

A person wearing a beanie and a backpack is standing in a field, writing in a notebook. The background is a vast, open landscape under a blue sky.

# THESIS

GOLD & SILVER

## THESIS GOLD & SILVER INC.

Financial Statements

For the years ended February 28, 2026 and 2025

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**INDEPENDENT AUDITORS' REPORT**

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To the Shareholders and Directors of Thesis Gold & Silver Inc. (formerly Thesis Gold Inc.)

**Opinion**

We have audited the financial statements of Thesis Gold & Silver Inc. which comprise:

- the statements of financial position as at February 28, 2026 and February 28, 2025;
- the statements of income (loss) and comprehensive income (loss) for the years then ended;
- the statements of changes in shareholders' equity for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at February 28, 2026 and February 28, 2025, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

**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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended February 28, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter communicated in our auditors' report is as follows:

**Assessment of Impairment Indicators of Exploration and Evaluation Assets***Key Audit Matter Description*

Refer to *Note 4 Significant judgments and sources of estimation uncertainty – Impairment of exploration and evaluation assets*, *Note 3 Material accounting policies – Impairment of exploration and evaluation assets*, and *Note 8 – Exploration and evaluation assets*. The Company has exploration and evaluation assets with a carrying value of \$219,769,471 as at February 28, 2026.

We identified the evaluation of impairment indicators for exploration and evaluation assets as a key audit matter due to the magnitude of exploration and evaluation assets and significance to the Company, the judgement in determining whether factors exist that indicate impairment and the effort in performing procedures related to the evaluation of the existence of impairment indicators for exploration and evaluation assets.

*Audit Response*

Our approach to addressing the matter included the following procedures:

- We assessed the status of the Company's rights to explore by inspecting government mineral claim registries and inquiring with management if any rights were not expected to be renewed.
- We assessed whether exploration and evaluation of the mineral property involved substantive expenditures and inquired of management on the Company's plans to continue with such expenditures on its mineral property.

- We evaluated management's assessment of potential impairment indicators and determined whether management's assessment was consistent with:
  - information included in the Company's news releases, Management's Discussion and Analysis, and other public filings;
  - evidence obtained in other areas of the audit, including the results of exploration activities;
  - current geological technical information reported in public filings; and
  - information obtained from reading internal communications to management and the Board of Directors meeting minutes and resolutions.

### **Other Information**

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, 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.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the 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 to 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.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 risk 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance 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 financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' 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 on the audit resulting in this independent auditors' report is Michael Ryan Ayre.

*Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, British Columbia  
May 29, 2026

	Note	February 28, 2026	February 28, 2025
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 76,105,041	\$ 9,390,294
Short-term investment		-	35,907
Goods and services tax receivable		193,824	106,080
Mining exploration tax credit receivable	5	1,814,344	4,646,781
Other receivables		34,381	39,571
Prepaid expenses and deposits	6	485,213	280,378
		<b>78,632,803</b>	<b>14,499,011</b>
<b>Non-current assets</b>			
Deposits	6	635,370	672,000
Equipment	7	43,736	774,329
Exploration and evaluation assets	8	219,769,471	189,003,885
Reclamation bonds collateral	9	553,017	588,730
Right-of-use asset	10	800,539	1,014,016
<b>Total assets</b>		<b>\$ 300,434,936</b>	<b>\$ 206,551,971</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	11,16	\$ 2,166,446	\$ 1,628,513
Flow-through share premium liability	12	1,469,216	364,734
Current portion of lease liability	13	192,989	169,557
		<b>3,828,651</b>	<b>2,162,804</b>
<b>Non-current liabilities</b>			
Asset retirement obligation	14	2,175,488	2,167,264
Deferred income tax liability	19	20,497,194	17,107,750
Long-term portion of lease liability	13	616,678	802,665
<b>Total liabilities</b>		<b>\$ 27,118,011</b>	<b>\$ 22,240,483</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	15(b)	\$ 290,686,349	\$ 197,460,278
Share subscriptions received	15(b)	423,858	-
Reserves	15	19,412,615	18,150,865
Deficit		(37,205,897)	(31,299,655)
<b>Total shareholders' equity</b>		<b>\$ 273,316,925</b>	<b>\$ 184,311,488</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 300,434,936</b>	<b>\$ 206,551,971</b>

Subsequent events (Note 20)

