2. GENERAL INFORMATION, BASIS OF PRESENTATION AND GOING CONCERN

These condensed consolidated interim financial statements have been prepared by the Company's management in accordance with International Financial Reporting Standards (« IFRS accounting standards »), as established by the International Accounting Standards Board and in accordance with IAS 34 « Interim Financial Reporting ». These condensed consolidated interim financial statements were prepared using the same basis of presentation and accounting policies outlined in the annual financial statements on June 30, 2025. They do not include all the information required in annual financial statements in accordance with IFRS accounting standards and must be read in conjunction with the consolidated financial statements for the year ended June 30, 2025.

The Company's independent auditor has not performed a review of these unaudited consolidated interim financial statements for the three and six months ended December 31, 2025, in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by the Company's auditor.

The unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

The Company operates in one business segment, namely the mining and exploration of mining properties. All of the Company's assets are located in Québec, Canada.

Going concern

These condensed consolidated interim financial statements have been prepared on the going concern basis, where assets are realized and liabilities are settled in the normal course of business.

On July 3, 2025, Abcourt closed a debt financing with Nebari Natural Resources Credit Fund II, LP ("Nebari") to fund the rehabilitation of Sleeping Giant installations and start the mining operations. Considering this financing, Abcourt meets all criteria to move into development phase for the Sleeping Giant property. The Company's ability to ensure the continuity of its operations relies on the ability to start the mining operations at Sleeping Giant and bring it into commercial production, on the realization of its assets and on additional financing.

2. GENERAL INFORMATION, BASIS OF PRESENTATION AND GOING CONCERN (CONTINUED)

Going concern (continued)

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 profit. As of December 31, 2025, the Company has a deficit of $98,935,723, cash of $2,026,439 and working capital of $8,345,038. These material uncertainties cast significant doubt on the ability of the Company to continue as a going concern.

Subsequent to December 31, 2025 (Note 16), the Company closed a debt financing.

The condensed consolidated interim 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.

New accounting policies for the three and six months ended December 31, 2025

Development costs

Costs associated with development activities are expensed within cost of sales unless the development activity can be shown to improve access to further quantities of ore that will be mined in future periods, in which case, the development costs are capitalized to mining properties within property, plant and equipment.

Significant accounting judgments, estimates and assumptions

The judgements, estimates and assumptions applied in the condensed consolidated interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the year ended June 30, 2025. The only exceptions are as follows:

Key sources of uncertainty for estimations

a) Fair value of credit facility and embedded derivatives

Management used valuation techniques to determine the fair value of the credit facility and its embedded derivatives. This involves developing estimates and assumptions that are consistent with how market participants would value the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. The key assumptions (discount rate, probability of early repayment, etc.) are disclosed in Note 8.

2. GENERAL INFORMATION, BASIS OF PRESENTATION AND GOING CONCERN (CONTINUED)

Critical judgments in the application of accounting policies

a) 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 December 31, 2025, the Sleeping Giant project is classified as a development phase.

The determination of the technical feasibility and commercial viability of the Sleeping Giant mine requires judgment. The Company completed internal analysis with several external experts. The results of optimization studies and technical evaluations carried out to mitigate project risks, while maintaining all necessary permits and concluded that technical feasibility and commercial viability have been achieved effective July 3, 2025. Accordingly, effective July 3, 2025, the Company commenced capitalization of costs related to the development of the Sleeping Giant mine, but several costs related to maintenance are still recognized in the income statement, as they do not meet capitalization criteria. Amortization of capitalized costs will begin at the commercial production phase.

b) Beginning of commercial production

Determining when property, plant and equipment are in the location and condition necessary for it to be capable of operating in the manner intended by management (commercial production) is a matter of judgment. Depending on the specific facts and circumstances, the following factors may indicate that commercial production has commenced:

- The completion of all major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management;
- The ability to produce metal in saleable form (within specifications);
- The mill has reached a pre-determined percentage of design capacity and mineral recoveries are near the expected production levels;
- The completion of a reasonable period of testing of the mine, mill, and related equipment; and
- The ability to sustain ongoing production of ore.

