

THESIS

GOLD & SILVER



THESIS GOLD & SILVER INC.

Condensed Interim Financial Statements

For the three and six months ended August 31, 2026 and 2025

	Note	August 31, 2026	February 28, 2026
ASSETS			
Current assets			
Cash		\$ 121,684,680	\$ 76,105,041
Goods and services tax receivable		541,261	193,824
Mining exploration tax credit receivable	5	3,121,587	1,814,344
Other receivables		35,797	34,381
Prepaid expenses and deposits	6	845,002	485,213
		126,228,327	78,632,803
Non-current assets			
Deposits	6	962,082	635,370
Equipment		39,362	43,736
Exploration and evaluation assets	7	239,970,870	219,769,471
Reclamation bonds collateral	8	553,017	553,017
Right-of-use assets	9	1,489,786	800,539
Total assets		\$ 369,243,444	\$ 300,434,936
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10,15	\$ 14,177,865	\$ 2,166,446
Flow-through share premium liability	11	6,805,485	1,469,216
Current portion of lease liabilities	12	343,699	192,989
		21,327,049	3,828,651
Non-current liabilities			
Asset retirement obligation	13	2,482,803	2,175,488
Deferred income tax liability		22,217,645	20,497,194
Long-term portion of lease liabilities	12	1,154,963	616,678
Total liabilities		\$ 47,182,460	\$ 27,118,011
SHAREHOLDERS' EQUITY			
Share capital	14(b)	\$ 348,818,514	\$ 290,686,349
Share subscriptions received	14(b)	-	423,858
Reserves	14	19,509,097	19,412,615
Deficit		(46,266,627)	(37,205,897)
Total shareholders' equity		\$ 322,060,984	\$ 273,316,925
Total liabilities and shareholders' equity		\$ 369,243,444	\$ 300,434,936

Subsequent events (Note 17)

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

/s/ Lisa Peterson
Director

/s/ Ewan Webster
Director

	Note	Three months ended August 31,		Six months ended August 31,	
		2026	2025	2026	2025
Operating expenses					
Marketing and investor relations		\$ (117,162)	\$ (298,297)	\$ (429,636)	\$ (670,566)
Office and administration		(254,477)	(267,483)	(560,795)	(324,576)
Professional fees		(2,295,309)	(377,254)	(3,209,241)	(1,062,011)
Regulatory and filing fees		(57,031)	(90,655)	(88,441)	(94,254)
Right-of-use assets depreciation	9	(53,370)	(53,369)	(106,739)	(106,738)
Salaries and benefits	15	(1,435,762)	(949,508)	(2,934,791)	(1,296,403)
Share-based compensation	14, 15	(964,217)	(489,858)	(2,326,906)	(554,867)
		(5,177,328)	(2,526,424)	(9,656,549)	(4,109,415)
Other income (expenses)					
Accretion on asset retirement obligation	13	\$ (40,267)	\$ -	\$ (40,267)	\$ -
Interest income		487,182	362,873	947,367	587,039
Interest expense		(542)	-	(542)	-
Leases interest expense	12	(39,033)	(23,766)	(59,504)	(56,986)
Settlement of flow-through share premium liability	11	803,693	3,084,970	1,469,216	3,449,704
Income (loss) before tax		(3,966,295)	897,653	(7,340,279)	(129,658)
Deferred income tax expense		(1,835,555)	(2,635,722)	(1,720,451)	(2,486,468)
Net loss and comprehensive loss		\$ (5,801,850)	\$ (1,738,069)	\$ (9,060,730)	\$ (2,616,126)
Net loss per share:					
Basic and diluted		\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.01)
Weighted average number of shares outstanding:					
Basic and diluted		280,384,449	249,129,312	279,421,425	235,575,719

