



ESGold Corp.

FORM 51-102F1 MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2025

INTRODUCTION

This management's discussion and analysis ("MD&A") is the responsibility of management and covers the six-month period ended December 31, 2025 of ESGold Corp. and compares the financial results for the six-month period ended December 31, 2025 with those of the six-month period ended December 31, 2024. The MD&A takes into account information available up to and including February 27, 2026 and should be read together with the consolidated audited financial statements and accompanying notes for the year ended June 30, 2025 which are available on the SEDAR+ website at www.sedarplus.ca.

Throughout this MD&A the terms *we*, *us*, *our*, *the Company* and *ESGold* refer to ESGold Corp. All financial information in this document is prepared in accordance with International Financial Reporting Standards ("IFRS") and presented in Canadian dollars unless otherwise indicated.

Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to ESGold Corp. and its operations that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "budget", "estimate", "expect", "intends", "plans", "potential", and similar expressions, as they relate to the Company or its management and operations, are intended to identify forward-looking statements.

These forward-looking statements or information relate to, among other things: the Company's future financial and operational performance; the sufficiency of the Company's current working capital, anticipated cash flow or its ability to raise necessary funds; the anticipated amount and timing of work programs; our expectations with respect to future exchange rates; the estimated cost of and availability of funding necessary for sustaining capital; forecast capital and non-operating spending; and the Company's plans and expectations for its property, exploration and community relations operations.

These forward-looking statements and information reflect the Company's current beliefs as well as assumptions made by, and information currently available to the Company and are necessarily based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic, competitive, political, regulatory, and social uncertainties and contingencies. These assumptions include cost estimates for exploration programs; cost of drilling programs; prices for base and precious metals remaining as estimated; currency exchange rates remaining as estimated; capital estimates; our expectation that work towards the establishment of mineral resource estimates and the assumptions upon which they are based will produce such estimates; prices for energy inputs, labour,

materials, supplies and services (including transportation); no labour-related disruptions at our operations; no unplanned delays or interruptions in scheduled work; all necessary permits, licenses and regulatory approvals for our operations being received in a timely manner and can be maintained; and our ability to comply with environmental, health and safety laws, particularly given the potential for modifications and expansion of such laws. The foregoing list of assumptions is not exhaustive.

Forward-looking statements and information involve known and unknown risks, uncertainties, assumptions, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those expressed or implied in the forward-looking statements (see "Risks and Uncertainties" in this MD&A), there may be other factors which could cause results not to be as anticipated, estimated, described, or intended. Investors are cautioned against attributing undue certainty or reliance on forward-looking statements or information.

Forward-looking statements and information contained herein are made as of the date of this MD&A. The Company does not intend and disclaims any obligation to update or revise forward-looking statements or information, whether as a result of new information, future events, or to reflect changes in assumptions or circumstances or any other events affecting such statements or information, other than as required by applicable law.

RESERVES AND RESOURCES

National Instrument 43-101 ("43-101") of the Canadian Securities Administrators – *Standards of Disclosure for Mineral Projects* – requires that each category of mineral reserves and mineral resources be reported separately. Readers should refer to ESGold's continuous disclosure documents available on SEDAR+ at www.sedarplus.ca for this detailed information, which is subject to the qualifications and notes therein set forth.

DESCRIPTION OF BUSINESS

The Company is a Canadian environmentally aware resource exploration and processing company focused on building a strong asset base through exploration of undervalued projects in Canada. Management has demonstrated expertise in advancing gold exploration projects into acquisition targets, most notably in the province of Quebec. ESGold's principal restoration and recovery project is the Montauban mine property ("Montauban Mine Property" or the "Montauban Project") situated in Quebec, just 80 kilometers west of Quebec City. ESGold will use its expertise in early stage exploration to create shareholder value by attempting to prove out and develop the potential resource in these assets.

The Company is developing the Montauban Mine Property to profitably extract residue minerals while restoring and returning the mine property to environmentally safe standards. The Montauban Mine Property comprises 265 mining claims or 13,116 hectares in the Notre-Dame-de-Montauban municipality, Quebec. The Project is fully permitted to operate 1000 metric tonnes per day through a Merrill-Crowe closed circuit process system for processing tailings at the Montauban Mine. The mill infrastructure in place includes a steel structure building (16,000 square feet), Quebec Hydro power line and all access roads to the mill building and tailings piles. The mill engineering has been completed by Alphard Engineering in Montreal.