As at December 31, 2025, the Company has not yet achieved commercial production.

3. ADDITIONAL INFORMATION ON CASH FLOWS

	THREE MONTHS ENDED DECEMBER 31,		SIX MONTHS ENDED DECEMBER 31,	
	2025	**2024**	**2025**	**2024**
	$	$	**$**	$
Changes in non-cash working capital items:				
Receivables	**(78,526)**	30,657	**(814,655)**	(36,361)
Prepaid expenses and deferred expenses	**561,741**	(162,517)	**623,898**	62,356
Inventory	**(4,447,873)**	49,602	**(5,338,273)**	221,302
Refundable tax credit resources and refundable credit on mining rights	**(329,898)**	(1,326,242)	**(1,459,416)**	(1,326,242)
Accounts payable and accrued liabilities	**(3,169,331)**	(1,331,660)	(1,348,176)	(2,139,910)
Mining taxes payable	**–**	(193,717)	**–**	(193,717)
	(7,463,887)	(2,933,877)	**(8,336,622)**	(3,412,572)

	THREE MONTHS ENDED DECEMBER 31,		SIX MONTHS ENDED DECEMBER 31,	
	2025	**2024**	**2025**	**2024**
	$	$	**$**	$
Items not affecting cash flows:				
Disposal of impaired equipment as accounts payable settlement	**–**	–	**(382,789)**	–
Warrants granted to intermediaries	**92,882**	77,000	**92,882**	77,000

4. INVENTORY

	DECEMBER 31, 2025	JUNE 30, 2025
	$	$
Gold and silver inventories	**5,716,080**	581,100
Mining Supplies	**355,273**	151,980
	6,071,353	733,080

Gold and silver inventories (gold and silver doré and gold in circuit), ore stockpiles and mine supplies are carried at the lower of cost and net realizable value.

5. PROPERTY, PLANT AND EQUIPMENT

	FURNITURE AND COMPUTER EQUIPMENT	MILL AND OTHER EQUIPMENT [A]	BUILDINGS AND EQUIPMENT	RIGHT-OF-USE ASSET – MOBILE EQUIPMENT	TOTAL
	$	$	$	$	$
COST					
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**
Additions	–	2,805,017	5,309,746	392,784	8,507,547
Balance as at December 31, 2025	**145,421**	**12,027,845**	**7,535,288**	**446,606**	**20,155,160**
ACCUMULATED AMORTIZATION					
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**
Amortization	4,587	20,036	155,120	12,595	192,338
Balance as at December 31, 2025	**91,012**	**2,665,382**	**659,800**	**36,516**	**3,452,710**
NET CARRYING AMOUNT					
Balance as at June 30, 2025	**58,996**	**6,577,482**	**1,720,862**	**29,901**	**8,387,241**
Balance as at December 31, 2025	**54,409**	**9,362,463**	**6,875,488**	**410,090**	**16,702,450**

[A] Other equipment includes production equipment, mobile equipment and computer equipment of the Sleeping Giant site.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	DECEMBER 31, 2025	JUNE 30, 2025
	$	$
Accounts payable	**4,051,251**	5,616,907
Royalties payable	**279,522**	209,829
Salaries and benefits payable	**1,078,191**	856,750
Payable to governments	**331,789**	788,232
	5,740,753	7,471,718

7. LEASE OBLIGATION

	DECEMBER 31, 2025
	$
Balance as at June 30, 2025	**31,494**
Addition	**392,784**
Interests	**10,266**
Repayment	**(64,881)**
Balance as of December 31, 2025	**369,663**
Current portion	**210,141**
Non-current portion	**159,522**

8. LONG-TERM DEBT

	CREDIT FACILITY	CONVERTIBLE DEBENTURE	LOAN	TOTAL
	$	$	$	$
Balance as at June 30, 2025	**–**	**2,250,342**	**–**	**2,250,342**
Addition	**16,390,200**	**–**	**1,040,000**	**17,430,200**
Issuance of warrants	**(2,152,712)**	**–**	**–**	**(2,152,712)**
Long-term debt issuance costs	**(935,318)**	**–**	**–**	**(935,318)**
Foreign exchange loss	**58,651**	**–**	**–**	**58,651**
Accretion	**404,738**	**60,283**	**–**	**465,021**
Balance as of December 31, 2025	**13,765,559**	**2,310,625**	**1,040,000**	**17,116,184**
Current portion	**–**	**–**	**1,040,000**	**1,040,000**
Non-current portion	**13,765,559**	**2,310,625**	**–**	**16,076,184**