	Six months ended August 31,	
	2026	2025
Operating activities		
Net loss for the period	\$ (9,060,730)	\$ (2,616,126)
Adjustments for:		
Right-of-use assets depreciation	106,739	106,738
Share-based compensation	2,326,906	554,867
Accretion on asset retirement obligation	40,267	-
Leases interest expense	59,504	56,986
Settlement of flow-through share premium liability	(1,469,216)	(3,449,704)
Deferred income tax expense	1,720,451	2,486,468
Changes in non-cash working capital:		
Goods and services tax receivable	(347,437)	(847,900)
Other receivables	(1,416)	1,899
Prepaid expenses and deposits	(726,501)	(455,714)
Accounts payable and accrued liabilities	2,605,124	2,007,225
Cash used in operating activities	\$ (4,746,309)	\$ (2,155,261)
Investing activities		
Exploration and evaluation asset expenditures	\$ (11,968,838)	\$ (12,276,358)
Disposition of short-term investments	-	25,000
Mining exploration tax credit receipts	179,807	3,308,725
Cash used in investing activities	\$ (11,789,031)	\$ (8,942,633)
Financing activities		
Proceeds from private placements	\$ 28,462,112	\$ 24,163,965
Proceeds from flow-through private placements	29,999,999	27,569,930
Proceeds from agents' warrant exercises	255,000	180,000
Proceeds from stock option exercises	3,677,370	979,863
Share issuance costs	(111,113)	(1,934,218)
Leases payments	(168,389)	(131,443)
Cash provided by financing activities	\$ 62,114,979	\$ 50,828,097
Change in cash	45,579,639	39,730,203
Cash, beginning of period	76,105,041	9,390,294
Cash, end of period	\$ 121,684,680	\$ 49,120,497
Supplemental disclosure of operating cash flows		
Cash interest received	\$ 947,367	\$ 587,039

THESIS GOLD & SILVER INC. (formerly Thesis Gold Inc.)
Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian dollars, except number of shares)



	Common shares	Share capital	Share subscriptions received	Reserves (Note 14)	Deficit	Total shareholders' equity
Balance, February 28, 2025	212,826,496 \$	197,460,278 \$	- \$	18,150,865 \$	(31,299,655) \$	184,311,488
Shares issued for cash	23,460,160	24,163,965	-	-	-	24,163,965
Issuance of flow-through shares	18,814,000	27,569,930	-	-	-	27,569,930
Flow-through share premium liability	-	(7,815,230)	-	-	-	(7,815,230)
Share issuance costs	-	(1,934,218)	-	-	-	(1,934,218)
Stock options exercise	1,470,012	1,615,835	-	(695,972)	-	919,863
Agents' warrants exercise	300,000	237,000	-	(57,000)	-	180,000
Share-based compensation	-	-	-	554,867	-	554,867
Net loss and comprehensive loss	-	-	-	-	(2,616,126)	(2,616,126)
Balance, August 31, 2025	256,870,668	241,297,560	-	17,952,760	(33,915,781)	225,334,539
Shares issued for cash	16,658,050	45,462,931	-	-	-	45,462,931
Share issuance costs	-	(160,169)	-	-	-	(160,169)
Stock options exercise	1,556,920	1,624,774	423,858	(367,568)	-	1,681,064
Agents' warrants exercise	2,266,630	2,461,253	-	(284,482)	-	2,176,771
Share-based compensation	-	-	-	2,111,905	-	2,111,905
Net loss and comprehensive loss	-	-	-	-	(3,290,116)	(3,290,116)
Balance, February 28, 2026	277,352,268	290,686,349	423,858	19,412,615	(37,205,897)	273,316,925
Shares issued for cash	8,342,257	28,462,112	-	-	-	28,462,112
Issuance of flow-through shares	6,302,857	29,999,999	-	-	-	29,999,999
Share issuance costs	-	(111,113)	-	-	-	(111,113)
Flow-through share premium liability	-	(6,805,485)	-	-	-	(6,805,485)
Stock options exercise	2,470,928	6,250,902	(423,858)	(2,149,674)	-	3,677,370
Agents' warrants exercise	425,000	335,750	-	(80,750)	-	255,000
Share-based compensation	-	-	-	2,326,906	-	2,326,906
Net loss and comprehensive loss	-	-	-	-	(9,060,730)	(9,060,730)
Balance, August 31, 2026	294,893,310 \$	348,818,514 \$	- \$	19,509,097 \$	(46,266,627) \$	322,060,984