The Company is also exploring turning tailings into green construction resources by using polymer to bond processed tailings into various building materials, such as bricks, cinder blocks, paving stones, patio tiles, parking columns and highway Jersey barriers for traffic lane demarcation.

The Company's shares are currently listed on the Canadian Securities Exchange with the trading symbol CSE: ESAU.CN and the OTC Markets OTCQB with the trading symbol ESAUF.

QUALIFIED PERSON

Mr. Andre Gauthier, BSC in Geology Eng., MSC, of Eval Minerals, a Qualified Person under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (NI 43-101) and a senior consulting geoscientist, has reviewed and approved the technical disclosure in this MD&A.

THE COMPANY

ESGold Corp. is an exploration stage company incorporated under the Canada Business Corporations Act on October 22, 2004. On November 29, 2021, the Company was continued to the governing jurisdiction of British Columbia and on July 14, 2022, the Company changed its name from Secova Metals Corp. to ESGold Corp.

The Company's registered office is 1500 - 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

Exploration Summary

		Montauban		Eagle River		Total
Balance, June 30, 2024	\$	6,911,930	\$	50,000	\$	6,961,930
Exploration and evaluation expenditures						
Project management and travel		294,011		-		294,011
		294,011		-		294,011
Write-down of Eagle River project		-		(50,000)		(50,000)
Balance, June 30, 2025	\$	7,205,941	\$	-	\$	7,205,941
Exploration and evaluation expenditures						
Project management and travel		377,361		-		377,361
		377,361		-		377,361
Balance, December 31, 2025	\$	7,583,302	\$	-	\$	7,583,302

Eagle River property, Quebec

During the year ended June 30, 2017, the Company acquired 1084409 B.C. Ltd., 1106632 B.C. Ltd., 1107136 B.C. Ltd., and 1106541 B.C. Ltd. which owns the Eagle River project located in the Windfall Lake gold district, Quebec.

On December 15, 2020, the Company received an NI 43-101 Technical Report on the Eagle River Property and it was the Company's intention to execute Phase 1 of the proposed Exploration plan ("Phase 1"). The initial Phase 1 program had an expected budget of \$364,590. Phase 1 was expected to consist of a basal-till sampling program, general prospecting, and a rock outcrop sampling program; up to 200 samples are expected to be collected during a five-week field program. The work would be completed by a four-person field crew based in fly-in camps; it is likely helicopter assistance would be required to access portions of the property. All basal-till samples for Phase 1 would be collected by a worker-portable drill rig to reach the basal till layer wherever possible. In November 2021, as part of Phase 1, the Company mobilized a Quebec based drill contractor to commence additional overburden drilling, a program intended to provide a preliminary characterization of the property overburden and test basal till for potentially gold anomalism.

In October 2021, the Company entered into a purchase agreement with 9093-6725 Quebec Inc. and Randon Ferderber to acquire a 100% interest in 10 claims totaling 565.3 hectares for cash consideration of \$25,000

and a 2% net smelter royalty ("NSR"). The Company could buy back 1% of the NSR for \$1 million and the remaining 1% NSR for \$2 million. The claims of this property are adjacent to the Company's current Eagle River property holdings and would form part of the Company's Eagle River property.

In November 2021, the Company also commissioned a revised NI 43-101 Technical Report on the Eagle River Property to update for the additional work that were completed, title changes and the new claims that were acquired in October 2021.

On June 30, 2024, the Company determined that the Eagle River property value was impaired and, as a result, was written down to its fair value of \$50,000. A write-off of \$2,207,025 was taken on the property at June 30, 2024. On June 30, 2025, the Company determined that the Eagle River property value was further impaired and, as a result, was written down to its fair value of \$Nil.

Montauban and Chavigny Townships, Quebec

On December 12, 2019, the Company and DNA Canada Inc. ("DNA") entered into a purchase agreement whereby the Company agreed to acquire mining claims and concessions located in the Montauban and Chavigny townships, in the county of Portneuf, in the province of Quebec, as well as buildings, immovables, and other assets and operating permits located on, or with respect to, the property.

The consideration to be paid to DNA consists of the issuance of common shares of the Company in three tranches:

- (i) 1.5 million shares to be issued four months and one day following the closing;
- (ii) 1.5 million shares to be issued eight months following the closing; and
- (iii) 2.0 million shares to be issued one year following the closing of the acquisition.

