SANDFIRE RESOURCES AMERICA INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024

Independent Auditor's Report

To the Shareholders of Sandfire Resources America Inc.

Opinion

We have audited the consolidated financial statements of Sandfire Resources America Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity (deficit) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended June 30, 2025 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Discount rate and accounting for the bridge loan	
The Company has received support from its parent company, Sandfire Resources Ltd., by means of a bridge loan that bears an annual interest rate of 5%. This coupon rate is below the market rate of interest the Company would pay on the loan to an arm's length party. Management has estimated the fair market rate of interest to range from 11.19% to 14.88%, and accordingly, the benefit received by the Company from the low coupon interest rate is recorded in equity as a shareholder contribution. In evaluating the bridge loan, management has utilized the above estimated discount rate, which is established by reference to the Company's estimated incremental borrowing rate. Determining which borrowing rates to apply in this assessment necessitates significant assumptions. As a result, we have classified the discount rate estimate as a key audit matter. The disclosures related to the accounting for the bridge loan are provided in Notes 3 and 9.	In this regard, our audit procedures included: • Review management's estimate of the market rate of interest and the related shareholder contribution. • Conducted a search for comparable companies and instruments to assess the reasonableness of the interest rate used in the bridge loan. • Verified that the terms of the debt financings and management's assumptions utilized in the calculation are properly disclosed in the notes to the consolidated financial statements. • Sent confirmations to the lender to verify the outstanding balance at the year-end.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

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

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

McGovern Hurley

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partner of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
September 8, 2025

SANDFIRE RESOURCES AMERICA INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2025 and 2024
(Expressed in Canadian Dollars)

	June 30, 2025	June 30, 2024
	$	$
ASSETS		
Current		
Cash and cash equivalents	825,204	570,474
Prepaid expenses and other assets	412,956	488,707
Total current assets	1,238,160	1,059,181
Non-current		
Property and equipment (Note 5)	12,594,763	12,790,578
Resource properties (Note 6)	11,921,442	10,773,654
Reclamation bond (Note 6 (vi))	603,436	606,398
Prepaid mining property tax (Note 6 (vii))	594,670	597,588
Total assets	26,952,471	25,827,399
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 7 & 12)	2,597,861	1,962,675
Other liabilities (Note 11)	385,819	97,611
Interest payable – related party (Note 9)	5,523,230	2,800,215
Loans payable – related party, net of discount (Note 9)	61,782,958	40,013,457
Total current liabilities	70,289,868	44,873,958
Long-term		
Accrued reclamation and remediation (Note 8)	2,153,346	2,846,594
Total liabilities	72,443,214	47,720,552
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 10)	140,084,649	140,084,649
Contributed surplus	14,130,830	9,048,706
Foreign currency reserve	1,047,008	118,733
Accumulated deficit	(200,753,230)	(171,145,241)
Total shareholders' deficit	(45,490,743)	(21,893,153)
Total shareholders' deficit and liabilities	26,952,471	25,827,399

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS AND CONTINGENCIES (Note 15)

Approved by the Board on September 8, 2025

"Jason Grace"	*"Chris K. Hedrich"*
Director	Director

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

SANDFIRE RESOURCES AMERICA INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Expressed in Canadian Dollars)

	Years Ended June 30, 2025	Years Ended June 30, 2024
	$	$
EXPENSES		
Executive management fees (Note 12)	402,000	401,238
Depreciation (Note 5)	419,604	360,839
Exploration and evaluation costs	20,189,984	10,213,534
Foreign exchange (gain)	(20,140)	(15,835)
Office, administration and miscellaneous	455,910	378,250
Professional fees	832,488	1,265,511
Share-based payments (Notes 11 & 12)	401,187	(49,103)
Loss before other items	(22,681,033)	(12,554,434)
OTHER ITEMS		
Interest expense - related party (Note 9)	(6,798,085)	(4,850,384)
Interest expense	-	(1,921)
Accretion (Note 8)	(128,871)	(112,733)
Net loss for the year	(29,607,989)	(17,519,472)
Other comprehensive income		
Foreign currency reserve gain (loss)	928,275	(548,574)
Net other comprehensive income (loss)	928,275	(548,574)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(28,679,714)	(18,068,046)
BASIC AND DILUTED LOSS PER SHARE	(0.03)	(0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	1,023,352,794	1,023,352,794

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

SANDFIRE RESOURCES AMERICA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Expressed in Canadian Dollars)

	Share Capital # of shares	Share Capital $	Contributed Surplus $	Foreign Currency Reserve $	Accumulated Deficit $	Total $
Balance at June 30, 2023	1,023,352,794	140,084,649	4,737,956	667,307	(153,625,769)	(8,135,857)
Loss for the year	-	-	-	-	(17,519,472)	(17,519,472)
Other comprehensive loss	-	-	-	(548,574)	-	(548,574)
Contribution by parent associated with loan (Note 9)	-	-	4,310,750	-	-	4,310,750
Balance at June 30, 2024	**1,023,352,794**	**140,084,649**	**9,048,706**	**118,733**	**(171,145,241)**	**(21,893,153)**
Loss for the year	-	-	-	-	(29,607,989)	(29,607,989)
Other comprehensive gain	-	-	-	928,275	-	928,275
Contribution by parent associated with loan (Note 9)	-	-	5,082,124	-	-	5,082,124
Balance at June 30, 2025	**1,023,352,794**	**140,084,649**	**14,130,830**	**1,047,008**	**(200,753,230)**	**(45,490,743)**

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

SANDFIRE RESOURCES AMERICA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(Expressed in Canadian Dollars)