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

\_\_\_\_\_  
 /s/ Lisa Peterson  
 Director

\_\_\_\_\_  
 /s/ Ewan Webster  
 Director

	Note	Years ended February 28,	
		2026	2025
<b>Operating expenses</b>			
Exploration and evaluation expenses		\$ -	\$ (21,028)
Marketing and investor relations		(1,374,999)	(1,276,940)
Management and consulting	16	(2,411,945)	(1,415,398)
Office and administration		(565,824)	(437,499)
Professional fees		(2,211,492)	(703,106)
Regulatory and filing fees		(118,513)	(125,883)
Right-of-use asset depreciation	10	(213,477)	(94,315)
Share-based compensation	15,16	(2,666,772)	(1,101,890)
		<b>(9,563,022)</b>	<b>(5,176,059)</b>
<b>Other income (expenses)</b>			
Impairment of equipment	7	\$ (703,039)	\$ -
Foreign exchange gain		-	1,060
Interest income		1,139,819	399,589
Lease interest expense	13	(101,304)	(18,670)
Settlement of flow-through share premium liability	12	6,710,748	5,714,171
<b>Income (loss) before tax</b>		<b>(2,516,798)</b>	<b>920,091</b>
Deferred income tax expense	19	(3,389,444)	(2,570,332)
<b>Net loss and comprehensive loss</b>		<b>\$ (5,906,242)</b>	<b>\$ (1,650,241)</b>
<b>Net loss per share:</b>			
Basic and diluted		\$ (0.02)	\$ (0.01)
<b>Weighted average number of shares outstanding:</b>			
Basic and diluted		247,684,681	192,754,901

	Years ended February 28,	
	2026	2025
<b>Operating activities</b>		
Net loss for the year	\$ (5,906,242)	\$ (1,650,241)
Adjustments for:		
Right-of-use asset depreciation	213,477	94,315
Share-based compensation	2,666,772	1,101,890
Impairment of equipment	703,039	-
Lease interest expense	101,304	18,670
Settlement of flow-through share premium liability	(6,710,748)	(5,714,171)
Deferred income tax expense	3,389,444	2,570,332
Changes in non-cash working capital:		
Goods and services tax receivable	(87,744)	113,228
Other receivables	5,190	-
Prepaid expenses and deposits	(132,492)	413,288
Accounts payable and accrued liabilities	(717,411)	(4,276,056)
<b>Cash used in operating activities</b>	<b>\$ (6,475,411)</b>	<b>\$ (7,328,745)</b>
<b>Investing activities</b>		
Exploration and evaluation asset expenditures	\$ (29,950,752)	\$ (20,369,029)
Mining exploration tax credit receipts	3,308,725	22,568
Disposition (purchase) of short-term investments	35,907	(25,369)
Return of reclamation deposit	-	1,290,743
<b>Cash used in investing activities</b>	<b>\$ (26,606,120)</b>	<b>\$ (19,081,087)</b>
<b>Financing activities</b>		
Proceeds from private placements	\$ 69,626,896	\$ 30,949,423
Proceeds from flow-through private placements	27,569,930	-
Proceeds from agents' warrant exercises	2,356,771	-
Proceeds from stock option exercises	2,600,927	-
Share issuance costs	(2,094,387)	(2,271,346)
Lease payments	(263,859)	(143,369)
<b>Cash provided by financing activities</b>	<b>\$ 99,796,278</b>	<b>\$ 28,534,708</b>
Change in cash	66,714,747	2,124,876
Cash, beginning of year	9,390,294	7,265,418
<b>Cash, end of year</b>	<b>\$ 76,105,041</b>	<b>\$ 9,390,294</b>
<b>Supplemental cash flow information:</b>		
Fair value of agents' warrants issued	\$ -	\$ 388,975