The 5,000,000 shares as the consideration were ultimately issued to DNA in their entirety on May 24, 2023. On July 24, 2023, an additional 926,210 common shares were issued for debt related to the acquisition of Montauban, valued at \$0.50 per common share for a total debt amount assumed of \$463,105.

As part of the purchase agreement, the Company would acquire some equipment and assumed liabilities totalling \$208,290, which has been entirely settled in cash. A nil balance of it is included in accounts payable and accrued liabilities as at December 31, 2025 (June 30, 2025 - \$Nil).

Completion of the Montauban Project acquisition was conditional upon, among other things, receipt of all necessary regulatory approvals, including approval of the TSX Venture Exchange. The Company submitted the acquisition to the TSX Venture Exchange for approval and the Company received approval on November 23, 2020. The acquisition of the Montauban Project was completed in September 2021.

In November 2021, the Company engaged JPL GeoService Inc., a Quebec based company, to produce a NI 43-101 Technical Report and Mineral Resource estimate on the Montauban Project. The NI 43-101 Technical Report was completed in February 2022 and is available for view on SEDAR+ at www.sedarplus.ca.

As at December 31, 2025, the Company had incurred a total of \$7,583,302 (June 30, 2025 - \$7,205,941) which included the acquisition costs for the Montauban Project, recording an asset retirement obligation, and engineering, legal, drilling program and project management and travel costs.

FINANCIAL

The consolidated financial statements have been prepared on the assumption that the Company is a going concern that contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has incurred a net loss during the six-month period ended December 31, 2025 of \$5,142,407 (2024 - \$1,160,922). The Company had working capital at December 31, 2025 of \$10,471,281 (June 30, 2025 working capital – \$2,877,564) and current liabilities of \$2,938,649 (June 30, 2025 - \$2,702,315). The ability of the Company to continue as a going concern is dependent on obtaining the financing necessary to continue operations and, ultimately, on attaining profitable operations. Funding for operations is raised primarily through equity financing. No provision has been made in these consolidated financial statements for any adjustments to the carrying value of exploration and evaluation and other assets should the Company not be able to continue as a going concern. Such adjustments could be material.

Although there is no certainty, management is of the opinion that additional funding for future projects and operations can be raised as needed. If the Company is unsuccessful in obtaining adequate financing in the future due to prolonged economic decline, exploration activities will be postponed until market conditions improve. The Company's continuation as a going concern is dependent upon the successful implementation of its strategy to extract gold and silver from its tailings and rock projects and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operations. These material uncertainties, circumstances and conditions may cast significant doubt about the Company's ability to continue as a going concern. There are many external factors that can adversely affect general workforces, economies and financial markets globally. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and its effect on the Company's business or ability to raise capital.

The Company has no significant source of operating cash flow and no revenues from operations as of December 31, 2025. The Company's Montauban Project currently has identified reserves and the Company has some but limited financial resources. Substantial expenditures are required to be made by the Company to assemble a production mill to extract gold and silver.

Future revenue could be generated by the internal development of one or more of the projects of the Company, should this prove economic and feasible, but there is no assurance that this will take place now or at any time. In the meantime, the Company intends to continue to rely upon the issuance of securities to finance its future activities. Still, there can be no assurance that such financing will be available on a timely basis or on terms acceptable to the Company.

Results of Operations

Summary of Quarterly Results

	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025
Total assets	\$ 23,090,563	\$ 19,742,440	\$ 13,349,275	\$ 9,786,297
Working capital (deficiency)	10,471,281	8,515,616	2,877,564	1,436,050
Shareholders' equity	19,751,914	16,985,025	10,206,960	5,962,937
Loss and comprehensive loss	(1,258,342)	(3,884,065)	(1,692,212)	(791,373)
Loss per share	(0.01)	(0.05)	(0.03)	(0.02)

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024
Total assets	\$ 7,052,377	\$ 7,603,036	\$ 7,114,533	\$ 9,567,679
Working capital (deficiency)	(1,212,989)	(712,701)	(1,012,257)	(1,315,374)
Shareholders' equity	3,236,388	3,730,230	3,427,673	5,586,007
Loss and comprehensive loss	(749,525)	(411,396)	(2,914,823)	(202,134)
Loss per share	(0.16)	(0.01)	(0.09)	(0.01)

Three-month period ended December 31, 2025 compared to December 31, 2024:

The Company had a net loss and comprehensive loss of \$1,258,342 versus \$749,525 in the comparative period, representing an increase of \$508,817. The increase in the net loss and comprehensive loss during the three-month period ended December 31, 2025 is mainly attributable to higher consulting fees, professional fees and marketing expenses, partially offset by lower share-based payments.