Nebari credit facility

Initial loan

On July 3, 2025, the Company entered into a loan agreement (the "Credit Agreement") for a non-revolving term credit facility (the "Credit Facility") with Nebari. The Credit Facility of US $8,000,000 ("Initial Tranche") matures on July 3, 2028 and bears interest at a rate equal to Secured Overnight Financing Rate ("SOFR") plus 12%, payable monthly in arrears in U.S. dollars.

8. LONG-TERM DEBT (CONTINUED)

Nebari credit facility (continued)

Initial loan (continued)

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.

The Credit Facility contains a mandatory prepayment clause where the Company must pay certain amounts of proceeds from the sale of secured assets and insurance proceeds (the “Mandatory Prepayment Clause”). The Credit Facility also contains an optional prepayment clause where the Company has the option to prepay a portion or all of the outstanding Credit Facility balance, subject to a Make-Whole threshold of 25%, (together with the mandatory prepayment clause, the “Embedded Prepayment Option”). The Credit Facility is a compound financial instrument, which consists of two components: the loan (a financial liability) and the bifurcated embedded derivative comprised of the Embedded Prepayment Option.

In connection with the Credit Agreement, the Company issued 87,040,000 warrants to Nebari, with each warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.0625 per common share for a period ending July 3, 2028. As additional consideration for arranging the loan, the Company paid an arrangement fee of US $120,000 to Nebari. The Company also incurred other financing costs of $629,866, including legal and filing fees.

1st amendment

On September 10, 2025, the Company entered into a first amending agreement (the “First Amending Agreement”) with Nebari for the extension of an additional US $2,000,000 to the existing Credit Facility, under the same terms as the Credit Facility. In connection with the First Amending Agreement, the Company issued 14,905,298 warrants to Nebari, with each warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.093 per common share for a period ending September 10, 2028. As additional consideration for arranging the loan, the Company paid an arrangement fee of US $30,000 to Nebari. The Company also incurred other financing costs of $29,777, including legal and filing fees.

2nd amendment

On September 18, 2025, the Company entered into a second amending agreement (the “Second Amending Agreement”) with Nebari for the extension of an additional US $2,000,000 to the existing Credit Facility, under the same terms as the Credit Facility. In connection with the Second Amending Agreement, the Company issued 14,395,259 warrants to Nebari, with each warrant entitling the holder to acquire one common share of the Company at an exercise price of $0.096 per common share for a period ending September 18, 2028. As additional consideration for arranging the loan, the Company paid an arrangement fee of US $30,000 to Nebari. The Company also incurred other financing costs of $29,821, including legal and filing fees.

Initial recognition

The initial carrying amount of the financial liability was determined by discounting the estimated future interest and principal payments at a discount rate of 23.0%.

The initial fair value of the Embedded Prepayment Option was determined to be $nil.

8. LONG-TERM DEBT (CONTINUED)

Nebari credit facility (continued)

Initial recognition (continued)

The carrying amount of the warrants issued together with the Credit Facility was established using the residual amount approach, which takes the difference between the principal amount received from the Credit Facility (US $12,000,000) less the fair value of the loan and embedded prepayment option. The value of the warrants net of financing costs is recorded within warrant reserves on the statement of financial position.

Subsequent measurement

The carrying value of the loans will be accreted using the effective interest rate method over the term of the Credit Facility. The effective interest rate for the Initial Tranche, First Amending Agreement and Second Amending Agreement is estimated at 26.78%, 24.36% and 24.42%, respectively. SOFR plus 12% represents 15.65% as at December 31, 2025.

The Embedded Prepayment Option is revalued at fair value at each reporting date with changes in fair value accounted for in the statement of comprehensive loss. As at December 31, 2025, the fair value is $nil.