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



	Common shares	Share capital	Share subscriptions received	Reserves (Note 15)	Deficit	Total shareholders' equity
Balance, February 29, 2024	174,051,511	\$ 175,250,081	\$ -	\$ 16,660,000	\$ (29,649,414)	\$ 162,260,667
Shares issued for cash	38,774,985	30,949,423	-	-	-	30,949,423
Flow-through share premium	-	(6,078,905)	-	-	-	(6,078,905)
Share issuance costs	-	(2,271,346)	-	-	-	(2,271,346)
Agents' warrants issued	-	(388,975)	-	388,975	-	-
Share-based compensation	-	-	-	1,101,890	-	1,101,890
Net loss and comprehensive loss	-	-	-	-	(1,650,241)	(1,650,241)
Balance, February 28, 2025	212,826,496	197,460,278	-	18,150,865	(31,299,655)	184,311,488
Shares issued for cash	40,118,210	69,626,896	-	-	-	69,626,896
Issuance of flow-through shares	18,814,000	27,569,930	-	-	-	27,569,930
Flow-through share premium	-	(7,815,230)	-	-	-	(7,815,230)
Share issuance costs	-	(2,094,387)	-	-	-	(2,094,387)
Stock options exercise	3,026,932	3,240,609	423,858	(1,063,540)	-	2,600,927
Agents' warrants exercise	2,566,630	2,698,253	-	(341,482)	-	2,356,771
Share-based compensation	-	-	-	2,666,772	-	2,666,772
Net loss and comprehensive loss	-	-	-	-	(5,906,242)	(5,906,242)
<b>Balance, February 28, 2026</b>	<b>277,352,268</b>	<b>\$ 290,686,349</b>	<b>\$ 423,858</b>	<b>\$ 19,412,615</b>	<b>\$ (37,205,897)</b>	<b>\$ 273,316,925</b>

The accompanying notes are an integral part of these 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, 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 resource company focused on unlocking the potential of its 100% owned Lawyers-Ranch Project, a gold-silver exploration property located in the prolific and re-emerging Toodoggone Mining District, in north-central British Columbia.

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. (“Thesis Holdings”). 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”.

## **2. BASIS OF PREPARATION**

### **a) Statement of compliance**

These financial statements were approved by the Company’s Board of Directors and authorized for issuance on May 29, 2026.

These financial statements have been prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (“IASB”), and interpretations of the International Financial Reporting Interpretations Committee (“IFRS Accounting Standards”).

### **b) Basis of measurement**

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

### **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.

## 2. BASIS OF PREPARATION (continued)

### d) Comparative period information

The comparative period includes the accounts of the Company and its then wholly-owned subsidiary, Thesis Holdings, up to the date of amalgamation (Note 1). All intercompany transactions and balances are eliminated on consolidation.

Certain comparative amounts for the year ended February 28, 2025, have been reclassified to conform with the current year's presentation.

## 3. MATERIAL ACCOUNTING POLICIES

### a) Cash

Cash comprises demand deposits held with banks.

### b) Mining exploration tax credit receivable

Mining exploration tax credit receivable comprises refundable British Columbia Mining Exploration Tax Credits ("BC METC") for eligible exploration expenditures incurred in British Columbia. When management determines it is probable the Company will receive the tax credits, a receivable for the amount expected to be received from the relevant tax authority is recognized, with a corresponding decrease in exploration and evaluation expenditures incurred on the respective mineral property.

### c) Equipment

Equipment is stated at historical cost less accumulated depreciation and any provision for impairment. Cost includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs. Costs incurred for major overhaul of existing equipment are capitalized as equipment and are subject to depreciation once they are available for use. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as repairs and maintenance expense.

Depreciation of equipment is recognized on cost of each asset to its estimated residual value over its useful life as follows:

Equipment	20-30% on declining balance basis
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### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **d) Exploration and evaluation assets**

Expenditures incurred in the exploration for and evaluation of mineral resources are capitalized after the legal right to explore a specific area has been obtained and before the technical feasibility and commercial viability of extracting a mineral resource have been established. Such expenditures are recognized as exploration and evaluation assets and may include costs such as acquiring rights to explore, materials used, surveying costs, drilling costs, payments made to contractors, analysis of historical exploration data, geophysical studies, and depreciation of equipment used during the exploration and evaluation stages. All other costs, including the Company's administrative overhead, are expensed as incurred.

Technical feasibility and commercial viability are generally established once the following conditions have all been satisfied: (i) a completed feasibility study supports the economic recovery of the property's resources and reserves, (ii) mining permits or rights to extract the resources and reserves have been obtained, and (iii) a financing package has been approved for the development of the property. Once a property's technical feasibility and commercial viability have been established, exploration and evaluation expenditures attributable to that area are reclassified to development assets within property, plant and equipment or intangible assets as appropriate. Exploration and evaluation assets are assessed for impairment immediately prior to reclassification.

The costs related to a property from which there is production will be amortized using the units-of-production method.