The following expenses increased during the three-month period ended December 31, 2025: Consulting fees (2025 - \$681,124; 2024 - \$178,256), Marketing expenses (2025 - \$348,506; 2024 - \$256,911), Filing and transfer agent fees (2025 - \$44,692; 2024 - \$39,261), Professional fees (2025 - \$142,358; 2024 - \$40,566), Office and sundry (2025 - \$16,984; 2024 - \$14,282) and Travel costs (2025 - \$26,318; 2024 - \$3,242).

The following expenses decreased during the three-month period ended December 31, 2025: Share-based payments (2025 - \$52,080; 2024 - \$199,704).

Six-month period ended December 31, 2025 compared to December 31, 2024:

The Company had a net loss and comprehensive loss of \$5,142,407 versus \$1,160,922 in the comparative period, representing an increase of \$3,981,485. The increase in the net loss and comprehensive loss during the six-month period ended December 31, 2025 is mainly attributable to higher consulting fees, professional fees, marketing expenses and share-based payments.

The following expenses increased during the six-month period ended December 31, 2025: Consulting fees (2025 - \$809,552; 2024 - \$383,949), Marketing expenses (2025 - \$959,774; 2024 - \$374,211), Filing and transfer agent fees (2025 - \$66,350; 2024 - \$43,301), Professional fees (2025 - \$194,625; 2024 - \$73,260), Travel costs (2025 - \$49,090; 2024 - \$7,073) and Share-based payments (2025 - \$3,130,211; 2024 - \$199,704).

The following expenses decreased during the three-month period ended December 31, 2025: Office and sundry (2025 - \$27,490; 2024 - \$43,272).

Selected Annual Information

The following financial information as at and for the years ended June 30, 2025, June 30, 2024 and June 30, 2023 have been prepared in accordance with IFRS.

	Year Ended		
	June 30, 2025	June 30, 2024	June 30, 2023
Total income	-	-	-
Loss and comprehensive loss for the year	(3,644,507)	(3,687,503)	(3,710,234)
Basic and diluted loss per share	(0.07)	(0.11)	(0.15)
Total assets	13,349,275	7,114,533	9,104,932
Working capital (deficiency)	2,877,564	(3,094,257)	(611,055)

Year ended June 30, 2025 compared to June 30, 2024

The Company had a net loss and comprehensive loss of \$3,644,507 versus \$3,687,503 in the comparative year, representing a decrease of \$42,996 or 1.2%. The decrease in the net loss and comprehensive loss during the year ended June 30, 2025 is mainly attributable to a lower write-off of exploration and evaluation assets, to a recovery of Indemnity and Part XII.6 taxes, offset by higher consulting fees, higher marketing expenses, higher filing and transfer agent fees and higher share-based payments.

The following expenses increased during the year ended June 30, 2025: Consulting fees (2025 - \$1,086,026; 2024 - \$516,405), Marketing expenses (2025 - \$1,825,515; 2024 - \$242,778), Filing and transfer agent fees (2025 - \$123,716; 2024 - \$34,336), Interest expense (2025 - \$33,935; 2024 - \$22,182), Foreign exchange loss (2025 - \$85,787; 2024 - \$474).and Share-based payments (2025 - \$766,717; 2024 - \$437,470).

The following expenses decreased during the year ended June 30, 2025: Write-off of exploration and evaluation assets (2025 - \$50,000; 2024 - \$2,207,025) and recovery of Indemnity and Part XII.6 taxes (2025 - \$757,000; 2024 - \$Nil).

Liquidity and Capital Resources

ESGold's exploration and evaluation asset activities do not provide a source of income and the Company therefore has a history of losses and an accumulated deficit. However, given the nature of our business, the results of operations as reflected in the net losses and losses per share do not provide meaningful interpretation of our valuation.

The Company has financed its operations to date primarily through equity financings. The Company will continue to seek capital through equity financings and/or debt financings.

Operating activities: The Company does not generate any revenues and generally does not receive any cash from operating activities. Net cash used in operating activities during the six-month period ended December 31, 2025 was \$1,744,366 compared to net cash used in operating activities of \$816,403 during the comparative six-month period ended December 31, 2024. The increase in cash used in operating activities is primarily due to a higher cash loss from operations before working capital changes (2025 - \$1,966,799; 2024 - \$961,218), partially offset by an increase in working capital from sales tax receivable, prepaid expenses and accounts payables and accrued liabilities (2025 - \$222,433; 2024 - \$144,815).

