Tectonic Metals Inc.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended June 30, 2026 and 2025

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Tectonic Metals Inc. for the interim periods ended June 30, 2026 and 2025, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting,* as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Davidson & Company LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

August 20, 2026

TECTONIC METALS INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	**June 30, 2026**	December 31, 2025
		$	$
ASSETS			
Current			
Cash and cash equivalents		**83,158,268**	12,542,192
Amounts receivable		**36,231**	37,970
Short-term investments		**246,738**	101,926
Prepaid expenses and deposits	5	**2,782,836**	508,392
		86,224,073	13,190,480
Property and equipment	6	**2,777,962**	556,778
Exploration and evaluation assets	7	**1,530,987**	1,462,464
Total assets		**90,533,022**	15,209,722
LIABILITIES			
Current			
Accounts payable	11	**2,139,125**	375,646
Accrued liabilities	11	**2,871,034**	224,035
		5,010,159	599,681
Restoration provision	9	**551,462**	523,068
Total liabilities		**5,561,621**	1,122,749
SHAREHOLDERS' EQUITY			
Share capital	10(b)	**154,632,619**	65,800,410
Reserves		**15,938,157**	15,265,243
Deficit		**(85,599,375)**	(66,978,680)
Total shareholders' equity		**84,971,401**	14,086,973
Total liabilities and shareholders' equity		**90,533,022**	15,209,722

Subsequent events (Note 15)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Antonio Reda"	*/s/ "Michael Roper"*
Antonio Reda	Michael Roper

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

TECTONIC METALS INC.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
		$	$	**$**	$
Operating expenses					
Accounting and legal fees	11	**103,321**	84,616	**237,942**	160,222
Accretion expense	9	**4,505**	2,888	**8,884**	5,828
Corporate development		**102,372**	137,468	**276,744**	264,350
Depreciation	6	**239,134**	3,335	**460,685**	4,231
Employee benefits and salaries	11	**206,970**	213,252	**636,668**	320,551
Exploration and evaluation expenses	8,11	**15,559,385**	4,806,489	**18,323,958**	5,063,504
General and administration	11	**215,000**	59,154	**319,750**	93,551
Insurance		**27,757**	13,947	**38,765**	27,178
Investor relations		**53,030**	24,931	**111,850**	79,007
Listing and filing fees		**16,766**	18,709	**47,158**	33,114
Share-based compensation	10(d)(e)(f),11	**381,276**	308,584	**1,060,389**	448,730
Travel and meals		**38,713**	41,855	**107,016**	55,444
		16,948,229	5,715,228	**21,629,809**	6,555,710
Other income (expenses)					
Foreign exchange gain (loss)		**1,299,747**	(42,466)	**2,054,986**	(44,632)
Interest income		**818,824**	19,096	**954,128**	28,618
Net loss and comprehensive loss		**(14,829,658)**	(5,738,598)	**(18,620,695)**	(6,571,724)
Net loss per share:					
Basic and diluted		**(0.11)**	(0.11)	**(0.16)**	(0.14)
Weighted average number of common shares outstanding:					
Basic and diluted		**134,245,222**	54,462,036	**119,265,177**	47,755,406

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

TECTONIC METALS INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Six months ended June 30, 2026	2025
	$	$
Operating activities		
Net loss for the period	**(18,620,695)**	(6,571,724)
Adjustments for:		
Accretion expense	**8,884**	5,828
Depreciation	**460,685**	4,231
Foreign exchange loss (gain)	**(2,010,185)**	34,665
Share-based compensation	**1,060,389**	448,730
Interest income	**(2,677)**	-
Changes in non-cash working capital:		
Amounts receivable	**1,739**	(25,083)
Prepaid expenses and deposits	**(2,322,306)**	(438,316)
Accounts payable	**1,768,848**	319,918
Accrued liabilities	**2,603,362**	1,807,315
Cash used in operating activities	**(17,051,956)**	(4,414,436)
Investing activities		
Purchase of short-term investment	**(139,160)**	-
Cash acquisition payments for exploration and evaluation assets	**(68,523)**	(68,035)
Purchase of property and equipment	**(2,681,869)**	(11,432)
Cash used in investing activities	**(2,889,552)**	(79,467)
Financing activities		
Proceeds from private placement	**92,033,975**	12,736,300
Share issuance costs	**(4,940,852)**	(284,728)
Proceeds from warrant exercises	**1,324,673**	-
Proceeds from option exercises	**70,575**	-
Cash provided by financing activities	**88,488,371**	12,451,572
Effect of foreign exchange on cash	**2,069,213**	(52,256)
Change in cash and cash equivalents	**70,616,076**	7,905,413
Cash and cash equivalents, beginning of period	**12,542,192**	1,971,424
Cash and cash equivalents, end of period	**83,158,268**	9,876,837
Cash and cash equivalents comprising of:		
Cash	**80,553,781**	9,876,837
Cash equivalents	**2,604,487**	-
Supplemental cash flow information:		
Cash interest earned on cash and cash equivalents	**951,451**	28,618
Share-based compensation relating to deferred share units in accrued liabilities	**43,637**	-
Share issuance costs included in accrued liabilities	**-**	168,150