	Years Ended June 30,	
	2025	**2024**
	$	$
OPERATING ACTIVITIES		
Net loss for the year	(29,607,989)	(17,519,472)
Items not involving cash:		
Depreciation (Note 5)	419,604	360,839
Accretion of accrued reclamation and remediation (Note 8)	128,871	112,733
Foreign exchange gain	3,203	(15,835)
Accretion of interest on lease liabilities	-	1,893
Accretion of interest on loan payable – related party (Note 9)	3,902,525	2,968,415
Share-based payments (Note 11)	401,187	(49,103)
Changes in operating assets and liabilities	(24,752,599)	(14,140,530)
Prepaid expenses and other assets	75,751	132,956
Accounts payable and accrued liabilities	635,186	733,184
Accrued interest payable – related party	2,895,560	1,810,441
Other liabilities	(112,979)	-
Cash used in operating activities	(21,259,081)	(11,463,949)
INVESTING ACTIVITIES		
Purchase of property and equipment (Note 5)	(1,080,827)	(1,855,972)
Acquisition of resource properties (Note 6)	(1,250,933)	(981,298)
Cash used in investing activities	(2,331,760)	(2,837,270)
FINANCING ACTIVITIES		
Payments on leases	-	(24,775)
Proceeds from loan payable – related party (Note 9)	23,834,454	14,848,977
Cash provided by financing activities	23,834,454	14,824,202
Net increase in cash and cash equivalents during the year	243,613	522,983
Effect of exchange rate changes on cash and cash equivalents	11,117	(71,811)
Cash and cash equivalents, beginning of year	570,474	119,302
Cash and cash equivalents, end of year	**825,204**	**570,474**
Cash	401,162	282,584
Cash equivalents	424,042	287,890
Cash and cash equivalents	**825,204**	**570,474**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Sandfire Resources America Inc. (the “Company”) (TSX.V SFR.V) was incorporated on July 30, 1998 under the laws of British Columbia and is a mining exploration and development company. The Company is an 86.9% subsidiary of Sandfire Resources Ltd. (“Parent”), a public company in Australia. The address of the Company’s corporate and head office is 1111 W Hastings St. 15th Floor Vancouver, BC V6E 2J3, Canada. The Company’s stock symbol is "SFR.V" on the TSX Venture Exchange and “SRAFF” on the U.S. OTC Market.

In 2020, the Company has started pre-construction earthworks of the Black Butte Copper project. The ability of the Company to obtain necessary financing to commence the full development and construction of a mine is not certain.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

During the year ended June 30, 2025, the Company incurred a comprehensive net loss of $28,679,714 (June 30, 2024 - $18,068,046), the Company’s cash and cash equivalents were $825,204 (June 30, 2024 – $570,474) and had a working capital deficit of $69,051,708 (June 30, 2024 – $43,814,777). The Company filed the Black Butte Copper Project Technical Report on December 10, 2020. During the years ended June 30, 2025, and 2024, the Company’s subsidiary, Tintina Montana Inc. (“TMI”) and the Company as guarantor, entered into various bridge loan agreements, denominated in USD with Parent for short-term funding of day-to-day operations. The Company will have to raise additional funds to meet planned 2026/27 exploration expenses and future mine development work plans. On June 27, 2025, the Company entered into a fifth variation agreement of the September 2021 bridge loan agreement with its Parent. Under the terms of the agreement the available principal amount of the loan was increased from USD$50 million to USD$59.5 million along with the maturity date being extended to June 30, 2026.

The Company has concluded that the working capital as held at June 30, 2025, is insufficient to fund all committed and non-discretionary expenditures for at least the next twelve months. Unless additional funds are raised, the Company may have insufficient funds to realize its assets and discharge its liabilities in the normal course of business.

On November 1, 2022, the Company announced that the necessary permits to appropriate water for the Black Butte Copper Project were received. Issuance of the water permits triggered an appeal by objectors. On January 2, 2025, the Company received a positive ruling by the Montana Supreme Court upholding a 2023 District Court decision regarding the water rights related to Tintina Montana Inc.’s Mine Operating Permit, of the Black Butte Copper Project (Note 15).

The Company’s history of losses and negative working capital indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The Company plans to address this uncertainty by drawing down on its amended bridge loan agreement (as discussed above) in fiscal year 2026. The Company’s ability to raise funds is dependent on many factors such as the volatility in copper prices, and as such there is no assurance that the Company will be successful in obtaining the required financing for planned exploration and mine development, as well as for general working capital. These financial statements do not contain any adjustments to the amounts that may be required should the Company be unable to continue as a going concern. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICIES

a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"). For these purposes, IFRS comprise the standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accounting policies applied are consistent with those of the previous financial year, unless otherwise noted.

b) Basis of preparation

These consolidated financial statements have been prepared under the historical cost basis, except for financial instruments designated at fair value through profit or loss which are carried at fair value. These consolidated financial statements were approved by the Board of Directors of the Company on September 8, 2025.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned US subsidiary, TMI, which was incorporated in the United States. TMI wholly owns the Black Butte copper underground project. All intercompany balances and transactions have been eliminated on consolidation. The Company consolidates subsidiaries where it has the ability to exercise control. Control of an investee is defined to exist when the investor 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. Particularly, the Company controls investees, if and only if, the Company has all of the following: power over the investee; exposure, or rights to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.

d) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise of cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts, bankers' acceptances and in government treasury bills which are available on demand by the Company for its programs and are not invested in any asset backed deposits/investments. As at June 30, 2024, the Company held $287,890 (USD$210,154) in the money markets which are recorded as cash equivalents.

e) Resource properties and exploration and evaluation expenditures

Resource properties consist of payments to acquire property rights and leases, including on-going annual lease payments and water rights payments. Property acquisition costs are capitalized.

Exploration and evaluation expenditure include costs associated with exploring, investigating, examining, and evaluating an area of mineralization, and assessing the technical feasibility and commercial viability of extracting the mineral resource from that area. Exploration and evaluation expenditure incurred on an area where the commercial viability of extracting the mineral resource has not yet been established is expensed when incurred. Once the technical feasibility and commercial viability of extracting the mineral resource is demonstrable, then any further evaluation costs incurred are capitalized. The recoverability of the resource property is dependent on the successful development and commercial exploration, or alternatively, sale of the respective area of interest.

A resource property is reclassified to mineral properties in Property, and equipment ("PPE") when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Resource properties are assessed for impairment once it is determined that they are technically feasible and commercially viable, and any impairment loss is recognized before reclassification to mine properties. In addition, resource properties are assessed for indicators of impairment at each reporting period. No amortization is charged during the exploration and evaluation phase.

At each reporting period, the Company assesses whether there is an indication that resource properties may be impaired. When impairment indicators exist, or when the decision to proceed with the development of a particular project is taken based on its technical and commercial viability, the Company estimates the recoverable amount of resource properties and compares it against the carrying amount. The recoverable amount is the higher of the fair value less cost of disposal and the resource property's value in use. If the carrying value exceeds the recoverable amount, an impairment loss is recorded in the Consolidated Statement of Loss. In calculating the recoverable amount, the Company will look at market comparable transactions or when appropriate, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the resource property. The cash flows are based on best estimates of expected future cash flows from the continued use of the resource property.