#### **e) Impairment of exploration and evaluation assets**

The carrying amount of the Company's exploration and evaluation assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. The reversal shall not exceed the carrying amount that would have been determined had no impairment loss been recognized in previous periods. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

#### **f) Leases**

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease.

### 3. MATERIAL ACCOUNTING POLICIES (continued)

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

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 decommissioning and restoration costs, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

#### g) Financial instruments

##### Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”), or at amortized cost.

The Company determines the classification of its financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument-by-instrument basis) on the day of acquisition to designate them at FVTOCI.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

A summary of the Company’s classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

<b>Financial instrument</b>	<b>Classification</b>
Financial assets	
Cash	Amortized cost
Short-term investment	Amortized cost
Other receivables	Amortized cost
Reclamation bonds collateral	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### Measurement

##### *Financial assets and financial liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed through profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized as income or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

##### *Financial assets and financial liabilities at FVTOCI*

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTOCI are recognized in other comprehensive income (loss). The Company does not have any FVTOCI financial assets or liabilities.

##### *Financial assets and liabilities at amortized cost*

Financial assets at amortized cost are initially recognized at fair value plus transaction costs and are subsequently carried at amortized cost less any impairment. Financial liabilities at amortized cost are initially recognized at fair value minus transaction costs and are subsequently carried at amortized cost.

#### Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize through profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

#### h) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **i) Share capital**

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

The Company records proceeds from share issuances net of issuance costs and any tax effects in equity. Common shares issued for consideration other than cash are valued based on their fair value on the date of issuance.

#### Valuation of equity units issued in private placements

The Company allocates proceeds from the issuance of units between common shares and share purchase warrants using the residual method. Under this method, the fair value of the common shares, based on the market closing price on the issuance date, is allocated first. The residual amount of the proceeds is then attributed to the share purchase warrants.

Any value attributed to the warrants is recorded to reserves. Upon exercise, the fair value is reallocated from reserves to issued share capital along with the associated proceeds from exercise.

#### **j) Share issuance costs**

Professional, consulting, regulatory and other costs directly attributable to equity financing transactions are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to profit or loss.

The fair value of warrants issued as share issuance costs is measured using the Black-Scholes option pricing model ("BSM"). The expected life of the warrants is estimated to be equal to their contractual life. The risk-free interest rate is based on the yield of Canadian Treasury bonds with a term matching the life of the warrants. Volatility is calculated using historical price returns over a period equal to the warrants' life. The fair value of these warrants is recorded within reserves.

#### **k) Flow-through shares and flow through premium**

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the Income Tax Act (Canada) as qualified Canadian exploration expenses, are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price, which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares ("FT Shares") as part of its equity financing transactions to fund its Canadian exploration activities. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the FT Shares' price over the market price of common shares without the flow-through feature at the time of issuance. The premium is recorded as a liability, which represents the Company's obligation to spend the flow-through funds on eligible expenditures, and is amortized as other income through the profit or loss as the eligible expenditures are incurred.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **l) Share-based compensation**

##### Stock options

The Company recognizes share-based compensation expense for all stock options awarded based on the fair value of the stock options determined at the date of grant. The fair value of stock options is determined using the BSM with market related inputs. The fair value of stock options is expensed over the vesting periods of the stock options with a corresponding increase to reserves. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods. At the end of each reporting period, the Company re-assesses its estimates of the number of stock options that are expected to vest and recognizes the impact of any revisions to this estimate in profit or loss. Upon the exercise of stock options, consideration received together with the amount previously recognized in reserves is recorded as an increase to share capital.

##### Restricted Share Units (“RSUs”), Performance Share Units (“PSUs”), and Deferred Share Units (“DSUs”)

Under the Company’s Omnibus Long-Term Incentive Plan (the “Plan”), RSUs and PSUs are available to the Company’s directors, officers, employees and consultants and DSUs are available to the Company’s non-executive directors. The Company accounts for RSUs, PSUs and DSUs as equity-settled share-based payments. The fair value of each RSU and DSU is measured at the grant date by reference to the Company’s share price at that time, and the fair value of each PSU is measured at the grant date using an option pricing model. The fair value is then recognized as share-based compensation over the vesting period with a corresponding increase to reserves. Upon the settlement of RSUs, PSUs or DSUs, the amount previously recognized in reserves is recorded as an increase to share capital.