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

TECTONIC METALS INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$
Balance, December 31, 2024	41,985,370	38,141,029	8,692,863	(43,880,844)	2,953,048
Units issued in private placements	25,472,600	8,447,819	4,288,481	-	12,736,300
Unit issuance costs	-	(686,298)	233,419	-	(452,879)
Share-based compensation	-	-	448,730	-	448,730
Net loss and comprehensive loss	-	-	-	(6,571,724)	(6,571,724)
Balance, June 30, 2025	67,457,970	45,902,550	13,663,493	(50,452,568)	9,113,475
Shares issued in private placement	22,323,831	21,207,639	-	-	21,207,639
Share issuance costs	-	(1,760,378)	410,206	-	(1,350,172)
Options exercised	50,000	94,114	(29,114)	-	65,000
Warrants exercised	305,966	356,485	(65,519)	-	290,966
Share-based compensation	-	-	1,286,177	-	1,286,177
Net loss and comprehensive loss	-	-	-	(16,526,112)	(16,526,112)
Balance, December 31, 2025	90,137,767	65,800,410	15,265,243	(66,978,680)	14,086,973
Shares issued in private placement	42,806,500	92,033,975	-	-	92,033,975
Share issuance costs	-	(4,940,852)	-	-	(4,940,852)
Options exercised	73,100	107,969	(37,394)	-	70,575
Warrants exercised	1,505,503	1,631,117	(306,444)	-	1,324,673
Share-based compensation	-	-	1,016,752	-	1,016,752
Net loss and comprehensive loss	-	-	-	(18,620,695)	(18,620,695)
Balance, June 30, 2026	**134,522,870**	**154,632,619**	**15,938,157**	**(85,599,375)**	**84,971,401**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Tectonic Metals Inc. (the “Company” or “Tectonic”) was incorporated on April 7, 2017 under the laws of the British Columbia Business Corporations Act. The Company’s head office is at 1400 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.

The Company is listed on the TSX Venture Exchange ("TSXV") under the symbol "TECT" and is also quoted on the OTCQX under "TETOF” and listed on the Frankfurt Stock Exchange under "T152.”

The Company’s principal business activities include the acquisition and exploration of mineral exploration and evaluation assets in the U.S. The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production. To date, the Company has not earned any revenues and is in the exploration stage.

These unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026 and 2025 (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to continue operations for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. For the three and six months ended June 30, 2026, the Company incurred a net loss and comprehensive loss of $14,829,658 and $18,620,695, respectively (2025 - $5,738,598 and $6,571,724, respectively). As at June 30, 2026, the Company had working capital of $81,213,914 (December 31, 2025 - $12,590,799). The Company has no source of operating revenues and expects to incur significant exploration and evaluation expenditures over the next six to twelve months, principally in connection with its 2026 drill program at the Flat Gold Project. Management intends to finance its operations with the proceeds from equity financings and its current working capital. Management believes that the Company will have sufficient financial resources to meet its obligations and fund its operations for at least the next twelve months from the date these financial statements are authorized for issue.

These financial statements do not reflect the adjustments to the carrying values and classifications of assets and liabilities that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issuance on August 20, 2026.

These financial statements have been prepared in accordance with International Accounting Standard (“International Accounting Standard”) 34 *Interim Financial Reporting*. These financial statements do not include all the information and disclosures required in annual financial statements. Accordingly, they should be read in conjunction with the Company’s audited consolidated financial statements for the years ended December 31, 2025 and 2024 (the "Annual Financial Statements").

b) Basis of presentation

These financial statements have been prepared on a historical cost basis. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars (“CAD”) which is the functional and presentation currency of the Company and its subsidiaries. References to “USD” or “US$” are to United States dollars.

(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

d) Basis of consolidation

These financial statements include the financial information of the Company and entities controlled by the Company. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company.

A summary of the Company's subsidiaries included in these financial statements as at June 30, 2026 is as follows:

	Country of incorporation	Percentage ownership	Functional currency	Principal activity
District Metals LLC	USA	100%	CAD	Holding company
Tectonic Resources LLC	USA	100%	CAD	Holding company

3. MATERIAL ACCOUNTING POLICIES

The same accounting policies and methods of computation are followed in these financial statements as compared with the Annual Financial Statements with exception to the following policies added as applicable for the period:

Share Capital

Deferred share units ("DSUs")

The Company accounts for share-based compensation associated with DSU grants using a fair value-based method. The fair value of DSUs are measured at the date of grant using the Company's share price and recognized as a share-based compensation expense over the vesting period. Prior to obtaining shareholder approval or in the event this approval is never obtained, the Company is required to settle the DSUs in cash. Accordingly, the applicable fair value is recognized in accounts payable and accrued liabilities and is remeasured at fair value at each reporting date until settlement. Upon obtaining shareholder approval of the restricted share plan ("DSU Plan"), the fair value of the DSUs recognized in accrued liabilities will be transferred to reserves. When the shares associated with DSUs are issued, the applicable fair value is transferred from reserves to share capital.