Investing activities: Net cash used in investing activities during the six-month period ended December 31, 2025 was \$2,071,527 compared to net cash used in investing activities of \$45,337 during the comparative six-month period ended December 31, 2024. This is due primarily to Mill building and equipment expenditures on the Montauban Project and additional exploration costs incurred on the Company's Montauban Project.

Financing activities: Cash inflow provided from financing activities during the six-month period ended December 31, 2025 was \$11,939,900 compared to a cash inflow of \$759,932 during the comparative six-

month period ended December 31, 2024. The cash increase during the six-month period ended December 31, 2025 was mainly attributable to the net proceeds from a non-brokered private placement that closed in September 2025, a flow-through placement that closed in December 2025, and from the exercise of warrants of \$391,476 and stock options of \$176,960, partially offset by the repayment of loans in the amount of \$151,250.

The consolidated financial statements do not reflect adjustments, which could be material, to the carrying value of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

Stock Options

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at June 30, 2024	2,480,000	\$ 0.60
Granted	2,725,000	0.20
Expired/Forfeited	(1,185,000)	(0.83)
Exercised	(1,095,000)	(0.17)
Outstanding as at June 30, 2025	2,925,000	\$ 0.18
Granted	2,000,000	1.35
Expired/Forfeited	(50,000)	(0.24)
Exercised	(1,113,000)	(0.16)
Outstanding as at December 31, 2025	3,762,000	\$ 0.90

There were 3,762,000 stock options outstanding at December 31, 2025 (June 30, 2025 – 2,925,000). A total of 3,762,000 stock options are exercisable as at December 31, 2025 (June 30, 2025 – 2,925,000).

The terms of stock options of the Company outstanding at December 31, 2025 are summarized as follows:

Number of Options	Number of Options Exercisable	Exercise Price	Expiry date
200,000	200,000	\$ 0.60	January 12, 2026
500,000	500,000	\$ 0.135	March 1, 2026
250,000	250,000	\$ 0.24	May 21, 2026
60,000	60,000	\$ 0.50	May 3, 2027
217,000	217,000	\$ 0.47	May 14, 2027
330,000	330,000	\$ 0.50	May 30, 2027
100,000	100,000	\$ 0.50	June 14, 2027
25,000	25,000	\$ 0.85	September 13, 2027
150,000	150,000	\$ 1.24	July 9, 2027
80,000	80,000	\$ 0.70	January 17, 2028
1,850,000	1,850,000	\$ 1.36	July 16, 2030
3,762,000	3,762,000		

Warrants

The terms of warrants of the Company outstanding as at December 31, 2025 are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at June 30, 2024	137,037	\$ 0.20
Granted	28,475,024	0.58
Exercised	(6,246,050)	(0.15)
Outstanding as at June 30, 2025	22,366,011	\$ 0.66
Granted	11,281,157	1.09
Exercised	(1,402,480)	(0.28)
Outstanding as at December 31, 2025	32,244,688	\$ 0.68

The terms of share purchase warrants of the Company outstanding at December 31, 2025 are summarized as follows:

Number of Warrants	Exercise Price	Expiry Date	Remaining Life (Years)
111,111	\$ 0.27	May 6, 2026	0.35
15,626,041	\$ 0.30	April 11, 2027	1.28
5,226,379	\$ 0.91	December 25, 2026	0.98
11,281,157	\$ 1.10	September 18, 2028	2.72
32,244,688	\$ 0.68		1.73

Contractual Obligations

Except as described herein or in the Company's consolidated financial statements at December 31, 2025, the Company had no material financial commitments.

Off Statement of Financial Position Arrangements

At December 31, 2025, the Company had no material off statement of financial position arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Capital Resources

The Company will continue to seek capital through public markets by issuing equity securities. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

Outstanding Share Data

During the year ended June 30, 2024, the Company completed a share consolidation of ten (10) old common shares for one (1) new common share. All common share and per share amounts have been retroactively restated to present the share consolidation.

As at the date of this MD&A, the Company had 99,725,002 common shares issued and outstanding, 32,244,688 share purchase warrants and 2,812,000 stock options. See Note 9, *Share Capital and Reserves*, in the Company's financial statements for the six-month period ended December 31, 2025.

Related Party Transactions

Key management personnel comprise of the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer and the Directors of the Company.