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

1. NATURE OF OPERATIONS

Thesis Gold & Silver Inc. (formerly Thesis Gold Inc.) (the “Company” or “Thesis”) was incorporated pursuant to the Business Corporations Act of British Columbia on November 9, 2010. Its registered office is located at 700 West Georgia Street, Suite 2200, Vancouver, British Columbia, Canada, V7Y 1K8. The principal place of business is located at 1075 West Georgia Street, Suite 1050, Vancouver, British Columbia, Canada, V6E 3C9. The Company is listed for trading on the TSX Venture Exchange under the symbol “TAU”, on the OTCQX under the symbol “THSGF”, and on the Frankfurt Stock Exchange under symbol “A422AH”.

Thesis is a Canadian precious metals mining company focused on advancing its 100%-owned Lawyers-Ranch gold-silver project in British Columbia’s Toodoggone Mining District, one of North America’s most prospective emerging precious-metals districts.

On March 1, 2025, the Company completed a vertical short-form amalgamation (“Amalgamation”) under the Business Corporations Act with its wholly owned subsidiary, Thesis Gold (Holdings) Inc. Following the Amalgamation, the resulting entity adopted the name “Thesis Gold Inc.”, maintained the same articles and management as the Company, issued no new securities and maintained the symbol “TAU”.

On February 19, 2026, the Company changed its name from Thesis Gold Inc. to Thesis Gold & Silver Inc., with its shares continuing to trade under the symbol “TAU”.

For the three and six months ended August 31, 2026, the Company had no operating revenue and incurred net losses of \$5,801,850 and \$9,060,730, respectively (2025 - \$1,738,069 and \$2,616,126, respectively). With cash of \$121,684,680 (February 28, 2026 - \$76,105,041) and working capital of \$104,901,278 (February 28, 2026 - \$74,804,152) at August 31, 2026, the Company believes that it has adequate resources to fund its planned exploration, evaluation and general corporate expenditures for at least twelve months from the reporting date. Accordingly, these condensed interim financial statements are prepared on a going concern basis.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed interim financial statements were approved by the Company’s Board of Directors and authorized for issuance on October 14, 2026.

These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* (“IAS 34”). These condensed interim financial statements do not include all disclosures required by IFRS® Accounting Standards for annual financial statements. Accordingly, they should be read in conjunction with the Company’s audited financial statements for the year ended February 28, 2026 (the “Annual Financial Statements”).

b) Basis of measurement

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars. The functional currency of the Company is the Canadian dollar, which is the currency of the primary economic environment in which it operates.

d) Operating segments

The Company operates in one operating segment, being the acquisition, exploration and evaluation of mineral properties in Canada. The Company's Chief Executive Officer, who has been identified as the chief operating decision maker, reviews the results of the Company from the perspective of advancing the Lawyers-Ranch gold-silver project for the purpose of allocating resources and assessing performance. All the Company's non-current assets are located in Canada, and the Company has no revenues from external customers.

e) Comparative period information

Certain comparative amounts for the six months ended August 31, 2025, have been reclassified to conform with the current period's presentation.

f) Change of financial year-end

Pursuant to National Instrument 51-102 – *Continuous Disclosure Obligations*, the Company decided to align its financial statement and continuous disclosure requirements with the majority of its industry peers by changing its financial year-end from the last day of February to December 31, effective March 1, 2026.

During the transition period resulting from this change of year-end, the Company will prepare financial statements for the ten-month period ending December 31, 2026, and condensed interim financial statements for the three-month period ending May 31, 2026, and the three- and six-month periods ending August 31, 2026. Commencing January 1, 2027, the Company will prepare financial statements for the years ending December 31 and condensed interim financial statements for the quarterly periods ending March 31, June 30 and September 30.