Restricted share units ("RSUs")

The Company accounts for share-based compensation associated with RSU grants using a fair value-based method. The fair value of RSUs is measured at the date of grant using the Company's share price and is recognized as a share-based compensation expense over the vesting period, with the offsetting credit to reserves. When the shares associated with RSUs are issued, the applicable fair value is transferred from reserves to share capital.

Pronouncements issued but not yet effective

On April 9, 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

(Unaudited - Expressed in Canadian dollars, except where noted)

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The critical judgements and estimates applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

5. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	June 30, 2026	December 31, 2025
	$	$
Exploration program deposits	**2,451,647**	178,178
Prepaid consulting fees	**2,365**	48,920
Prepaid conference fees	**162,073**	84,145
Prepaid software subscriptions	**59,282**	106,327
Other prepaid expenses	**107,469**	90,822
	2,782,836	508,392

6. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

	Exploration equipment	**Office and furniture**	**Computer equipment**	**Total**
	$	$	$	$
Cost				
Balance, December 31, 2024	22,686	15,598	19,377	57,661
Additions	531,235	-	63,884	595,119
Balance, December 31, 2025	553,921	15,598	83,261	652,780
Additions	2,666,139	-	15,730	2,681,869
Balance, June 30, 2026	**3,220,060**	**15,598**	**98,991**	**3,334,649**
Accumulated depreciation				
Balance, December 31, 2024	22,504	13,369	9,835	45,708
Depreciation	32,374	2,229	15,691	50,294
Balance, December 31, 2025	54,878	15,598	25,526	96,002
Depreciation	451,603	-	9,082	460,685
Balance, June 30, 2026	**506,481**	**15,598**	**34,608**	**556,687**
Carrying value				
Balance, December 31, 2025	499,043	-	57,735	556,778
Balance, June 30, 2026	**2,713,579**	**-**	**64,383**	**2,777,962**

(Unaudited - Expressed in Canadian dollars, except where noted)

7. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Tibbs	Flat	Porterfield	Total
	$	$	$	$
Balance, December 31, 2024	513,430	569,588	68,549	1,151,567
Cash acquisition payments	68,035	68,851	34,869	171,755
Restoration provision	-	139,142	-	139,142
Balance, December 31, 2025	581,465	777,581	103,418	1,462,464
Cash acquisition payments	68,523	-	-	68,523
Balance, June 30, 2026	**649,988**	**777,581**	**103,418**	**1,530,987**

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Company has investigated title to all of its exploration and evaluation assets and to the best of its knowledge, title to the properties is in good standing.

a) Tibbs

On June 15, 2017, the Company entered into a mining lease and option agreement with Tibbs Creek Gold, LLC ("TCG") for a 100% interest in the surface and subsurface rights to State of Alaska mining claims in the Fairbanks Recording District, Alaska, U.S. ("Tibbs"). The agreement grants TCG a 2.5% net smelter return ("NSR"), of which 1.5% can be purchased for US$1,500,000. The initial term of the lease is ten years.

In consideration, the Company has paid TCG a total of $649,988 (US$480,000) up to June 30, 2026. Pursuant to the option agreement, the Company is required to pay a US$50,000 option payment each June from 2021 to 2027 (the "Tibbs Anniversary Payments") and was required to incur an aggregate US$1,000,000 in exploration expenses by June 2022.

On May 13, 2026, the Company paid its 2026 option payment of US$50,000. As of December 31, 2021, the Company had fulfilled its exploration expenditure commitment.

Pursuant to the mining lease and option agreement with TCG the Company may exercise the option to acquire Tibbs by paying to TCG US$530,000 less the aggregate amount of any Tibbs Anniversary Payments already paid to TCG. The Company may exercise this option at any time by providing five days notice or automatically by making the last Tibbs Anniversary Payment in 2027. This payment may be made by the issuance of common shares of the Company having an aggregate value equal to the purchase price, provided both TCG and the Company agree to such payment arrangements.

b) Flat

In September 2021, the Company entered into a mining lease agreement with Doyon, Limited ("Doyon") for a 100% interest in the Flat Gold Property ("Flat") located in the Kuskokwim Mineral Belt, Alaska. The initial term of the lease is for 15 years and includes renewal clauses to extend the lease period up to the entire operational period of the mine. Doyon was granted a 2% NSR for precious minerals and a 1% NSR for base minerals until the fifth anniversary of commencement of commercial production. Doyon was granted a 3% NSR for precious minerals and a 2% NSR for base minerals from the fifth to tenth anniversaries of commercial production. After the tenth anniversary of commercial production, the production royalty for precious minerals will be the greater of a 4% NSR or 15% of net proceeds, and the production royalty for base minerals will be the greater of a 3% NSR or 15% of net proceeds.