#### **m) Earning (loss) per share**

Basic earnings (loss) per share is calculated by dividing profit (loss) attributable to owners of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated by giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. In a net loss year, potentially dilutive equity instruments are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

#### **n) Income taxes**

Income tax expense or recovery is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss. Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable or receivable in respect of previous years. Current taxes are determined using tax rates enacted or substantively enacted at the balance sheet date.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

Deferred income taxes are recorded using the liability method whereby deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for (i) taxable temporary differences arising on the initial recognition of goodwill and (ii) temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit and loss and does not give rise to equal taxable and deductible temporary differences. 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 statement of financial position date.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to the instances where it is probable that future taxable income will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that the future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

The Company may, from time to time, issue flow-through shares to finance a portion of its exploration programs. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of a flow-through share, gross proceeds are allocated between the equity (common share) and liability (flow-through share premium liability) components to the extent a premium exists. The equity portion is measured at its estimated fair value and the residual amount is recognized as a liability. When the qualifying resource expenditures are renounced to investors, the flow-through share premium liability is reduced, with a corresponding income amount recorded as settlement of flow-through share premium liability.

#### **o) New and revised accounting standards and interpretations**

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.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

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 does not expect the effect of these amendments on its financial statements to be material.

No new accounting pronouncements have been early adopted in the current year.

There are no new accounting pronouncements effective for annual reporting periods beginning on March 1, 2025, that have a significant impact on the Company's financial statements.

### **4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements requires management to exercise significant judgments in applying the Company's accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual future outcomes could differ from present estimates and assumptions, which may require material adjustments to the Company's financial statements. Revisions to accounting estimates are accounted for prospectively.

Significant accounting judgments in applying the Company's accounting policies and assumptions about the future and other key sources of estimation uncertainty that have the most significant effect on the amounts recognized in the financial statements are as follows:

a) Share-based compensation

The grant-date fair value of certain share-based payments is estimated using option pricing models. Option pricing models require the input of subjective assumptions, such as expected share price volatility and expected life of the award. Changes in these assumptions can significantly affect the fair value estimate.

b) Asset retirement obligations

The Company's provision for site reclamation represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation costs at the Lawyers-Ranch property. The provision reflects estimates of future costs, inflation, the timing of future cash outflows and the risk-free interest rate for discounting the future cash outflows.

## **4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)**

### c) Impairment of exploration and evaluation assets

At the end of each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets. If there are indicators of impairment, the recoverable amount of the related asset is estimated to determine the extent of impairment, if any. Indicators of impairment may include (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) 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 (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. As at February 28, 2026, no impairment indicators were identified by management.

### d) Recognition of deferred tax assets and liabilities

Current and deferred tax provisions are calculated by the Company while the actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. Judgment is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized in the statement of financial position, in interpreting applicable tax laws, and what tax rate is expected to be applied in the year when the related temporary differences reverse. These estimates and judgments are subject to risk and uncertainty and could result in an adjustment to the tax provision and a corresponding credit or charge to the statement of loss and comprehensive loss.

The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered. Utilization of the tax losses depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

## 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 29, 2024	\$	4,338,417
Additions		330,932
Cash receipts		(22,568)
Balance, February 28, 2025		4,646,781
Additions		476,288
Cash receipts		(3,308,725)
<b>Balance, February 28, 2026</b>	<b>\$</b>	<b>1,814,344</b>

## 6. PREPAID EXPENSES AND DEPOSITS

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

	February 28, 2026	February 28, 2025
Prepaid expenses	\$ 475,213	\$ 192,144
Deposits	10,000	88,234
	<b>\$ 485,213</b>	<b>\$ 280,378</b>

At February 28, 2026, non-current deposits consist of exploration program deposits totaling \$635,370 (February 28, 2025 - \$672,000).

## 7. EQUIPMENT

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

		<b>Camp equipment</b>
<b>Cost</b>		
Balance, February 28, 2025 and February 29, 2024	\$	1,004,955
Disposals		(881,109)
<b>Balance, February 28, 2026</b>	<b>\$</b>	<b>123,846</b>
<b>Accumulated depreciation and impairments</b>		
Balance, February 29, 2024	\$	195,823
Depreciation		34,803
Balance, February 28, 2025		230,626
Depreciation		27,554
Impairment		703,039
Disposals		(881,109)
<b>Balance, February 28, 2026</b>	<b>\$</b>	<b>80,110</b>
<b>Carrying amount</b>		
Balance, February 28, 2025	\$	774,329
<b>Balance, February 28, 2026</b>	<b>\$</b>	<b>43,736</b>

During the year ended February 28, 2026, unused camp equipment that management no longer planned to use in future operations was impaired, resulting in the recognition of a \$703,039 impairment loss.