3. MATERIAL ACCOUNTING POLICIES

In the preparation of these financial statements, the Company used the same accounting policies as those applied in the Annual Financial Statements.

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18"). IFRS 18 replaces IAS 1 *Presentation of Financial Statements* ("IAS 1") while retaining many of the requirements in IAS 1. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 requires retrospective application with specific transition provisions. The Company is currently assessing the effects of IFRS 18 on its financial statements.

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. These amendments updated classification and measurement requirements in IFRS 9 *Financial Instruments* and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company adopted these amendments effective March 1, 2026, with no material impact on the condensed interim financial statements.

No new accounting pronouncements have been early adopted in the six months ended August 31, 2026.

There are no new accounting pronouncements effective for the 10-month reporting period beginning on March 1, 2026, that have a significant impact on the Company's financial statements.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these condensed interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The critical judgments and estimates applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements.

5. MINING EXPLORATION TAX CREDIT RECEIVABLE

The British Columbia mining exploration tax credit is a refundable tax credit equal to 20% of eligible mining exploration expenditures incurred in British Columbia, net of any assistance received. The portion of the Lawyers-Ranch Project located in designated Mountain Pine Beetle affected areas qualifies for a higher rate of 30%.

A summary of the Company's mining exploration tax credit receivable is as follows:

Balance, February 28, 2025	\$	4,646,781
Additions		476,288
Cash receipts		(3,308,725)
Balance, February 28, 2026		1,814,344
Additions		1,487,050
Cash receipts		(179,807)
Balance, August 31, 2026	\$	3,121,587

6. PREPAID EXPENSES AND DEPOSITS

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

	August 31, 2026	February 28, 2026
Prepaid expenses	\$ 518,752	\$ 475,213
Deposits	326,250	10,000
	\$ 845,002	\$ 485,213

At August 31, 2026, non-current deposits consist of exploration program deposits totaling \$962,082 (February 28, 2026 - \$635,370).

7. EXPLORATION AND EVALUATION ASSETS

The combined Lawyers-Ranch Project comprises 133 mining claims (102 contiguous claims and 31 non-contiguous claims) covering 502.9 square kilometers in the Toodoggone Mining District of northern British Columbia. Net smelter returns of 0.5% and 2% are applicable to 37 claims and 31 claims, respectively.

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

Balance, February 28, 2025	\$ 189,003,885
Camp support	1,096,836
Community relations	3,007,702
Drilling	11,642,111
Environmental and engineering	11,341,292
Geologists' fees and assays	2,929,494
Permits	92,831
Travel and contractors' overhead costs	1,180,155
Reclamation	8,224
Mining exploration tax credit recoverable	(533,059)
Balance, February 28, 2026	219,769,471
Camp support	1,181,032
Community relations	1,761,202
Drilling	8,287,279
Environmental and engineering	7,301,397
Geologists' fees and assays	1,628,673
Permits	23,769
Travel and contractors' overhead costs	1,238,049
Reclamation	267,048
Mining exploration tax credit recoverable	(1,487,050)
Balance, August 31, 2026	\$ 239,970,870

8. RECLAMATION BONDS COLLATERAL

To obtain mineral exploration permits, the Company is required to place reclamation bonds with the Ministry of Mining and Critical Minerals of the Province of British Columbia. In August 2024, the Company was required to post collateral of \$553,017, in the form of a guaranteed investment certificate pledged under an irrevocable letter of credit, to secure surety bonds.

At August 31, 2026, the Company has posted collateral of \$553,017 (February 28, 2026 - \$553,017) in connection with its reclamation bonds.

9. RIGHT-OF-USE ASSETS

A summary of changes in the Company's right-of-use assets is as follows:

Balance, February 28, 2025	\$	1,014,016
Depreciation		(213,477)
Balance, February 28, 2026		800,539
Additions		837,880
Depreciation		(148,633)
Balance, August 31, 2026	\$	1,489,786

On June 1, 2026, the Company entered into a five-year lease for warehouse space.