The loans are repayable starting July 2027 in twelve capital installments of $1,370,600 (US$1,000,000).

Investissement Québec

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

The Loans will bear interest at an annual rate equal to the prime rate plus 2.55% and are repayable at the earlier of the receipt of the tax credits or December 31, 2026 in the case of the loan relating to the fiscal year ending June 30, 2025, and 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.

As at December 31, 2025, $1,040,000 of the loan was used.

9. PROVISIONS FOR RESTORATION OF MINING SITES

	DECEMBER 31, 2025
	$
Balance as at June 30, 2025	11,912,292
Accretion expense	213,494
Balance as of December 31, 2025	**12,125,786**

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

	DECEMBER 31, 2025
	$
Elder site	733,152
Sleeping Giant site	11,392,634
	12,125,786

The amount of 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 Sleeping Giant mine. 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 December 31, 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 $5,700,000 from a Canadian bank ($2,000,000 as at June 30, 2025). This bond is also secured by a $5,700,000 mortgage on the Sleeping Giant property. The letter of credit is secured by a term deposit in the same amount.

10. 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 per value, with voting rights.

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

	NUMBER OF SHARES ISSUED	$
Balance as at June 30, 2025	**1,011,680,520**	**73,770,396**
Issuance of units	58,823,530	3,718,838
Issuance of flow-through units	41,666,666	2,916,675
Exercise of warrants	10,599,166	876,449
Exercise of stock options	4,384,000	492,064
Balance as at December 31, 2025	**1,127,153,882**	**81,774,422**

10. SHARE CAPITAL (CONTINUED)

On October 31, 2025, the Company closed a brokered private placement of $10,000,000 consisting of:

- 58,823,530 units at a price of $0.085 per unit for gross proceeds of $5,000,000
- 41,666,666 flow-through units at a price of $0.12 per unit for gross proceeds of $5,000,000.

Each unit consists of one class « B » share and one warrant. Each warrant entitles its holder to purchase one warrant share of the Company at a price of $0.12 until October 31, 2028. The gross proceeds have been presented net of the fair value of the warrants totaling $1,281,162.

Each flow-through unit consists of one class « B » share and one warrant. Each warrant entitles its holder to purchase one common share of the Company at a price of $0.12 until October 31, 2028. The gross proceeds have been presented net of the fair value of the warrants totaling $1,004,764. The Company recognized another liability of $1,078,561 corresponding to the flow-through share premium.

The Company paid $450,000 cash share issuance costs and issued 4,264,711 broker warrants recognized for $92,882. Each broker warrant entitles its holder to purchase one class « B » share at a price of $0.12 per share until October 31, 2028.

11. STOCK OPTIONS AND WARRANTS

Stock 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, stock 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 stock option 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 options 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).

The maximum number of shares which may be reserved for issuance of stock options to a consultant may not exceed 2% of the outstanding shares at the time of grant for a period of twelve months. The maximum number of shares which may be reserved for issuance of stock options 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 for a period of twelve months, at the rate of 25% per quarter.

11. STOCK OPTIONS AND WARRANTS (CONTINUED)

Stock options (continued)

Changes in the Company's stock options were as follows:

	SIX MONTHS ENDED DECEMBER 31, 2025	
	Number of options	**Weighted average exercise price**
		$
Outstanding as at June 30, 2025	**30,164,267**	**0.06**
Granted	**21,600,000**	**0.08**
Exercised	**(4,384,000)**	**0.09**
Cancelled	**(866,667)**	**0.08**
Expired	**(1,956,800)**	**0.07**
Outstanding as at December 31, 2025	**44,556,800**	**0.07**
Exercisable as at December 31, 2025	**28,123,467**	**0.07**

During the six months ended December 31, 2025, the Company granted stock options to directors and employees of the Company. The weighted average fair value of the stock options of $0.04 ($0.03 as at June 30, 2025) was established using the Black-Scholes valuation model and based on the following weighted average assumptions:

	DECEMBER 31, 2025
Average share price at date of grant ($)	0.07
Expected dividend yield (%)	–
Expected average volatility (%)	72
Average risk-free interest rate (%)	2.87
Expected average life (years)	5
Average exercise price ($)	0.08

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

During the three and six months ended December 31, 2025, an amount of $107,452 and $447,361 respectively ($nil and $81,012 respectively for the three and six months ended December 31, 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.