Once a mine has achieved commercial production, resource properties are depleted on a units-of-production basis over the life of the mine.

f) Property and equipment ("PPE")

PPE is stated at the assets acquisition cost (development cost for internally generated PPE) less accumulated depreciation and accumulated impairment losses. PPE can include capitalized borrowing costs where relevant. PPE also includes the initial estimate of reclamation and remediation obligation. Depreciation is recorded over the estimated useful lives of the assets on a straight-line basis as follows:

	Straight line - Useful life (in years)
Equipment	3 - 10
Vehicle	5 - 10
Buildings	20 - 25
Leasehold Improvements	Over the term of the Lease

For PPE assets under construction, depreciation begins once the asset is available for use. Assets under construction include roads, fencing, tailings facility, and land improvements and will be depreciated in accordance with the Company's depreciation policy once placed in service. Depreciation method and useful life for these assets will be determined when the assets are available for use, however, typically mine production assets are depreciated on a units of production basis over the life of mine. Borrowing costs incurred in financing expenditures for an asset under construction are capitalized during the period of construction.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the Consolidated Statement of Loss. Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures are capitalized. The assets' residual values, useful lives, and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

Impairment of property and equipment:

At each statement of financial position date or whenever there are indications of impairment losses, the Company reviews the carrying amounts of its property and equipment to determine whether there is any indication that such assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). There were no indications of impairment losses assessed by the Company during the fiscal year 2025 and 2024 and as a result, no impairment losses were recorded.

g) Foreign currency translation

The Company's consolidated financial statements are presented in Canadian dollars, which is also the parent company's functional currency. Each subsidiary determines its own functional currency and items included in the financial statements of each subsidiary are measured using that functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company and its subsidiary at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date. All differences arising on settlement or translation of monetary items are recognized in net loss before comprehensive loss except for monetary items that are designated as part of the Company's net investment of a foreign operation. These are recognized in other comprehensive income (loss) until the net investment is disposed, at which time the accumulated amount is reclassified to the Consolidated Statement of Loss and Comprehensive Loss.

ii) The Company and its subsidiary

On consolidation the assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statement of loss and comprehensive loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of loss and comprehensive loss. The functional currency of the Company's subsidiary, TMI, is the US dollar.

h) Reclamation and remediation

The Company recognizes liabilities for statutory, contractual, constructive, or legal obligations, including those associated with the reclamation of property, and equipment, and of resource properties, when those obligations result from the acquisition, construction, development, or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made.

The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The associated restoration costs are amortized over the expected useful life of the assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and is also adjusted for changes in the estimated future cash flows underlying any initial estimates.

The Company recognizes its environmental liability when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to the Consolidated Statement of Loss and Comprehensive Loss.

i) Other provisions

Provisions are recognized for liabilities of uncertain timing or amounts that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. The Company had no other provisions as at June 30, 2025, and 2024 other than for accrued reclamation and rehabilitation.

j) Share-based payments

Employees receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The cost of equity-settled transactions is recognized, together with a corresponding increase in the share-based payment reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in Consolidated Statement of Loss for a period represents the movement in cumulative expense recognized for the period. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where a share-based payment is expected to be settled in cash, the fair value of the instruments is recognized as a share-based payment expense with a corresponding increase in liabilities, over the period from the grant date to settlement date. The fair value of the instrument is marked to the quoted market price of the Company's common shares at each reporting date with a corresponding change in the Consolidated Statement of Loss.

When the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met.

k) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by assuming that the proceeds to be received on the exercise of dilutive share options, stock awards, and warrants are used to repurchase common shares at the average market price during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. As at June 30, 2025, there were 1,774,306 (June 30, 2024 – 263,147) RSUs and 1,774,306 (June 30, 2024 – 112,278) PSUs that were excluded from the calculation of the diluted loss per share as their effect was anti-dilutive.

l) Income taxes

i) Current income tax

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the reporting date and includes any adjustments to tax payable or receivable in respect of previous years.

ii) Deferred tax

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of goodwill, or assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

Deferred tax is not recognised for all temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial instruments are initially recorded at fair value, adjusted for directly attributable transaction costs. The Company determines each financial instrument's classification upon initial recognition. Measurement in subsequent periods depends on the financial instrument's classification.

Financial assets

Financial assets are classified and measured at: fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") and amortized cost. Measurement and classification of financial assets is dependent on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset i.e., whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at amortized cost

The Company measures financial assets at amortized cost if both of the following conditions are met: the financial asset is held with the objective to collect contractual cash flows; and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ("SPPI"). This is referred to as the SPPI test. Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Interest received is recognized as part of finance income. Gains and losses are recognized when the asset is derecognized, modified, or impaired. The Company's financial assets at amortized cost include cash, reclamation bonds, and amounts receivable included in other assets.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value i.e., fail the SPPI test. Derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial assets at FVTPL are carried in the Statement of Financial Position at fair value with net changes in fair value recognized in profit or loss. An embedded derivative will often make a financial asset fail the SPPI test thereby requiring the instrument to be measured at FVTPL in its entirety. The Company has no financial assets classified as FVTPL.

Impairment

An expected credit loss ("ECL") impairment model applies which requires a loss allowance to be recognized based on ECLs. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original EIR, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial assets at FVTPL or FVOCI

The Company has no financial assets classified as FVTPL or FVOCI.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Loans and borrowings and payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortized cost using the effective interest method ("EIR"). Gains and losses are recognized in profit or loss when the liabilities are derecognized, as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Loss. Gains and losses are recognized when the financial liability is derecognized. The Company's financial liabilities at amortized cost include accounts payable and accrued liabilities interest payable and loans payable.

A financial liability is derecognized when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Loss.

Financial liabilities at FVTPL

Financial liabilities measured at FVPL include cash settled share-based payments. Financial liabilities measured at FVPL are carried at fair value in the Consolidated Statements of Financial Position with changes in fair value recognized in other income or expense in the Consolidated Statements of Loss.

n) Fair value measurement

The Company discloses the fair value of financial instruments at each reporting date. Also, from time to time, the fair values of non-financial assets and liabilities are required to be determined, e.g., when the entity acquires a business, or where an entity measures the recoverable amount of an asset at fair value less costs of disposal ("FVLCD").