During the three and six months ended August 31, 2026, the Company capitalized \$41,894 and \$41,894, respectively (2025 -\$nil and \$nil, respectively) of depreciation to exploration and evaluation assets.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	August 31, 2026	February 28, 2026
Trade payables and accrued liabilities related to exploration and evaluation assets	\$ 10,661,639	\$ 999,884
Other trade payables and accrued liabilities	3,516,226	1,166,562
	\$ 14,177,865	\$ 2,166,446

11. FLOW-THROUGH SHARE PREMIUM LIABILITY

Flow-through shares are issued at a premium, which is calculated as the difference between the subscription price of a flow-through share and the price of one common share at the issuance date. Tax deductions generated by eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

On July 8, 2025, the Company completed a private placement of 18,814,000 flow-through shares for gross proceeds of \$27,569,930. The placement consisted of (i) 5,770,000 common shares of the Company issued as flow-through shares with respect to “Canadian exploration expenses” with meaning contained in the Income Tax Act (Canada) (“BC CEE Flow-Through Shares”) at a price of \$1.56 per BC CEE Flow-Through Share for aggregate gross proceeds of \$9,001,200; (ii) 11,114,000 common shares of the Company issued as flow-through shares with respect to “Canadian exploration expenses” (“National CEE Flow-Through Shares”) at a price of \$1.445 per National CEE Flow-Through Share for aggregate gross proceeds of \$16,059,730 and (iii) 1,930,000 common shares of the Company issued as flow-through shares with respect to “Canadian exploration expenses” (“Traditional Flow-Through Shares”) at a price of \$1.30 per Traditional Flow-Through Share for aggregate gross proceeds of \$2,509,000.

During the three and six months ended August 31, 2026, the Company recognized \$803,693 and \$1,469,216, respectively (2025 - \$3,084,970 and \$3,449,704, respectively) as settlement of flow-through share premium liability. The required cumulative spending on eligible exploration expenditures connected with the 2025 private placement was completed during the six months ended August 31, 2026.

On August 27, 2026, the Company completed a private placement that included (i) 2,020,202 BC CEE Flow-Through Shares at a price of \$4.95 per BC CEE Flow-Through Share for gross proceeds of \$10,000,000 and (ii) 4,282,655 National CEE Flow-Through Shares at a price of \$4.67 per National CEE Flow-Through Share for gross proceeds of \$19,999,999 (Note 14(b)).

At August 31, 2026, the Company is required to spend \$10,000,002 and \$19,999,997 on eligible flow-through expenditures by November 30, 2026, and December 31, 2027, respectively, to satisfy its flow-through obligations.

A summary of the Company’s flow-through share premium liability is as follows:

	Flow-through funding and required eligible expenditures	Flow-through share premium liability
Balance, February 28, 2025	\$ 956,373	\$ 364,734
Flow-through shares issued at a premium	27,569,930	7,815,230
Eligible expenditures renounced	(23,343,323)	(6,710,748)
Balance, February 28, 2026	5,182,980	1,469,216
Flow-through shares issued at a premium	29,999,999	6,805,485
Eligible expenditures renounced	(5,182,980)	(1,469,216)
Balance, August 31, 2026	\$ 29,999,999	\$ 6,805,485

12. LEASE LIABILITIES

A summary of changes to the Company's lease liabilities is as follows:

Balance, February 28, 2025	\$	972,222
Lease interest		101,304
Payments		(263,859)
Balance, February 28, 2026		809,667
Additions		797,880
Lease interest		59,504
Payments		(168,389)
Balance, August 31, 2026	\$	1,498,662
Current portion	\$	343,699
Non-current portion		1,154,963

On June 1, 2026, the Company entered into a five-year lease for warehouse space.