During the year ended February 28, 2026, the Company capitalized \$27,554 (February 28, 2025 - \$34,803) in depreciation to exploration and evaluation assets.

## 8. EXPLORATION AND EVALUATION ASSETS

The combined Lawyers-Ranch Project covers a total of 133 mining claims (102 contiguous claims and 31 non-contiguous claims) covering over 502.9 square kilometers in the Toodoggone Mining District of northern British Columbia. The Lawyers' portion of the project carries a 0.5% net smelter return applicable to 37 claims. A 2% net smelter return applies to 31 of the Ranch claims.

## 8. EXPLORATION AND EVALUATION ASSETS (continued)

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

Balance, February 29, 2024	\$ 167,840,582
Camp support	1,835,526
Community relations	1,917,462
Drilling	8,738,286
Environmental and engineering	6,936,186
Geologists' fees and assays	1,474,462
Permits	67,067
Travel and contractors' overhead costs	837,660
Reclamation	(334,982)
Mining exploration tax credit recoverable	(308,364)
<b>Balance, February 28, 2025</b>	<b>189,003,885</b>
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)
<b>Balance, February 28, 2026</b>	<b>\$ 219,769,471</b>

## 9. 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 (the "Ministry"). In August 2024, the Company posted surety bonds to replace \$1,843,391 cash on deposit with the Ministry. To receive the surety bonds, the Company was required to post collateral of \$553,017 in the form of a guaranteed investment certificate pledged in an irrevocable letter of credit.

At February 28, 2026, the Company has posted collateral of \$553,017 (February 28, 2025 - \$588,730) in connection with its reclamation bonds.

## 10. RIGHT-OF-USE ASSET

On September 1, 2021, the Company entered a three-year premises lease. The incremental rate of borrowing for this lease was estimated by management to be 10% per annum. At August 31, 2024, the lease concluded and was not renewed.

On December 1, 2024, the Company entered a new five-year premises lease. The incremental rate of borrowing for this lease was estimated by management to be 10% per annum.

## 10. RIGHT-OF-USE ASSET (continued)

A summary of the Company's right-of-use asset is as follows:

Balance, February 29, 2024	\$	40,945
Additions		1,067,386
Depreciation		(94,315)
Balance, February 28, 2025		1,014,016
Depreciation		(213,477)
<b>Balance, February 28, 2026</b>	<b>\$</b>	<b>800,539</b>

## 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	February 28, 2026	February 28, 2025
Trade payables related to exploration and evaluation asset	\$ 999,884	\$ 800,565
Other trade payables	444,437	13,396
Accrued liabilities	722,125	814,552
	<b>\$ 2,166,446</b>	<b>\$ 1,628,513</b>

## 12. FLOW-THROUGH SHARE PREMIUM LIABILITY

Flow-through shares are issued at a premium, which is calculated as the difference between the 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.

During the year ended February 28, 2025, the Company completed private placements of 8,849,500 flow-through common shares at a price of \$1.13 per flow-through common share, and 6,702,500 flow-through common shares at a price of \$0.90 per flow-through common share.

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) (the "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 (the BC CEE Flow-Through Shares, the National CEE Flow-Through Shares and the Traditional Flow-Through Shares are, collectively referred to as the "Flow-Through Shares") (Note 15(b)).

## 12. FLOW-THROUGH SHARE PREMIUM LIABILITY (continued)

During the year ended February 28, 2026, the Company recognized \$6,710,748 (February 28, 2025 - \$5,714,171) as settlement of flow-through share premium liability.

At February 28, 2026, the Company is required to spend an additional \$5,182,980 (February 28, 2025 - \$956,373) on eligible flow-through expenditures by December 31, 2026, to satisfy its flow-through obligation.