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (an exit price) regardless of whether that price is directly observable or estimated.

o) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive right, then the asset is not identified.
- The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purposed the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    - The Company has the right to operate the asset; or
    - The Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

The Company recognizes a right-to-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The estimated useful life of the right-to-use assets are determined on the same basis as those of property, plant, and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise prices under a purchase price option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements involves the use of judgments and estimates and from assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances at the time, having regard to prior experience, and are continually reviewed and evaluated. Estimates are inherently uncertain and actual results may differ from the amounts included in the financial statements. Revisions to the estimates and assumptions are recognized in the period in which the estimates are revised and in future periods.

Impairment of resource properties

Determining if there are any facts and circumstances indicating impairment loss on resource properties is a subjective process involving judgment and a number of estimates and interpretations in many cases. Determining whether to test for impairment of resource properties requires management's judgment, among others, regarding the following:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

Impairment assessments for resource properties require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, and resources. These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets. In such circumstances, some or all of the carrying amount of the assets may be further impaired or the impairment charge reduced with the impact recognized in the Consolidated Statements of Loss.

These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses could differ in such a situation and significant adjustments to the Company's loss may occur in future periods.

Impairment of PPE

Determining if there are any facts and circumstances indicating impairment loss on property and equipment ("PPE") is a subjective process involving judgment and a number of estimates and interpretations in many cases. Impairment exists when the carrying value of PPE exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from researched sales transactions of similar assets, conducted at arm's length, or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses could differ in such a situation and significant adjustments to the Company's loss may occur in future periods.

Estimated useful life of property, and equipment

Management estimates the useful lives of PPE based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for amortization of property and equipment for any period are affected by these estimated useful lives. The estimates are reviewed at each reporting date and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's PPE in the future.

Determination of technical feasibility and commercial viability of a resource property

The application of the Company's accounting policy for resource properties requires determining when technical feasibility and commercial viability have been demonstrated involves significant judgement, particularly in relation to projects where feasibility assessment may be ongoing over an extended period of time.

In making this determination, management assesses whether a final investment decision has been approved by the Company's board of directors which is an indication of technical feasibility and commercial viability of a project. Absent this approval, other factors are considered, such as the booking of significant quantities of commercial reserves, approval of budgeted expenditure to commence commercial development activities or the actual commencement of expenditure on development activities. As at June 30, 2025, the Company has determined that they are in the exploration and evaluation stage as they are awaiting the results of the ongoing drill program as well as funding commitments from its Parent to continue mine development.

Accrual of reclamation and remediation costs

In determining accrued reclamation and remediation costs, the calculation of discounted cash flows includes various factors that require estimates and judgments including the extent and costs of reclamation and remediation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. The accrued reclamation and remediation costs are subsequently accreted to its full value over time through charges to the Consolidated Statements of Loss. The ultimate magnitude of these costs is uncertain, and cost estimates can vary in response to many factors including changes to the relevant legal requirements, whether closure plans achieve intended reclamation goals, and the emergence of new restoration techniques or experience. The expected timing of expenditures can also change. As a result, there could be significant adjustments to the provision for rehabilitations, which would affect future financial results.

Share-based payments

Management determines costs for equity-settled share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments for share-based payments include estimating the future volatility of the share price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions could affect the fair value estimates.

Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax-related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax-related accruals and deferred income tax provisions in the period in which such determination is made.

Capital contribution from bridge loan

The Company received loans from its parent company at a below-market rate, hence, the benefit is recorded as a capital contribution within equity. Management has determined the market rate is based on the US Federal Reserve Bank investment grade rated CCC or below corporate debt publicly issued in the US domestic market.

4. ACCOUNTING STANDARDS

Accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after July 1, 2025, or later periods. Of those issued, none are not applicable to, or do not have a significant impact on the Company.

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments – Disclosures*. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

(Expressed in Canadian Dollars)

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

In May 2024, the Board issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. IFRS 19 is effective for reporting periods beginning on or after 1 January 2027 and earlier adoption is permitted.

5. PROPERTY AND EQUIPMENT

Cost	Equipment	Vehicle	Buildings and improvements	Assets under construction	Land	Total
	$	$	$	$	$	$
June 30, 2023	445,664	487,880	1,969,886	8,975,874	217,876	12,097,180
Additions	106,663	9,572	578,291	9,153	1,152,293	1,855,972
Revaluation of reclamation and remediation asset	-	-	-	(196,834)	-	(196,834)
Currency translations	14,445	15,813	63,849	289,071	7,061	390,239
June 30, 2024	566,772	513,265	2,612,026	9,077,264	1,377,230	14,146,557
Additions	58,374	49,669	216,209	756,575	-	1,080,827
Transfers	-	-	658,475	(658,475)	-	-
Revaluation of reclamation and remediation asset	-	-	-	(804,959)	-	(804,959)
Currency translations	(2,768)	(2,506)	(12,757)	(44,401)	(6,726)	(69,158)
June 30, 2025	**622,378**	**560,428**	**3,473,953**	**8,326,004**	**1,370,504**	**14,353,267**
Accumulated Depreciation						
June 30, 2023	139,259	227,626	593,750	-	-	960,635
Additions	144,066	73,090	143,683	-	-	360,839
Currency translations	5,871	8,067	20,567	-	-	34,505
June 30, 2024	289,196	308,783	758,000	-	-	1,355,979
Additions	159,903	70,404	189,297	-	-	419,604
Currency translations	(5,398)	(3,263)	(8,418)	-	-	(17,079)
June 30, 2025	**443,701**	**375,924**	**938,879**	**-**	**-**	**1,758,504**
Net book value						
June 30, 2024	277,576	204,482	1,854,026	9,077,264	1,377,230	12,790,578
June 30, 2025	**178,677**	**184,504**	**2,535,074**	**8,326,004**	**1,370,504**	**12,594,763**

(Expressed in Canadian Dollars)

At June 30, 2025, assets under construction consist of partial phase one mine development assets being, roads, pit, land improvements, fencing, and reclamation and remediation asset. These assets will be placed in service once mining and milling of the property begins.