A summary of the Company's future undiscounted minimum lease payments is as follows:

August 31, 2027	\$	479,695
August 31, 2028		483,586
August 31, 2029		487,477
August 31, 2030		279,613
August 31, 2031		140,000
Total future minimum lease payments		1,870,371
Effects of discounting		(371,709)
Total present value of minimum lease payments	\$	1,498,662

13. ASSET RETIREMENT OBLIGATION

The Company's exploration and evaluation assets are governed by the laws and regulations covering the protection of the environment. The Company carries out rehabilitation work during the exploration of its exploration and evaluation assets and makes allowance for eventual reclamation upon closing the project. As a result, the Company has accounted for its asset retirement obligation using best estimates of future costs, based on information available at the reporting date.

At August 31, 2026, the present value of the asset retirement obligation was calculated using a risk-free interest rate of 4.14% and an inflation rate of 2.00%.

A summary of the asset retirement obligation is as follows:

Balance, February 28, 2025	\$	2,167,264
Reclamation expenditures		(338,623)
Change in estimate		346,847
Balance, February 28, 2026		2,175,488
Accretion		40,267
Change in estimate		267,048
Balance, August 31, 2026	\$	2,482,803

14. SHARE CAPITAL

a) Authorized share capital

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

Under the Omnibus Long-Term Incentive Plan (the “Plan”), the maximum number of shares which may be reserved for issuance in connection with stock options, restricted share units (“RSUs”), performance shares units (“PSUs”) and deferred share units (“DSUs”) is 10% of the number of issued and outstanding common shares.

b) Issued share capital

During the six months ended August 31, 2026, the Company had the following share capital transactions:

- On August 27, 2026, the Company completed a private placement of hard-dollar common shares and charity flow-through shares for aggregate gross proceeds of \$58,462,111. Following completion of the offering, AngloGold Ashanti plc (“AngloGold Ashanti”) increased its strategic investment in the Company from approximately 5% to 9.7% of the issued and outstanding common shares of the Company.

The offering consisted of the issuance of: (i) 8,342,257 common shares at a price of \$3.4118 per common share for gross proceeds of \$28,462,112; (ii) 2,020,202 common shares issued as BC CEE Flow-Through Shares at a price of \$4.95 per BC CEE Flow-Through Share on a charity flow-through basis for gross proceeds of \$10,000,000; and (iii) 4,282,655 common shares issued as National CEE Flow-Through Shares at a price of \$4.67 per National CEE Flow-Through Share on a charity flow-through basis for gross proceeds of \$19,999,999. In connection with the offering, the Company paid cash share issuance costs of \$111,113.

On closing of the offering, the Company and AngloGold Ashanti entered into an amended and restated investor rights agreement, superseding the investor rights agreement dated February 26, 2026, which provides AngloGold Ashanti with certain additional investor rights customary for a strategic investment of this nature upon satisfaction of certain conditions.

- The Company issued an aggregate of 425,000 common shares upon the exercise of 425,000 warrants at an average exercise price of \$0.60 for gross proceeds of \$255,000. As a result, \$80,750 recorded in reserves for the exercised warrants was reclassified to share capital.

- The Company issued an aggregate of 2,470,928 common shares upon the exercise of 2,470,928 stock options for gross proceeds of \$4,101,228, with \$3,677,370 received in the six months ended August 31, 2026, and \$423,858 received prior to March 1, 2026. These exercises include 1,880,528 stock options exercised in the six months ended August 31, 2026, at an average exercise price of \$2.03, and 590,400 stock options for which notices to exercise were received prior to March 1, 2026, but settlement occurred in the six months ended August 31, 2026. As a result, \$2,149,674 recorded in reserves for the exercised stock options and \$423,858 recorded as share subscriptions received were both reclassified to share capital.

c) Warrants

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

	Number of warrants	Weighted average exercise price
Balance, February 28, 2025	2,991,630	\$ 0.87
Exercised	(2,566,630)	0.92
Balance, February 28, 2026	425,000	0.60
Exercised	(425,000)	0.60
Balance, August 31, 2026	-	\$ -

d) Stock options

Under the Plan, stock options are available to the Company's directors, officers, employees and consultants. Options are non-transferable and expire on the fifth anniversary of the date the option was granted.