In consideration, the Company has paid Doyon $322,624 (US$240,000) for annual lease payments from lease inception to June 30, 2026. To retain its right to the option, the Company is required to pay annual lease payments to the lessor of:

- US$40,000 each January from 2022 to 2025 (2022, 2023, 2024, and 2025 payments were paid);
- US$50,000 each January from 2026 to 2030 (2026 payment was paid);
- US$100,000 each January thereafter. If the Company exercises its option to extend the lease term, this payment will be increased to US$200,000; and
- US$150,000 upon completion of a feasibility study.

(Unaudited - Expressed in Canadian dollars, except where noted)

7. EXPLORATION AND EVALUATION ASSETS (continued)

Pursuant to the mining lease agreement, in addition to the annual lease payments noted above, the Company is required to incur the following amounts for exploration expenses on Flat to maintain the lease agreement in good standing:

	US$
2021 - 2023 (fulfilled/met)	1,000,000
2024 - 2026 (fulfilled/met)	2,000,000
2027 - 2029 (fulfilled/met through carry-forward of excess expenditures)	2,500,000
Each three-year lease period commencing 2030	2,500,000

Eligible expenses include all actual direct costs incurred related to the exploration and development of Flat, including, without limitation, costs related to services performed outside of the property and reasonably allocated to operations on the property. The Company is permitted to carry-forward excess expenses and apply them against a future year. As of June 30, 2026, the Company has incurred approximately US$33,846,115 in cumulative expenses on Flat and has completed all expenditure requirements to date in accordance with the mining lease agreement.

Pursuant to the mining lease agreement with Doyon, the Company has committed to contributing a US$10,000 scholarship per year to the Doyon Foundation for the term of the lease. The scholarship amount increases to US$50,000 each year following the commencement of commercial production at Flat. On April 17, 2026, the Company fulfilled its annual commitment.

c) Porterfield

On October 18, 2023, the Company entered into a mining lease agreement for a 100% interest in the Porterfield Property ("Porterfield" or the "Porterfield Property") located in the Mt. McKinley Recording District, Alaska, immediately north of Flat. The initial term of the lease is 20 years. The lessor was granted a 2% NSR for precious minerals and all other mineral products produced and sold from the Porterfield Property. At any time after the exercise of the option to purchase, the Company may buy back 1% of the NSR for US$1,500,000.

In consideration, the Company has paid $103,418 (US$75,000) for annual lease payments from lease inception to June 30, 2026. To keep the property lease in good standing, the Company is required to pay annual lease payments to the lessor of:

- US$25,000 each October from 2024 to 2026 (2024 and 2025 payments were paid);
- US$50,000 each October from 2027 to 2028; and
- US$50,000 on each subsequent October from 2029 to 2043.

At any time prior to October 18, 2029, the Company can exercise the option to purchase the claims by tendering either (i) a cash payment of US$200,000, (ii) common shares of the Company equivalent in value to US$200,000, or (iii) any combination of cash and common shares as elected by the Company.

Pursuant to the mining lease agreement, in addition to the annual lease payments noted above, the Company is required to incur the following amounts for exploration expenses on Porterfield to maintain the lease agreement in good standing:

	US$
Before December 1, 2024 (fulfilled/met)	50,000
Before December 1, 2025 (fulfilled/met)	100,000
Before December 1, 2026 (fulfilled/met through carry-forward of excess expenditures)	100,000
Before December 1, 2027	200,000
Before December 1, 2028	200,000

As at June 30, 2026, the Company has incurred US$298,697 in cumulative expenses on Porterfield.

d) MFB

MFB is an area of state land contiguous to Flat that the Company staked in 2023 and began exploration activities during the year ended December 31, 2024. During the six months ended June 30, 2026, minimal exploration expenses were incurred on MFB for claims maintenance and the allocation of computer software and geological and geophysical consulting expenses. The Company continues to evaluate MFB for further exploration.

(Unaudited - Expressed in Canadian dollars, except where noted)

8. EXPLORATION AND EVALUATION EXPENSES

A summary of the Company's exploration and evaluation expenses for the three months ended June 30, 2026 is as follows:

	Tibbs	Flat	Porterfield	MFB	Support and other	Total
	$	$	$	$	$	$
Administrative expenses	-	-	-	-	23,595	23,595
Camp expenses	-	4,641,672	-	-	-	4,641,672
Claim maintenance	-	39,947	4,175	1,773	-	45,895
Community relations	-	15,229	-	-	-	15,229
Computer software	6,080	74,751	6,081	6,081	20,056	113,049
Conference and conventions	-	-	-	-	447	447
Drilling program	-	9,825,494	-	-	-	9,825,494
Environment and sustainability	-	78,889	-	-	-	78,889
Geological and geophysical consulting	-	175,375	1,500	1,500	28,350	206,725
Laboratory expenses	-	252,134	-	-	-	252,134
Land management	14,012	-	-	-	-	14,012
Salaries	-	232,390	-	-	67,763	300,153
Travel and meals	-	36,970	-	-	5,121	42,091
	20,092	**15,372,851**	**11,756**	**9,354**	**145,332**	**15,559,385**

A summary of the Company's exploration and evaluation expenses for the three months ended June 30, 2025 is as follows:

	Tibbs	Flat	Porterfield	MFB	Support and other	Total
	$	$	$	$	$	$
Administrative expenses	-	13,838	-	-	1,829	15,667
Camp expenses	2,130	869,829	132	-	-	872,091
Computer software	1,910	29,891	2,719	2,851	839	38,210
Drilling program	-	3,463,827	-	-	-	3,463,827
Geological and geophysical consulting	-	164,438	19,881	19,625	67,703	271,647
Laboratory expenses	-	33,753	-	-	-	33,753
Land management	-	35,826	-	-	-	35,826
Salaries	-	44,479	-	-	14,678	59,157
Travel and meals	-	15,030	-	-	1,281	16,311
	4,040	**4,670,911**	**22,732**	**22,476**	**86,330**	**4,806,489**

A summary of the Company's exploration and evaluation expenses for the six months ended June 30, 2026 is as follows:

	Tibbs	Flat	Porterfield	MFB	Support and other	Total
	$	$	$	$	$	$
Administrative expenses	-	-	-	-	29,193	29,193
Camp expenses	888	5,114,591	-	-	-	5,115,479
Claim maintenance	-	67,834	8,304	3,527	-	79,665
Community relations	-	15,229	-	-	-	15,229
Computer software	11,124	128,820	11,125	11,124	27,775	189,968
Conference and conventions	-	-	-	-	29,987	29,987
Drilling program	-	10,479,326	-	-	-	10,479,326
Environment and sustainability	-	78,889	-	-	-	78,889
Geological and geophysical consulting	-	365,288	3,771	3,771	83,350	456,180
Laboratory expenses	-	959,425	-	-	-	959,425
Land management	27,871	7,226	-	-	-	35,097
Salaries	-	383,639	-	-	395,968	779,607
Travel and meals	-	43,732	-	-	32,181	75,913
	39,883	**17,643,999**	**23,200**	**18,422**	**598,454**	**18,323,958**

(Unaudited - Expressed in Canadian dollars, except where noted)

8. EXPLORATION AND EVALUATION EXPENSES (continued)

A summary of the Company’s exploration and evaluation expenses for the six months ended June 30, 2025 is as follows:

	Tibbs	Flat	Porterfield	MFB	Support and other	Total
	$	$	$	$	$	$
Administrative expenses	-	13,838	-	-	6,304	20,142
Camp expenses	3,195	870,184	912	-	-	874,291
Claim maintenance	-	-	275	275	-	550
Computer software	4,450	38,841	5,259	6,391	2,724	57,665
Conference and conventions	-	-	-	-	18,884	18,884
Drilling program	-	3,463,827	-	-	-	3,463,827
Geological and geophysical consulting	-	266,142	20,652	19,625	73,804	380,223
Laboratory expenses	-	47,834	-	-	-	47,834
Land management	-	36,275	-	-	-	36,275
Salaries	-	70,444	220	-	31,855	102,519
Travel and meals	-	16,209	-	-	45,085	61,294
	7,645	**4,823,594**	**27,318**	**26,291**	**178,656**	**5,063,504**

9. RESTORATION PROVISION

A summary of the Company’s restoration provision is as follows:

	Tibbs and Seventy-mile	Flat	Total
	$	$	$
Balance, December 31, 2024	41,265	349,377	390,642
Change in estimate	-	139,142	139,142
Accretion expense	1,241	10,817	12,058
Foreign exchange gain	(1,983)	(16,791)	(18,774)
Balance, December 31, 2025	40,523	482,545	523,068
Accretion expense	621	8,263	8,884
Foreign exchange loss	1,509	18,001	19,510
Balance, June 30, 2026	**42,653**	**508,809**	**551,462**

As at June 30, 2026, the Company had a restoration provision of $42,653 (December 31, 2025 - $40,523) for Tibbs and Seventy-mile, a property impaired on December 16, 2022. The restoration provision relates to future costs for camp and infrastructure removal at Tibbs and Seventy-mile. The undiscounted amount of estimated future cash flows is $47,634 (US$30,000). The liability was estimated using an expected life of seven years, an inflation rate of 2% and a risk-free pre-tax discount rate of 3.06%. During the three and six months ended June 30, 2026, the Company recognized accretion expense of $314 and $621, respectively (2025 - $305 and $616, respectively) and a foreign exchange loss of $816 and $1,509, respectively (2025 - foreign exchange gain of $2,122 and $2,159, respectively) related to Tibbs and Seventy-mile.

As at June 30, 2026, the Company had a restoration provision of $508,809 (December 31, 2025 - $482,545) for Flat. The restoration provision relates to future costs for camp and infrastructure removal at Flat. The undiscounted amount of estimated future cash flows is $684,158 (US$406,000). The liability was estimated using an expected life of ten years, an inflation rate of 2% and a risk-free pre-tax discount rate of 3.42%. During the three and six months ended June 30, 2026, the Company recognized accretion expense of $4,191 and $8,263, respectively (2025 - $2,583 and $5,212, respectively) and foreign exchange loss of $9,733 and $18,001, respectively (2025 - foreign exchange gain of $17,969 and $18,280, respectively) related to Flat.