11. STOCK OPTIONS AND WARRANTS (CONTINUED)

Stock options (continued)

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

NUMBER OF STOCK OPTIONS OUTSTANDING AS AT DECEMBER 31,2025		EXERCISE PRICE	EXPIRATION DATE
OUTSTANDING	EXERCISABLE	$	
266,667	266,667	0.05	January 2026
900,000	900,000	0.05	June 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
13,100,000	13,100,000	0.05	August 2028
2,600,000	1,800,000	0.05	August 2029
1,500,000	500,000	0.05	January 2030
1,500,000	500,000	0.05	February 2030
20,833,333	7,200,000	0.08	August 2030
44,556,800	28,123,467		

Warrants to investors

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

	SIX MONTHS ENDED DECEMBER 31, 2025	
	Number of warrants	Weighted average exercise price
		$
Outstanding as at June 30, 2025	**480,979,822**	**0.07**
Granted private placements	**100,490,196**	**0.12**
Granted (Note 8)	**116,340,557**	**0.07**
Exercised	**(10,599,166)**	**0.06**
Expired	**(20,525,000)**	**0.15**
Outstanding as at December 31, 2025	**666,686,409**	**0.08**

During the six months ended December 31, 2025, the Company issued 100,490,196 warrants to investors in connection with the private placements. The weighted average fair value of $0.02 was determined using the Black-Scholes valuation model and based on the following weighted average assumptions:

	DECEMBER 31, 2025
Average share price at date of grant ($)	0.07
Expected dividend yield (%)	–
Expected average volatility (%)	75
Average risk-free interest rate (%)	2.53
Expected average life (years)	3
Average exercise price ($)	0.12

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.

11. STOCK 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 DECEMBER 31, 2025	EXERCISE PRICE	EXPIRATION DATE
	$	
27,536,250	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
28,524,688	0.06	March 2027
18,110,000	0.06	April 2027
28,848,312	0.06	May 2027
8,551,400	0.06	June 2027
112,500,000	0.06	July 2027
16,700,000	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
87,040,000	0.06	July 2028
14,905,298	0.09	September 2028
14,395,259	0.10	September 2028
41,666,666	0.12	October 2028
58,823,530	0.12	October 2028
666,686,409		

Warrants to intermediaries

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

	SIX MONTHS ENDED DECEMBER 31, 2025	
	Number of warrants	Weighted average exercise price
		$
Outstanding as at June 30, 2025	**6,965,780**	**0.07**
Granted	**4,264,711**	**0.12**
Expired	**(1,162,500)**	**0.15**
Outstanding as at December 31, 2025	**10,067,991**	**0.08**

11. STOCK OPTIONS AND WARRANTS (CONTINUED)

Warrants to intermediaries (continued)

During the six months ended December 31, 2025, the Company issued warrants to intermediaries in connection with private placements. The weighted average fair value of $0.02 was determined using the Black-Scholes valuation model and based on the following weighted average assumptions:

	DECEMBER 31, 2025
Average share price at date of grant ($)	0.07
Expected dividend yield (%)	–
Expected average volatility (%)	75
Average risk-free interest rate (%)	2.53
Expected average life (years)	3
Average exercise price ($)	0.12

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 the six months ended December 31, 2025, an amount of $793,925 of share issuance 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 DECEMBER 31, 2025	EXERCISE PRICE	EXPIRATION DATE
45,000	$0.05	September 2026
10,000	$0.06	March 2027
4,085,236	$0.055	December 2027
1,535,040	$0.05	April 2028
128,004	$0.05	May 2028
4,264,711	$0.12	October 2028
10,067,991		