During the six months ended August 31, 2026, the Company granted an aggregate of 1,610,000 stock options to officers and employees of the Company with an estimated aggregate fair value at the date of grant of \$2,762,014. These stock options have a weighted average exercise price of \$2.83 and vest one third on each of the first, second and third anniversaries of the grant date.

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

	Number of stock options	Weighted average exercise price
Balance, February 28, 2025	17,592,606	\$ 1.48
Granted	1,150,000	1.28
Cancelled	(1,953,633)	2.88
Exercised	(3,617,332)	0.68
Expired	(1,960,257)	0.83
Balance, February 28, 2026	11,211,384	1.57
Granted	1,610,000	2.83
Exercised	(1,880,528)	2.03
Expired	(1,006,087)	2.82
Balance, August 31, 2026	9,934,769	\$ 1.56

Exercises during the six months ended August 31, 2026, exclude 590,400 stock options for which notices to exercise were received prior to March 1, 2026, but settlement occurred in the six months ended August 31, 2026.

A summary of the Company's stock options outstanding at August 31, 2026, is as follows:

Date of expiry	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining life
October 4, 2026	664,200	664,200	\$ 1.32	0.09
January 26, 2027	1,138,455	1,138,455	2.86	0.41
March 25, 2027	1,230,000	1,230,000	2.39	0.56
October 18, 2027	384,614	384,614	1.09	1.13
February 28, 2029	370,000	370,000	0.39	2.50
March 13, 2029	2,650,000	2,650,000	0.47	2.53
February 18, 2030	750,000	375,000	0.79	3.47
June 4, 2030	487,500	237,500	1.20	3.76
July 31, 2030	400,000	200,000	0.95	3.92
October 16, 2030	250,000	-	1.98	4.13
March 27, 2031	1,360,000	-	2.70	4.57
May 31, 2031	250,000	-	3.53	4.75
	9,934,769	7,249,769	\$ 1.56	2.39

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for stock options granted is as follows:

	Six months ended August 31, 2026	Year ended February 28, 2026
Share price	\$2.93	\$1.28
Exercise price	\$2.83	\$1.28
Expected life	5 years	5 years
Risk-free interest rate	3.19%	2.86%
Expected volatility	66.28%	68.02%
Expected annual dividend yield	0.00%	0.00%

During the three and six months ended August 31, 2026, the Company recognized share-based compensation of \$557,406 and \$990,344, respectively (2025 - \$146,079 and \$211,088, respectively) relating to the vesting of stock options.

e) RSUs

Under the Plan, non-transferable RSUs are available to the Company's directors, officers, employees and consultants.

During the six months ended August 31, 2026, the Company granted an aggregate of 455,500 RSUs to officers of the Company. The RSUs vest one third on each of the first, second and third anniversaries of the grant date. The fair value of each RSU was determined to be the fair value of the Company's common shares on the grant date, resulting in a total fair value of \$1,322,495, which will be recognized as share-based compensation on a graded basis over the vesting period.

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

Balance, February 28, 2025	-
Granted	1,500,000
Balance, February 28, 2026	1,500,000
Granted	455,500
Balance, August 31, 2026	1,955,500

During the three and six months ended August 31, 2026, the Company recognized share-based compensation of \$223,324 and \$800,328, respectively (2025 - \$118,479 and \$118,479, respectively) relating to the vesting of RSUs.

f) DSUs

Under the Plan, non-transferable DSUs are available to the Company's non-executive directors. DSUs are settled following the date a non-executive director ceases to serve on the Company's Board of Directors. The vesting of DSUs is recognized over the minimum 12-month period permitted under the Plan, as there is no subsequent service condition attached to the award.