During the year ended June 30, 2025, the Company advanced development on its core shed #4 and as a result capitalized $756,575 of assets under construction. The Company capitalized $216,209 of improvements to its head office and other buildings. During the year ended June 30, 2024, the Company completed the acquisition of the Bar Z land for $882,628 and purchased the office in White Sulphur Springs, Montana, as well as a second building. The acquisition of the two buildings resulted in $540,054 addition to buildings and improvements and $269,665 addition to land.

At June 30, 2025, and 2024, management reviewed its estimated accrued reclamation costs associated with its mineral resource. The revaluation resulted in a decrease of $804,959 (June 30, 2024 - $196,834) to the related asset retirement costs included in assets under construction (Note 8).

As at June 30, 2025, the Company has successfully won both legal challenges as described in Note 15. Management has made the decision to continue to suspend construction of the assets under construction pending the assay results from the 2025 drill program and secured financing to complete phase 1 development. As a result, no borrowing costs were capitalized to assets under construction during the years ended June 30, 2025, and 2024.

6. RESOURCE PROPERTIES AND EXPLORATION AND EVALUATION COSTS

Additions to resource properties during the years ended June 30, 2025, and 2024 were as follows:

	June 30, 2025 $	June 30, 2024 $
Balance, beginning of year	10,773,654	9,473,219
Additions:		
Black Butte Copper 2010 Leases (Note 6i)	822,443	602,438
Black Butte Copper 2011 Leases (Note 6ii)	57,171	54,929
Lease and water use agreement (Note 6iii)	27,410	27,162
Mining lease agreement 2017 (Note 6iv)	13,705	13,581
Mining lease agreement 2023 (Note 6v)	13,986	6,790
Bureau of Land Management payments	316,218	276,398
Total additions	1,250,933	981,298
Currency translation	(103,145)	319,137
Balance, end of the year	11,921,442	10,773,654

Exploration and evaluation costs incurred during the year ended June 30, 2025, were $20,189,984 (June 30, 2024 - $10,213,534).

i) Black Butte Copper 2010 Leases

On May 2, 2010, the Company, through its wholly-owned subsidiary, TMI, entered into mining lease agreements and a surface use agreement (collectively, the “Black Butte Agreements”) with the owners of the Black Butte copper-cobalt-silver property in central Montana, United States.

The Black Butte Agreements, as amended, provide the Company, through TMI, with exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The Black Butte Agreements also provide for surface lease payments and advance minimum royalty payments to be paid to the lessors for the initial 30-year term, in total of approximately USD$13,580,000 (USD$6,186,658 paid as of June 30, 2025) in cash and a Net Smelter Returns (“NSR”) royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of USD$10,000,000.

In addition, due to a purchase option provision in the Black Butte Copper 2010 lease, the Company began paying an individual lessor USD$4,293 annually over 20 years beginning in June 2021.

On August 29, 2024, one of the previous agreements dated May 2, 2010, had the annual surface lease payment increase from USD$10,000 to USD$75,000.

ii) Black Butte Copper 2011 Leases

In June 2011, the Company, through its subsidiary, staked additional claims on federal lands and entered into mining lease agreements. The additional mining lease agreements were entered under similar terms as the Black Butte Agreements as described above. The Company was granted the sole and exclusive use and occupancy of any part of the property that is necessary for exploration and mining activities for an initial term of 30 years, which can be extended by the Company for additional periods of 10 years by giving prior notice within the time specified in the agreements. The additional Black Butte Agreements provide for prior to commercial production, advance minimum royalty payments to be paid to the lessors, in total of USD$1,250,000 in cash (USD$450,000 paid as of June 30, 2025), and a NSR royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% NSR to 2% by making payments to the lessors in total of USD$5,000,000.

iii) Lease and Water Use Agreement

On October 15, 2015, the Company, through TMI, entered into a Lease and Water Use Agreement to lease the water rights to certain locations in Meagher County, Montana, United States, for a term of 30 years. The Company shall pay the owner the sum of USD$20,000 per year, increasing to USD$100,000 per year upon actual mining and production of minerals at the Black Butte Copper property. The Company can terminate the lease and water use agreement at its option.

iv) Mining Lease Agreement 2017

On September 13, 2017, the Company, through TMI, entered into a Mining Lease Agreement for the purpose of mineral exploration and mining in certain lands located in Meagher County, Montana for an initial term of 30 years. In consideration, the Company shall pay the owner an advance minimum royalty payment, in total of USD$555,000 in cash (USD$50,000 paid as of June 30, 2025) and a NSR royalty of 5% after commencement of commercial production, if any. At any time after completion of a feasibility study, the Company has the right to buydown the maximum 5% royalty to 2% in return for a payment of USD$5,000,000 divided pro rata among the mineral owners, and an option to renew the lease for five years. The Company can terminate the mining lease agreement at its option.

v) Mining Lease Agreement 2023

On August 17, 2023, the Company, through TMI, entered into a Mining Lease Agreement for the purpose of mineral exploration and mining in certain lands located in Meagher County, Montana for an initial term of 30 years along with two 10-year extensions. In consideration, the Company shall pay the owner an advance minimum royalty payment, in total of USD$150,000 in cash (USD$15,000 paid as of June 30, 2025) and a NSR royalty of 2% after commencement of commercial production, if any. The Company can terminate the mining lease agreement at its option.

(Expressed in Canadian Dollars)

vi) Reclamation Bond

As at June 30, 2025, the Company had reclamation bonds of $603,436 (USD$443,442) (June 30, 2024 - $606,398 (USD$443,442)) held with Department of Environmental Quality ("DEQ"). The Bonds are recorded as non-current assets on the Consolidated Statements of Financial Position.

vii) Prepaid Mining Property Tax

During the year ended June 30, 2021, the Company was required per its August 2018 Hard Rock Mining Impact Plan (HRMIP) to make mine property tax prepayment of $593,987 (USD$437,000) to cover the immediate impacts for the City of White Sulphur Springs and Meagher County resulting from the planned development of the Black Butte Project. The prepayment will be credited against future property taxes due once the resource taxable assets are constructed and added to the Meagher County property tax lists of taxable assets for the Company. The prepaid mining property tax balance at June 30, 2025 was $594,670 (USD$437,000) (June 30, 2024 - $597,588 (USD$437,000)). There were no additional property taxes paid in the years ended June 30, 2025, and 2024.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company had the following accounts payables and accrued liabilities at June 30, 2025, and 2024.