(Unaudited - Expressed in Canadian dollars, except where noted)

10. SHARE CAPITAL AND RESERVES

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued share capital

As at June 30, 2026, 134,522,870 common shares (December 31, 2025 - 90,137,767) were issued and outstanding.

During the six months ended June 30, 2026, the Company had the following share transactions:

- On March 3, 2026, the Company closed a private placement (the "March 2026 Private Placement") and issued 42,806,500 shares at a price of $2.15 per share for gross proceeds of $92,033,975. Pursuant to the March 2026 Private Placement, the Company incurred cash issuance costs of $387,216 and paid $4,553,636 in cash finders' fees.

- The Company issued 1,505,503 shares pursuant to the exercise of 1,505,503 warrants with a weighted average exercise price of $0.88 for gross proceeds of $1,324,673.

- The Company issued 73,100 shares pursuant to the exercise of 73,100 stock options with a weighted average exercise price of $0.97 for gross proceeds of $70,575.

c) Warrants

A summary of Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, December 31, 2024	10,394,982	1.23
Warrants issued	25,472,600	0.75
Finders' warrants issued	1,775,486	1.04
Exercised	(305,966)	0.95
Expired	(5,560,643)	1.43
Balance, December 31, 2025	31,776,459	0.80
Exercised	(1,505,503)	0.88
Balance, June 30, 2026	**30,270,956**	**0.80**

A summary of the Company's outstanding and exercisable warrants as at June 30, 2026 is as follows:

Issue date	Expiry date	Number of warrants	Weighted average exercise price	Weighted average remaining life
		#	$	Years
August 16, 2024	August 16, 2026	1,854,484	1.00	0.13
October 3, 2024	October 3, 2026	420,216	1.00	0.26
November 1, 2024	November 1, 2026	1,531,490	1.00	0.34
August 20, 2025	February 20, 2027	1,068,086	1.23	0.64
May 20, 2025	May 20, 2027	25,396,680	0.75	0.89
		30,270,956	**0.80**	**0.80**

As at June 30, 2026, the weighted average remaining contractual life of the outstanding and exercisable warrants was 0.80 years (December 31, 2025 - 1.28 years).

(Unaudited - Expressed in Canadian dollars, except where noted)

10. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model ("BSM") for warrants issued during the year ended December 31, 2025 is as follows:

	2025
Share price	$0.66
Exercise price	$0.77
Risk-free interest rate	2.63%
Expected life	2.00 years
Expected volatility	101.86%
Expected annual dividend yield	0.00%

d) Stock options

The Company has an equity plan (the "Equity Plan"), whereby it may grant stock options, and RSUs to eligible employees, officers, directors and consultants with exercise prices, expiry dates, and vesting conditions determined by the Company's Board of Directors. The maximum expiry date is ten years from the date of grant. The Equity Plan permits the issuance of stock options and RSUs, which together with the DSU Plan may not exceed 10% of the Company's issued common shares as at the date of grant.

A summary of Company's stock option activity is as follows:

	Number of stock options outstanding	**Weighted average exercise price**
	#	$
Balance, December 31, 2024	1,946,500	1.06
Granted	4,120,000	0.78
Exercised	(50,000)	1.30
Expired	(47,500)	1.22
Forfeited	(89,000)	0.91
Balance, December 31, 2025	5,880,000	0.87
Granted	1,310,000	1.54
Exercised	(73,100)	0.97
Expired	(13,200)	1.25
Forfeited	(183,700)	0.93
Balance, June 30, 2026	**6,920,000**	**0.99**

(Unaudited - Expressed in Canadian dollars, except where noted)

10. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's stock options outstanding and exercisable as at June 30, 2026 is as follows:

Grant date	Expiry date	Number of stock options outstanding	Number of stock options exercisable	Weighted average exercise price	Weighted average remaining life
		#	#	$	Years
August 19, 2024	August 19, 2026	20,000	20,000	0.90	0.14
March 11, 2022	March 11, 2027	30,000	30,000	1.01	0.70
July 8, 2022	July 8, 2027	190,000	190,000	1.00	1.02
August 4, 2022	August 4, 2027	50,000	50,000	1.00	1.10
October 1, 2022	October 1, 2027	40,000	30,000	1.00	1.25
August 15, 2023	August 15, 2028	339,000	339,000	1.30	2.13
March 1, 2024	March 1, 2029	50,000	50,000	1.00	2.67
August 19, 2024	August 19, 2029	131,000	60,000	0.90	3.14
November 4, 2024	November 4, 2029	900,000	900,000	1.00	3.35
May 30, 2025	May 30, 2030	3,770,000	2,488,200	0.75	3.92
September 24, 2025	September 24, 2030	200,000	66,000	1.25	4.24
January 5, 2026	January 5, 2031	650,000	300,000	0.90	4.52
April 30, 2021	April 30, 2031	20,000	20,000	1.55	4.84
May 19, 2026	May 19, 2031	420,000	-	2.50	4.89
June 23, 2026	June 23, 2031	110,000	-	2.40	4.98
		6,920,000	**4,543,200**	**0.99**	**3.74**