12. OTHER INFORMATION ON THE CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE LOSS

Administration

	THREE MONTHS ENDED DECEMBER 31,		SIX MONTHS ENDED DECEMBER 31,	
	2025	2024	**2025**	2024
	$	$	**$**	$
Salaries and wages	**234,214**	377,300	**995,609**	782,809
Share-based compensation	**107,452**	–	**447,361**	81,012
Shareholders and investors relations	**255,811**	142,905	**460,220**	270,670
Office, insurance and other expenses	**153,863**	72,972	**240,729**	166,160
Bank fees	**7,506**	14,377	**29,223**	29,029
Amortization of property, plant and equipment	**2,025**	47,354	**4,587**	100,985
	760,871	654,908	**2,177,729**	1,430,665

Exploration and evaluation

	THREE MONTHS ENDED DECEMBER 31,		SIX MONTHS ENDED DECEMBER 31,	
	2025	2024	**2025**	2024
	$	$	**$**	$
Exploration and evaluation	**101,678**	2,879,624	**351,746**	5,483,110
Refundable tax credit resources and refundable credit on mining rights	**–**	(1,326,242)	**–**	(1,326,242)
Settlement of litigation with Revenue Québec	**–**	(959,789)	**–**	(959,789)
Sale of a property	**–**	–	**–**	(1,500,000)
Proceeds from the sale of gold and silver	**–**	–	**–**	(602,326)
	101,678	593,593	**351,746**	1,094,753

13. 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, of the consolidated financial statements for the year ended June 30, 2025. 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 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.

13. FINANCIAL INSTRUMENTS RISKS (CONTINUED)

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.

Currency exchange rate risk

The Company is exposed to foreign exchange risk arising from currency volatility, primarily with respect to its credit facility in U.S. dollars and is therefore exposed to material gains or losses on foreign exchange.

Based on the balances as at December 31, 2025, a 5% fluctuation in the exchange rates on that date (with all other variables being constant) would have resulted in a variation of net loss of approximately $600,000 for the six months ended December 31, 2025 ($nil in 2024).

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 bear 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 long-term debt 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 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, the principal repayment of the credit facility will begin in July 2027 while the interest is payable monthly and the principal payment of the loan is payable in full in December 2026 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.

13. FINANCIAL INSTRUMENTS RISKS (CONTINUED)

Fair value of financial instruments (continued)

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 credit facility, the convertible debenture and the loan approximate 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.

14. POLICIES AND PROCESSES FOR MANAGING CAPITAL

As at December 31, 2025, the capital of the Company consists of long-term debt and equity amounting to $2,639,792 (negative equity of $599,537 as at June 30, 2025). The Company's capital management objective is to have sufficient capital to be able to meet its obligations related to operation and its exploration and evaluation plan in order to ensure the growth of its activities. It also has the objective of having 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 six months ended December 31, 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 period, the Company complied with these regulatory requirements. Other than flow-through financing, the Company is not subject to any externally imposed capital requirements.

15. COMMITMENTS

Royalties

As at December 31, 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
	1.5% 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.

15. COMMITMENTS (CONTINUED)

Royalties (continued)

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 US $2,000,000 (CA $2,757,600). The Company recorded the amount paid within fixed assets under Exploration - Buildings and equipment.

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. During the 2025 calendar year, the Company received $6,885,044 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 December 31, 2025, the balance of expenses to be incurred related to flow-through financings amounted to $4,400,000.

16. SUBSEQUENT EVENTS

Senior debt financing and offtake agreement with Glencore

On January 30, 2026, the Company announced a transaction with Glencore AG (“Glencore”) comprising a senior secured debenture in the principal amount of up to US$30 million (the “Debenture”) and various accompanying agreements, including an offtake agreement on all products from the Company.

A first tranche of US$18.125 million was made available to the Company by Glencore. A second tranche of up to US$11.875 million is available to be drawn at the Company’s option in December 2026 or January 2027. Concurrently with the Debenture, the Company and Glencore entered into an offtake agreement whereby Glencore will purchase 100% of the gold and silver dore production from the Sleeping Giant mine for a minimum term of 6 years.

Convertible debenture

On January 30, 2026, the convertible debenture was converted into 60,000,000 common shares.

Loan

On February 2, 2026, the Company repaid the $1,040,000 loan to IQ.

Management will analyze the accounting effects of these events in the next quarter.