	June 30, 2025	**June 30, 2024**
	$	$
Trade payables	640,900	601,371
Accrued liabilities and other	1,605,444	1,113,060
Accrued salaries and payroll	351,517	248,244
Total accounts payable and accrued liabilities	**2,597,861**	**1,962,675**

At June 30, 2025, the Company has an account payable (excluding interest payable) to Sandfire Resources Ltd. of $359,362 (June 30, 2024 - $208,028). These amounts owing by the Company are unsecured, non-interest bearing with no fixed terms of repayment. Refer to Note 9 for information about the Company's loans and interest payable to Sandfire Resources Ltd.

8. ACCRUED RECLAMATION AND REMEDIATION

The Company records accrued reclamation costs related to disturbance to its properties would be subject to restoration in the future based upon the present value of its best estimate of future reclamation costs. Activity in the related accrued reclamation and remediation balance for the years ended June 30, 2025, and 2024, is as follows:

	June 30, 2025	**June 30, 2024**
	$	$
Balance, beginning of year	2,846,594	2,735,180
Accretion	128,871	112,733
Changes in discount rate and estimates	(804,959)	(196,834)
Currency translation	(17,160)	195,515
Balance, end of year	**2,153,346**	**2,846,594**

The undiscounted amount of the expected cash flows required to settle the reclamation liability, upon completion of mining and milling activities, is estimated to be USD$2.2 million as at June 30, 2025. The

(Expressed in Canadian Dollars)

Company has estimated that reclamation and remediation payments are expected to be incurred from 2034 to 2053 with the majority of the payments being made in years 2039 to 2042. The liability for the expected cash flows, as reflected in the consolidated financial statements, has been inflated at 2.37% (June 30, 2024 – 3.00%) and discounted using a risk-free rate of 4.78% (June 30, 2024 - 4.40%).

9. LOANS PAYABLE – RELATED PARTY

Beginning in September 2021 and through June 30, 2025, TMI and the Company as guarantor, entered into various bridge loan agreements with Sandfire Resources Ltd. (parent) for short-term funding of day-to-day operations. At June 30, 2025, the bridge loan agreement, as amended, specify that repayment of the loans was initially the earlier of (i) June 30, 2026 or (ii) 7 days after the Company completes either a debt or equity financing with gross proceeds of at least USD$69.5 million. As at June 30, 2025, USD$49.0 (CAD $66.7) million has been borrowed, with a maximum amount available to be borrowed under the bridge loan of USD$59.5 million through one or more advances.

Interest on the loans is set at 5% per annum and interest is payable on the last day of each calendar month. The stated interest rate of the bridge loan was below the market rate for similar loan instruments. For accounting purposes at the date of each advance, the Company discounts the expected payments using a risk-adjusted discount rate and an estimated repayment date. Rates of 11.19% to 14.88% were used for the loans received during the year ended June 30, 2025 (12.87% to 15.41% for the year ended June 30, 2024). Amounts received in excess of fair value on the date of the advances were credited to contributed surplus representing a contribution by Sandfire Resources Ltd.

A summary of the activity for the years ended June 30, 2025, and 2024, is as follows:

	Year ended June 30, 2025	Year ended June 30, 2024
Balance, beginning of the year	$ 40,013,457	$ 25,529,616
Additions	23,834,454	14,848,977
Discount due to below-market interest rate	(5,082,124)	(4,310,750)
Accretion of discount	3,902,525	2,968,415
Currency translation	(885,354)	977,199
Balance, end of the year	$ 61,782,958	$ 40,013,457

	Year ended June 30, 2025	2024
Interest expense (including accretion of discount)	$ 6,798,085	$ 4,850,384

	As at June 30, 2025	As at June 30, 2024
Accrued interest payable	$ 5,523,230	$ 2,800,215

The bridge loan agreement was amended on November 19, 2024 and on June 27, 2025, to increase the maximum amount available to be funded. The amendment resulted in a debit adjustment of $4,247,122 during the year ended June 30, 2025 (June 30, 2024 – $3,745,873) recognized on the loan payable balance on that date, with an offsetting debit to contributed surplus representing a contribution by Sandfire Resources Ltd. The discount was due to the repricing of the carrying value of the outstanding principal of the bridge loan on that date to the market rate for similar loan instruments of 12.66% (June 30, 2024, interest rate 13.95%).

(Expressed in Canadian Dollars)

All other terms and conditions of the bridge loan remain in full force and effect, except as amended. No securities of the Company are issuable under the Agreement.

10. SHARE CAPITAL

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

b) Issued and outstanding at June 30, 2025: 1,023,352,794 (June 30, 2024: 1,023,352,794) common shares.

11. SHARE INCENTIVE PLAN AND SHARE-BASED PAYMENTS

On November 1, 2021, the Company established an Omnibus Share Incentive Plan (the “Plan”) for certain qualified directors, executives, officers, employees, and consultants. The Plan includes options that were issued under the Company’s former stock option plan. Shares delivered under the Plan will generally be from authorized but unissued shares of the Company. The Plan reserves for issuance up to 2.5% of the issued and outstanding share capital of the Company from time to time with the maximum number of shares reserved cannot exceed 102,335,279 shares. Options granted under the Plan are for a term not to exceed 10 years from the date of their grant.

The Plan allows for awards in the following forms: stock purchase option, restricted share unit (“RSU”), performance share unit (“PSU”) or deferred share unit (“DSU”). Options granted under the Plan entitle the recipient to acquire a designated number of shares at a stated exercise price and typically vest over a period specified in the option agreement. DSUs are granted for services rendered, or for future services to be rendered, that typically vest upon issuance. Settlement of DSUs is the date of the recipient’s resignation or termination of employment, retirement, or death. To date, no DSUs have been awarded under the Plan. RSUs and PSUs are granted for services rendered, or for future services to be rendered, that vest based on the passage of time during continued employment or other service relationship over a period determined by the board of directors.