A summary of the Company's weighted average inputs used in the BSM to calculate the fair value of stock options granted during the six months ended June 30, 2026 and the year ended December 31, 2025 is as follows:

	2026	2025
Exercise price	**1.54**	$0.78
Share price	**1.45**	$0.73
Risk-free interest rate	**3.08%**	2.80%
Expected life	**5.00 years**	5.00 years
Expected volatility	**106.40%**	109.30%
Expected annual dividend yield	**0.00%**	0.00%
Expected forfeiture rate	**0.00%**	0.00%

During the six months ended June 30, 2026, the Company had the following stock option grants:

- On January 5, 2026, the Company granted 480,000 stock options to certain directors and employees. Each option has an exercise price of $0.90 per share and expires on January 5, 2031, vesting over an 18-month period in equal installments every six months.

- On January 5, 2026, the Company granted 300,000 stock options to an officer. Each option has an exercise price of $0.90 per share and expires on January 5, 2031 and vested immediately.

- On May 19, 2026, the Company granted 420,000 stock options to certain employees and consultants of the Company. Each option has an exercise price of $2.50 per share and expires on May 19, 2031, vesting over a 36-month period in equal installments every 12 months.

- On June 23, 2026, the Company granted 110,000 stock options to certain employees of the Company. Each option has an exercise price of $2.40 per share and expires on June 23, 2031, vesting over a 36-month period in equal installments every 12 months.

During the three and six months ended June 30, 2026, the Company recorded share-based compensation related to the vesting of stock options granted of $383,198 and $1,039,418, respectively (2025 - $308,584 and $448,730, respectively) and a recovery of $38,017 and $43,486, respectively (2025 - $nil and $nil, respectively), relating to forfeited unvested stock options. As a result, the net share-based compensation expense for the three and six months ended June 30, 2026 was $345,181 and $995,932, respectively (2025 - $308,584 and $448,730, respectively).

(Unaudited - Expressed in Canadian dollars, except where noted)

10. SHARE CAPITAL AND RESERVES (continued)

e) Restricted share units

A summary of the Company's RSU activity is as follows:

	Number of RSUs outstanding	Weighted average fair value per share price at grant date
	#	$
Balance, December 31, 2025 and 2024	-	-
Granted	46,000	1.54
Balance, June 30, 2026	**46,000**	**1.54**

During the six months ended June 30, 2026, the Company had the following RSU grants:

- On January 5, 2026, the Company granted 25,000 RSUs to the Company's Chief Executive Officer. The RSUs will vest in three equal installments every 6 months from the date of grant. The fair value of each RSU was determined to be the Company's share price on the date of grant, resulting in a total fair value of $22,000 recognized as a share-based compensation expense according to the vesting terms of the RSUs.

- On May 19, 2026, the Company granted 21,000 RSUs to an officer of the Company. The RSUs will vest in three equal installments every 12 months from the date of grant. The fair value of each RSU was determined to be the Company's share price on the date of grant, resulting in total fair value of $48,720 recognized as a share-based compensation expense according to the vesting terms of the RSUs.

During the three and six months ended June 30, 2026, the Company recorded share-based compensation related to the vesting of RSUs of $14,156 and $20,820, respectively (2025 - $nil and $nil, respectively).

f) Deferred share units

On January 5, 2026, the Company granted 100,000 DSUs to certain directors of the Company. The DSUs will vest immediately on the latest of (i) the date which is one year from the date of grant, (ii) the date of TSXV approval of the grant, and (iii) the date of shareholder approval of the grant. If shareholder approval is not obtained at the next annual shareholder meeting held by the Company, the Company will be required to fulfill the DSU obligations in cash.

The DSUs have been accounted for as cash-settled share-based compensation. The fair value of each DSU was determined to be the Company's share price on the date of grant, resulting in a total fair value of $88,000 recognized as a share-based compensation expense on a straight-line basis over the vesting period and recorded as a liability until shareholder approval is obtained.

A summary of the Company's DSU activity is as follows:

	Number of DSUs outstanding	Weighted average fair value per share price at grant date
	#	$
Balance, December 31, 2025 and 2024	-	-
Granted	100,000	0.88
Balance, June 30, 2026	**100,000**	**0.88**

During the three and six months ended June 30, 2026, the Company recorded share-based compensation related to the vesting of DSUs granted of $21,939 and $43,637, respectively (2025 - $nil and $nil, respectively).