A total of \$249,833 was included in the financial statements as earned by key management during the six-month period ended December 31, 2025 (2024 - \$370,000). Amounts included in accounts payable to key management at December 31, 2025 was \$250,001 (June 30, 2025 - \$231,756).

Key management personnel of the Company were issued 500,000 stock options and 500,000 restricted share units during the six-month period ended December 31, 2025 (2024 - Nil). A certain portion, 550,000 restricted share units (2024 - Nil), of the restricted share units issued to key management during the year ended June 30, 2025 vested and were issued from the Company's treasury shares during the six-month period ended December 31, 2025. The unvested portion of the restricted share units are shown as treasury shares on the balance sheet at December 31, 2025 and June 30, 2025. Share-based payments expense relating to the vested portion of the restricted share units issued to key management personnel for the six-month period ended December 31, 2025 amounted to \$698,275 (2024 - \$Nil).

Financial Risk Factors

The Company is exposed to varying degrees to a variety of financial instrument related risks as summarized and disclosed below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash, receivables and advances. The Company's cash is held at a large Canadian financial institution in interest bearing accounts for which management believes the risk of loss to be minimal. Receivables mainly consist of GST receivable from the government of Canada and QST receivable from the provincial government of Quebec.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach at managing liquidity risk is have sufficient liquidity to meet liabilities when due.

As at December 31, 2025, the Company had working capital of \$10,471,281 (June 30, 2025 - \$2,877,564) and current liabilities of \$2,938,649 (June 30, 2025 - \$2,702,315). While the Company has been successful in obtaining its required funding in the past there is no assurance that this financing will be extended or that any additional future financing will be available. The Company continues to investigate financing options, including equity financings.

The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and commodity and equity prices.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

b) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

c) Foreign currency risk

The Company's foreign exchange risk arises from transactions denominated in other currencies, primarily in United States dollars. Through this, the Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in U.S. dollars. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

Risk Factors

Companies in the exploration stage face a variety of risks and, while unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible. The Company faces a variety of risk factors such as project feasibility and practically, development of projects, risks related to determining the validity of mineral property title claims, commodities prices and environmental laws and regulations. Management monitors its activities and those factors that could impact them in order to manage risk and make timely decisions.

Accounting standard adopted during the year**Amendments to IAS 1**

Amendments to IAS 1, *Presentation of Financial Statements*, clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity. The Company has reclassified its provision for indemnity to current liabilities. There was no effect to operating loss, loss per shares or cumulative effect to retained earnings. Prior year balances have been restated to conform to the current year presentation.

New accounting standard not yet effective**IFRS 18 – Presentation and Disclosure in Financial Statements**

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

financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

Critical Accounting Policies and Estimates

The Company's accounting policies are described in Notes 2 and 3 of its consolidated financial statements for the year ended June 30, 2025. Management considers the following policies to be the most critical in understanding the judgments that are involved in the preparation of the consolidated financial statements and the uncertainties that could impact its results of operations, financial condition and cash flows:

Use of estimates and significant judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to:

The Company uses significant judgement in assessing for signs of impairment on the exploration and evaluation assets. Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

The valuation of shares issued in non-cash transactions. Generally, the valuation of non-cash transactions is based on the value of the good or services received. When this cannot be determined, it is based on the fair value of the non-cash consideration. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

The determination of deferred income tax assets and liabilities is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

Share-based payments is subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's stock options have characteristics significantly different from those of traded options and because the subjective input assumptions can materially affect the calculated fair value, such value is subject to measurement uncertainty.

The Company utilizes significant judgement in assessing its compliance with relevant flow through financing tax requirements including the determination of qualified eligible expenditures to reduce flow through spending obligations.

The Company's asset retirement obligation represents management's best estimate of the present value of the future cash outflows required to settle the liabilities, which reflects estimates of future costs, inflation, and assumptions of risks associated with the future cash outflows, and the applicable risk free interest rates for discounting the future cash outflows. Changes in the above estimates and assumptions can result in changes to the provisions recognized by the Company.

Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. Upon expiry or forfeiture, the recorded value is transferred to deficit.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Subsequent events

Subsequent to the period ended December 31, 2025, the Company issued 750,000 common shares upon the exercise of stock options for total gross proceeds of \$127,500 and an additional 200,000 stock options with an exercise price of \$0.60 expired.

Subsequent to the period ended December 31, 2025, the Company repaid the \$40,000 outstanding on the CEBA note payable and paid additional interest of \$4,027 that had accrued.