	June 30, 2025	**June 30, 2024**
	$	$
Restricted share unit liability	260,927	68,418
Performance share unit liability	124,892	29,193
Total other liabilities	**385,819**	**97,611**

Restricted Share Units:
The Company is required to record a liability for the potential future settlement of the RSUs at each reporting date by reference to the fair value of the liability. The fair value of the recorded liability in relation to the RSUs was $260,927 as at June 30, 2025 (June 30, 2024 – $68,418). On October 2, 2024, the Company awarded 1,774,306 restricted share units (“RSUs”) that had a grant date fair value based upon the shares price of the Company’s common stock of $0.28 per RSU or $496,806 in total. Once vested each RSU entitles the holder thereof to receive either one common share of the Company, the cash equivalent of one common share or a combination of cash and common shares, as determined by the Company, net of applicable withholdings. The RSUs will vest in three equal tranches, on July 1, 2025, 2026, and 2027.

(Expressed in Canadian Dollars)

During the year ended June 30, 2025, the Company recognized share-based compensation for RSUs of $281,332 (June 30, 2024 - $5,000).

Transactions for cash-settled RSUs outstanding for the years ended June 30, 2025, and 2024, were as follows:

	June 30, 2025 Number of RSUs	**June 30, 2024 Number of RSUs**
Outstanding, beginning of the year	263,147	1,052,586
Granted	1,774,306	-
Settled	(263,147)	(263,147)
Forfeited	-	(526,292)
Outstanding, end of the year	1,774,306	263,147

Performance Share Units:
The Company is required to record a liability for the potential future settlement of the PSUs at each reporting date by reference to the fair value of the liability. A PSU represents the right to receive a subordinated voting share settled by the issuance of treasury shares or purchased on the open market or the cash equivalent at the market value of a share at the vesting date or a combination of cash and shares at the discretion of the Board. These PSUs vest upon completion of the performance period (through 2027) and specific performance conditions set forth for each individual grant for individually defined reporting and operating measurement objectives. The Company determines the factor to be applied to that target number of PSUs, with such percentage based on level of achievement of the performance conditions. Upon the achievement of the conditions, any unvested, PSUs become fully vested. The PSUs will vest in two equal tranches, on July 1, 2026, and 2027.

On October 2, 2024, the Company awarded 1,774,306 performance share units ("PSUs") that had a grant date fair value based upon the shares price of the Company's common stock of $0.28 per PSU or $496,806 in total. The fair value of the recorded liability in relation to the PSUs was $124,892 as at June 30 2025 (June 30, 2024 – $29,193).

During the year ended June 30, 2025, the Company recognized share-based compensation for PSUs of $119,855 (June 30, 2024 – recapture of $54,103). The recapture during the year ended June 30, 2024 was due to the forfeiture of unvested PUSs and determination that specific performance conditions would not be met by vesting date.

Transactions for cash-settled PSUs outstanding for the years ended June 30, 2025, and 2024 were as follows:

	June 30, 2025 Number of PSUs	**June 30, 2024 Number of PSUs**
Outstanding, beginning of the year	112,278	968,383
Granted	1,774,306	-
Milestone achievement adjustment	(40,701)	(336,828)
Settled	(71,577)	(35,085)
Forfeited	-	(484,192)
Outstanding, end of the year	1,774,306	112,278

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES

The following key management personnel compensation and related party transactions took place during the years ended June 30, 2025, and 2024**.**

	For the year ended June 30,	
	2025	**2024**
	$	$
Directors and executive officers' short-term benefits	1,273,450	975,997
Exploration and evaluation costs	445,764	363,678
Share-based compensation (recapture)	401,187	(49,103)
Total remuneration	**2,120,401**	**1,290,572**

(1) Exploration and evaluation costs relates to short-term benefits paid to key management personnel whose primary function is exploration and evaluation, or whose function has been substantially allocated to exploration and evaluation activities.

The remuneration of directors and other members of key management, which includes director and management fees as well as salary and wages, is included in short-term benefits and share-based payments.

During the year ended June 30, 2025, a total of $402,000 (June 30, 2024 - $401,238) of the directors and executive officer's short-term benefits were allocated to non-exploration executive management fees on the statement of loss and comprehensive loss. See notes 7 and 9. As at June 30, 2025, the Company had accounts payable and salary accruals of $356,521 (June 30, 2024 - $303,620) to officers of the Company.

These amounts owing by the Company are unsecured, non-interest bearing with no fixed terms of repayment.

During the year ended June 30, 2025, the Company purchased a vehicle amounting to $49,669 from an officer of the Company. The transaction was conducted at the estimated market value based on a review of listed prices for similar vehicles. There are no outstanding balances as of June 30, 2025, related to this transaction.

During the year ended June 30, 2025, the Company incurred $1,048,751 (June 30, 2024 - $nil) technical advisory fees from its Parent Company.

(Expressed in Canadian Dollars)

13. SEGMENT INFORMATION

The Company's operations are limited to a single industry segment being the acquisition, exploration, and development of resource properties. The resource properties are located in the State of Montana in the United States.

						As at June 30, 2025
		Canada		United States		Total
Other assets	$	208,658	$	2,227,608	$	2,436,266
Property and equipment		-		12,594,763		12,594,763
Resource properties		-		11,921,442		11,921,442
Total Assets	$	208,658	$	26,743,813	$	26,952,471
Total Liabilities	$	581,928	$	71,861,286	$	72,443,214

						As at June 30, 2024
		Canada		United States		Total
Other assets	$	72,628	$	2,190,539	$	2,263,167
Property and equipment		-		12,790,578		12,790,578
Resource properties		-		10,773,654		10,773,654
Total Assets	$	72,628	$	25,754,771	$	25,827,399
Total Liabilities	$	343,711	$	47,376,841	$	47,720,552

		Canada		United States		Total
Net Loss for the year ended June 30, 2025	$	(1,322,022)	$	(28,285,967)	$	(29,607,989)
Net Loss for the year ended June 30, 2024	$	(1,288,614)	$	(16,230,858)	$	(17,519,472)

14. INCOME TAXES

a) Due to continuing losses and availability of net operating loss carry forwards, income tax expense (recovery) was $nil for the years ended June 30, 2025, and 2024.

b) Income tax

Income tax differs from the amount that would result from applying the combined Canadian federal and provincial income tax rates due to the following:

(Expressed in Canadian Dollars)

	June 30, 2025	June 30, 2024
Loss before income tax	$ (29,607,989)	$ (17,519,472)
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	$ (7,994,157)	$ (4,730,257)
Effect on income taxes of:		
Non-deductible items	1,135,952	768,400
Impact of different foreign statutory tax rates	189,610	107,181
Tax effect of tax losses and temporary differences not recognized	6,869,981	3,531,681
Change in estimate and others	(201,386)	322,995
Income tax expense	$ -	$ -

c) Unrecognized deductible temporary differences

As at June 30, 2025, and 2024, the Company had the following deductible temporary differences for which deferred tax assets have not been recognized, because it is not probable that future profit will be available against which these temporary differences may be applied.