(Unaudited - Expressed in Canadian dollars, except where noted)

11. RELATED PARTY TRANSACTIONS

Key management personnel are those having the authority and responsibility for planning, directing and controlling the Company. A summary of the Company's related party transactions with its key management personnel is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Accounting and legal fees	**82,079**	62,063	**190,599**	111,519
Employee benefits and salaries	**125,000**	165,000	**460,000**	237,504
Exploration and evaluation expenses	**80,000**	46,250	**185,000**	92,500
General & administration	**59,962**	-	**59,962**	-
Share-based compensation	**324,950**	188,623	**868,354**	215,473
Share issuance costs (Note 10(b))	**238**	29,930	**38,848**	29,930
	672,229	491,866	**1,802,763**	686,926

As at June 30, 2026, accounts payable contain amounts due to related parties of $48,485 (December 31, 2025 - $26,847). As at June 30, 2026, accrued liabilities contain amounts due to related parties of $224,812 (December 31, 2025 - $121,173). These amounts have no specified terms of repayment and are due upon demand.

12. SEGMENTED INFORMATION

The Chief Operating Decision Maker ("CODM") of the Company has been identified as the Chief Executive Officer, who makes strategic decisions and allocates resources to operating segments. The CODM has determined that the Company operates in one reportable segment, the exploration and evaluation of unproven exploration and evaluation assets. The Company's primary exploration and evaluation assets are located in Alaska, and its corporate assets, comprising mainly cash and cash equivalents, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues. All corporate expenses are incurred in Canada.

A summary of the Company's non-current assets by geographical segment is as follows:

	June 30, 2026	December 31, 2025
	$	$
Canada	**64,382**	57,734
United States	**4,244,567**	1,961,508
	4,308,949	2,019,242

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at June 30, 2026, the Company's financial instruments consist of cash and cash equivalents, short-term investments, deposits and accounts payable, all of which are measured at amortized cost.

The carrying value of cash and cash equivalents, short-term investments, deposits and accounts payable approximate their fair values due to their short-term to maturity.

The Company's financial instruments are exposed in varying degrees to a variety of financial risks. The Board of Directors approves and monitors the risk management processes as follows:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash and cash equivalents, short-term investments and deposits. The risk exposure is limited because the Company places its cash and cash equivalents and short-term investments in institutions of high credit worthiness within Canada. In addition, the Company holds its deposits with companies in the drilling industry that it has engaged previously. These deposits will be offset against the exploration expenses incurred on the Flat drill program.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any financial instruments with variable interest rates, other than cash and, therefore, is not exposed to significant interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required. As at June 30, 2026, the Company had sufficient cash on hand to discharge its financial liabilities and has assessed liquidity risk as minimal.

A summary of the Company's contractual undiscounted cash flow requirements for financial liabilities measured at amortized cost as at June 30, 2026 is as follows:

	< 1 year	**1 - 3 years**	**3 - 5 years**	**> 5 years**	**Total**
	$	$	$	$	$
Accounts payable	2,139,125	-	-	-	**2,139,125**
Accrued liabilities	2,871,034	-	-	-	**2,871,034**
Lease payments for exploration and evaluation assets	177,625	284,200	426,300	1,421,000	**2,309,125**
	5,187,784	**284,200**	**426,300**	**1,421,000**	**7,319,284**

d) Commodity price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

e) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows or the carrying amount of an instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

A summary of the Company's financial instruments held in USD, expressed in Canadian dollars is as follows:

	June 30, 2026	December 31, 2025
	$	$
Cash and cash equivalents	**51,160,757**	1,098,951
Short-term investments	**143,457**	-
Deposits	**2,451,647**	178,178
Accounts payable	**(1,955,136)**	(58,881)
	51,800,725	1,218,248

As at June 30, 2026, a 5% change in the foreign exchange rate would result in a change in net loss and comprehensive loss of $2,590,036 (December 31, 2025 - $60,912). The Company has no hedging agreements in place with respect to foreign exchange rates.

14. CAPITAL MANAGEMENT

The Company considers capital to include items within shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and evaluation of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or issue debt instruments. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such, the Company has historically relied on the equity markets to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any capital restrictions and the Company's approach to capital management has not changed.

15. SUBSEQUENT EVENTS

Subsequent to June 30, 2026, the Company issued 1,782,110 common shares pursuant to the exercise of warrants at an exercise price of $1.00 per share for gross proceeds of $1,782,110.

Subsequent to June 30, 2026, the Company issued 20,000 common shares pursuant to the exercise of options at an exercise price of $0.90 per share for gross proceeds of $18,000.

Subsequent to June 30, 2026, 101,374 warrants expired unexercised.

Subsequent to June 30, 2026, 30,000 options were forfeited.

On July 29, 2026, the Company granted 2,146,000 stock options to certain consultants, employees, officers, and directors of the Company. Each option has an exercise price of $2.10 per share and expires on July 29, 2031, with 300,000 stock options vesting over a 36-month period in equal installments every 12 months and the remainder vesting over an 18-month period in equal installments every six months.

On July 29, 2026, the Company granted 174,000 RSUs to certain officers of the Company. Each RSU has a grant-date fair value of $2.10 per share and vests over an 18-month period in equal installments every six months.

On July 29, 2026, the Company granted 100,000 DSUs to directors of the Company. Each DSU has a grant-date fair value of $2.10 per share and vests at the later of one year from the date of grant or the date in which shareholder approval for the DSU plan is obtained.