A summary of the Company's deferred flow-through liability is as follows:

	Flow-through funding and required eligible expenditures	Flow-through share premium liability
Balance, February 29, 2024	\$ -	\$ -
Flow-through shares issued at a premium	16,032,185	6,078,905
Eligible expenditures renounced	(15,075,812)	(5,714,171)
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)
<b>Balance, February 28, 2026</b>	<b>\$ 5,182,980</b>	<b>\$ 1,469,216</b>

## 13. LEASE LIABILITY

On September 1, 2021, the Company entered a three-year premises lease. At August 31, 2024, the lease concluded and was not renewed.

On December 1, 2024, the Company entered a new five-year premises lease. The lease liability for the lease was discounted at a rate of 10%, which was the Company's estimated incremental borrowing rate.

A summary of the Company's lease liability is as follows:

Balance, February 29, 2024	\$ 29,535
Additions	1,067,386
Security deposit payment	(46,757)
Lease interest	18,670
Repayments	(96,612)
Balance, February 28, 2025	972,222
Lease interest	101,304
Repayments	(263,859)
<b>Balance, February 28, 2026</b>	<b>\$ 809,667</b>
Current portion	\$ 192,989
Non-current portion	616,678

### 13. LEASE LIABILITY (continued)

A summary of the Company's future undiscounted minimum lease payments related to the premises under finance lease is as follows:

	<b>February 28, 2026</b>
February 28, 2027	\$ 267,750
February 29, 2028	271,641
February 28, 2029	275,532
February 28, 2030	208,838
Total future minimum lease payments	1,023,761
Effects of discounting	(214,094)
<b>Total present value of minimum lease payments</b>	<b>\$ 809,667</b>

### 14. 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 February 28, 2026, the present value of the asset retirement obligation was calculated using a risk-free interest rate of 3.63% and an inflation rate of 2.00%. A summary of the asset retirement obligation is as follows:

Balance, February 29, 2024	\$ 2,502,246
Change in estimate	(334,982)
Balance, February 28, 2025	2,167,264
Reclamation expenditures	(338,623)
Change in estimate	346,847
<b>Balance, February 28, 2026</b>	<b>\$ 2,175,488</b>

### 15. SHARE CAPITAL

#### a) Authorized share capital

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

Under the Plan, the maximum number of shares which may be reserved for issuance in connection with stock options, RSUs, PSUs and DSUs is 10% of the number of issued and outstanding common shares.

## 15. SHARE CAPITAL (continued)

### b) Issued share capital

During the year ended February 28, 2026, the Company had the following share capital transactions:

- On April 28, 2025, the Company completed a private placement with Centerra Gold Inc. (“Centerra”) whereby Centerra acquired 9.9% of the issued and outstanding common shares of the Company through a purchase of 23,460,160 common shares of the Company at a price of \$1.03 per common share for gross proceeds of \$24,163,965. In connection with the private placement, the Company and Centerra have entered into an investor rights agreement dated April 28, 2025 (“Centerra Agreement”), whereby, subject to conditions, including time and ownership thresholds, the Company has granted Centerra certain financing and other participation rights to enable Centerra to maintain its shareholding interest in the Company. In connection with the private placement, the Company paid share issuance costs of \$139,081.
- On July 8, 2025, the Company completed a private placement of 18,814,000 Flow-Through Shares for gross proceeds of \$27,569,930 (Note 12). In connection with the private placement, the Company paid share issuance costs of \$1,795,137.
- On November 6, 2025, the Company completed a private placement and issued 739,437 common shares at a price of \$1.42 per share for gross proceeds of \$1,050,000. In connection with the private placement, the Company paid share issuance costs of \$11,622.
- On February 26, 2026, the Company completed a private placement with AngloGold Ashanti plc (“AngloGold”) and issued 13,858,883 common shares at a price of \$2.79 per share for gross proceeds of \$38,666,284. In connection with the private placement, the Company and AngloGold have entered into an investor rights agreement dated February 26, 2026, whereby, subject to conditions, the Company has granted AngloGold certain financing and other participation rights to enable AngloGold to maintain its shareholding interest in the Company. In connection with the private placement, the Company paid share issuance costs of \$148,547.
- On February 26, 2026, in connection with the Centerra Agreement, the Company issued 2,059,730 common shares at a price of \$2.79 per share for gross proceeds of \$5,746,647 to Centerra to maintain its 9.9% shareholding interest in the Company.
- During the year ended February 28, 2026, the Company issued an aggregate of 2,566,630 common shares upon the exercise of 2,566,630 warrants at an average exercise price of \$0.92 for gross proceeds of \$2,356,771. As a result, \$341,482 recorded in reserves for the exercised warrants was reclassified to share capital.
- During the year ended February 28, 2026, the Company issued an aggregate of 3,026,932 common shares upon the exercise of 3,026,932 stock options at an average exercise price of \$0.72 for gross proceeds of \$2,177,069. As a result, \$1,063,540 recorded in reserves for the exercised options was reclassified to share capital.
- During the year ended February 28, 2026, the Company received gross proceeds of \$423,858 in connection with the exercise of 221,400 stock options at an average exercise price of \$1.91. The associated 221,400 common shares were issued subsequent to year-end (Note 20).