	June 30, 2025	June 30, 2024
Non-capital loss carry-forwards	$ 37,871,402	$ 38,164,735
Resource property	130,842,698	108,819,977
Share issuance costs	-	28,160
Share based compensation	454,698	456,929
Interest	5,609,935	2,800,220
Other	742,623	537,621
Total unrecognized temporary differences	$ 175,521,356	$ 150,807,642

At June 30, 2025, the Company has United States net operating loss carry forwards of approximately $10.1 million that expire from June 30, 2028 to 2038 and approximately $21.3 million that do not expire but whose utilization is limited to 80% of net taxable income in any given year. In addition, the Company has state net operating loss carry forward of approximately $21.3 million that expire from June 30, 2029 to 2033. At June 30, 2025, the Company has Canadian non-capital loss carryforwards of approximately $6.5 million that expire from June 30, 2036 to 2045.

The US loss carry-forwards are available to offset against future taxable income; however future use of U.S. loss carry-forwards is subject to certain limitations under provisions of the Internal Revenue Code including limitations subject to Section 382 which could limit the Company's ability to use some of these losses before they expire.

The temporary differences associated with investments in and loans to the Company's subsidiary for which a deferred tax liability has not been recognized in the year aggregate to approximately $47.3 million (2024: $47.2 million) relating primarily to Sandfire Resources Ltd.'s controlling investment in the Company. The Company has determined that the temporary differences associated with its investment in its subsidiary will not reverse in the foreseeable future.

(Expressed in Canadian Dollars)

15. COMMITMENTS AND CONTINGENCIES

Lease commitments

The Company's resource properties are subject to future lease payments. The Company has future lease payments for the Black Butte Copper 2010, 2011, 2017, and 2023 leases, as well as the lease for the water use agreement and mining leases (Note 6). The aggregate annual payments for the Company's four mineral lease agreements and water agreement are due as follows:

	As of June 30, 2025	
	USD $	CDN $
During year ended June 30,		
2026	593,895	808,172
2027	593,895	808,172
2028	593,895	808,172
2029	598,895	814,976
2030	598,895	814,976
Thereafter	6,493,950	8,836,967
Total	9,473,425	12,891,435

Permit

On June 4, 2020, a legal challenge to the issuance of certain permits to the Company was lodged in the 14th Judicial Court in Meagher County, Montana against the DEQ and TMI.

On February 26, 2024, the Company received a positive ruling by the Montana Supreme Court which reversed a 2021 district court decision and instructed the District Judge to have the DEQ completely reinstate Tintina Montana Inc.'s Mine Operating Permit, of the Black Butte Copper Project. The Montana Supreme Court granted the Company's request for summary judgement allowing Black Butte Copper to move forward with construction of its highly engineered, underground copper mine. The Company won on all counts in the Montana Supreme Court decision with a 5-2 decision upholding the 2020 decision of the DEQ to allow copper mining at the Black Butte Copper Project.

Water rights

The Black Butte Copper Project, operated by TMI, proposed underground copper mine is located in the Smith River watershed which is a 'closed basin' to filing of any additional water rights appropriations. For use of water from the mine, other water use must be retired to make the needed water volumes available for the mine.

On November 1, 2022, the Company announced that the necessary permits to appropriate water for the Black Butte Copper Project were received. Issuance of the water permits triggered an appeal by certain objectors.

On January 2, 2025, the Montana Supreme Court in a 5-2 decision affirmed the Company's position and the Montana district court's determination that mine dewatering is not a beneficial use of water and therefore Sandfire's water rights and permits have been upheld.

Management contracts

The Company is party to certain management contracts containing minimum commitments of approximately $797,000 due within one year and additional contingent payments of up to $1,316,000 upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

16. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource properties. The Company does not have any externally imposed capital requirements to which it is subject to other than as noted below.

As at June 30, 2025, and 2024, the Company had capital resources consisting of cash, loans, and equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or adjust the amount of cash through a debt financing.

The Company's investment policy is to invest its cash in investment instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected time of expenditures from operations. There was no change to the Company's capital management approach during the years ended June 30, 2025 and 2024.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2025, the Company may not be compliant with the policies of the TSXV. The impact of non-compliance is currently unknown and is under the discretion of TSXV.

Refer to Note 1 Nature of operations and going concern.

17. FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy has three levels to classify the inputs to valuation techniques used to measure fair value. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (interest rate, yield curves), or inputs that are derived principally from or corroborated observable market data or other means.

Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Cash settled share-based payments carried at fair value are classified as Level 1 in the fair value hierarchy. As at June 30, 2025, and 2024, the carrying value of the Company's financial instruments approximates their fair value due to their short terms to maturity.

Liquidity risk
The Company manages liquidity risk by maintaining an adequate cash balance. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities. The Company's accounts payable and accrued liabilities generally have contractual maturities of less that 30 days and are subject to normal trade terms. Refer to Note 9 for repayment terms for the loans payable.

Interest rate risk
The Company's cash and cash equivalents are subject to interest rate price risk. The Company's interest rate risk management policy for cash and cash equivalents is to purchase highly liquid investments with a term to maturity of three months or less on the date of purchase. The Company does not engage in any hedging activity. The Company earned insignificant interest income during the year ended June 30, 2025, and 2024. The Company's loan payable bears interest at a fixed rate.

Credit risk
The Company maintains substantially all of its cash with major financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. Management believes that the credit risk concentration with respect to its financial instruments is remote.

Foreign currency risk
As the Company operates on an international basis, currency risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the U.S. dollar. A significant portion of the Company's cash, accounts payable, and expenses are denominated in U.S. dollars. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity.

There have been no changes in the Company's objectives and policies for managing the above-mentioned risks and there has been no significant change in the Company's exposure to each risk during the year ended June 30, 2025. As at June 30, 2025, a 10% change in U.S. dollar against Canadian dollar would result in a $2.8 million (June 30, 2024 - $1.0 million) decrease or increase in the Company's net comprehensive loss.