During the six months ended August 31, 2026, the Company granted 261,000 DSUs to certain directors of the Company. The fair value of each DSU was determined to be the fair value of the Company's common shares on grant date, resulting in a total fair value of \$736,020, which will be recognized as share-based compensation on a straight-line basis over the vesting period.

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

Balance, February 28, 2025	-
Granted	855,260
Balance, February 28, 2026	855,260
Granted	261,000
Balance, August 31, 2026	1,116,260

During the three and six months ended August 31, 2026, the Company recognized share-based compensation of \$88,006 and \$383,180, respectively (2025 - \$225,300 and \$225,300, respectively) relating to the vesting of DSUs.

g) PSUs

Under the Plan, non-transferrable PSUs are available to the Company's directors, officers, employees and consultants.

During the six months ended August 31, 2026, the Company granted an aggregate of 446,500 PSUs to officers of the Company with an estimated aggregate fair value at the date of grant of \$1,137,464. The PSUs vest on the third anniversary of the grant date, subject to the achievement of specified performance conditions.

At the end of their respective three-year performance periods, up to 50% of the PSUs vest according to the level of financing secured for the Lawyers-Ranch Project, and up to 50% vest according to the Company's total shareholder return relative to a peer group of companies.

The fair value of each PSU expected to vest under the non-market project-financing performance condition was determined to be the fair value of the Company's common shares on the grant date. For PSUs subject to the market-based total shareholder return performance condition, their fair value was estimated using a Monte Carlo simulation model. The model is based on several assumptions, including the grant date share price of the Company's common shares, volatility of the Company's common shares, the volatility of the selected group of peer companies, the correlation of returns between the peer group and the Company, the risk-free interest rate over the term of the awards, the expected term to vesting, and the expected dividend yield.

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

Balance, February 28, 2026 and February 28, 2025	-
Granted	446,500
Balance, August 31, 2026	446,500

During the three and six months ended August 31, 2026, the Company recognized share-based compensation of \$95,481 and \$153,054, respectively (2025 - \$nil and \$nil, respectively) relating to the vesting of PSUs.

15. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include those with authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors, officers and companies controlled by key management personnel.

A summary of the Company's key management compensation recognized in expenses is as follows:

	Three months ended August 31,		Six months ended August 31,	
	2026	2025	2026	2025
Salaries and benefits	\$ 585,648	\$ 365,163	\$ 1,903,701	\$ 688,705
Share-based compensation	866,065	316,830	2,069,978	337,561
	\$ 1,451,713	\$ 681,993	\$ 3,973,679	\$ 1,026,266

At August 31, 2026, \$25,351 was included in accounts payable and accrued liabilities for amounts due to key management personnel and companies controlled by key management personnel for services provided and expense reimbursement claims (February 28, 2026 - \$54,253). The amounts due are unsecured, due on demand and non-interest bearing.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The classification of each measurement within this hierarchy is based on the lowest-level significant input used in valuation. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, other receivables, reclamation bonds collateral, accounts payable and accrued liabilities, and lease liabilities.

The carrying values of cash, other receivables, reclamation bonds collateral, and accounts payable and accrued liabilities are measured at amortized cost. The fair value of these financial instruments approximates their carrying values because of their short-term nature.

The Company is exposed to certain financial risks by its financial instruments. The risk exposures and their impact on the Company's financial statements have not changed materially since February 28, 2026.

Contractual undiscounted cash flow requirements for financial liabilities as at August 31, 2026, are as follows:

	Within 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	\$ 14,177,865	\$ -	\$ -	\$ 14,177,865
Lease liabilities	479,695	971,063	419,613	1,870,371
	\$ 14,657,560	\$ 971,063	\$ 419,613	\$ 16,048,236

17. SUBSEQUENT EVENTS

On September 15, 2026, the Company granted an aggregate of 275,000 stock options to employees of the Company. These stock options have an exercise price of \$3.66 and vest one third on each of the first, second and third anniversaries of the grant date.