## 15. SHARE CAPITAL (continued)

### c) Warrants

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

	Number of warrants	Weighted average exercise price
Balance, February 29, 2024	10,748,362	\$ 1.61
Issued	2,326,500	0.80
Expired	(10,083,232)	1.64
Balance, February 28, 2025	2,991,630	0.87
Exercised	(2,566,630)	0.92
<b>Balance, February 28, 2026</b>	<b>425,000</b>	<b>\$ 0.60</b>

A summary of the Company's outstanding warrants as at February 28, 2026, is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
June 17, 2026	425,000	\$ 0.60	0.30
	<b>425,000</b>	<b>\$ 0.60</b>	<b>0.30</b>

### 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 year ended February 28, 2026, the Company had the following stock option transactions:

- On June 4, 2025, the Company granted 500,000 stock options to employees of the Company. These stock options have an exercise price of \$1.20 and vest over a two-year period in two equal tranches on June 4, 2026, and June 4, 2027. The fair value of the stock options was estimated to be \$355,175 using the Black-Scholes option pricing model.
- On July 31, 2025, the Company granted 400,000 stock options to officers of the Company. These stock options have an exercise price of \$0.95 and vest over a two-year period in two equal tranches on July 31, 2026, and July 31, 2027. The fair value of the stock options was estimated to be \$215,982 using the Black-Scholes option pricing model.
- On October 16, 2025, the Company granted 250,000 stock options to employees of the Company. These stock options have an exercise price of \$1.98 and vest over a two-year period in two equal tranches on October 16, 2026, and October 16, 2027. The fair value of the stock options was estimated to be \$285,560 using the Black-Scholes option pricing model.

## 15. SHARE CAPITAL (continued)

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

	Number of stock options	Weighted average exercise price
Balance, February 29, 2024	13,329,467	\$ 1.79
Granted	4,400,000	0.52
Expired	(136,861)	1.42
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
<b>Balance, February 28, 2026</b>	<b>11,211,384</b>	<b>\$ 1.57</b>

Exercises during the year ended February 28, 2026, include 590,400 stock options for which notices to exercise were received but settlement occurred subsequent to year end (Note 20).

A summary of the Company's stock options outstanding at February 28, 2026, is as follows:

Date of expiry	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining life
May 7, 2026	295,200	295,200	1.27	0.19
June 21, 2026	1,442,301	1,442,301	2.99	0.31
October 4, 2026	861,000	861,000	1.32	0.60
January 26, 2027	1,423,069	1,423,069	2.86	0.91
March 25, 2027	1,525,200	1,525,200	2.39	1.07
October 18, 2027	384,614	384,614	1.09	1.64
February 28, 2029	370,000	370,000	0.39	3.00
March 13, 2029	3,010,000	3,010,000	0.47	3.04
February 18, 2030	750,000	312,500	0.79	3.98
June 4, 2030	500,000	-	1.20	4.27
July 31, 2030	400,000	-	0.95	4.42
October 16, 2030	250,000	-	1.98	4.63
	<b>11,211,384</b>	<b>9,623,884</b>	<b>\$ 1.57</b>	<b>2.04</b>

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

	Years ended February 28,	
	2026	2025
Share price	<b>\$1.28</b>	\$0.52
Exercise price	<b>\$1.28</b>	\$0.52
Expected life	<b>5 years</b>	5 years
Risk-free interest rate	<b>2.86%</b>	3.40%
Expected volatility	<b>68.02%</b>	76.79%
Expected annual dividend yield	<b>0.00%</b>	0.00%

## 15. SHARE CAPITAL (continued)

During the year ended February 28, 2026, the Company recognized share-based compensation of \$620,052 (February 28, 2025 - \$1,101,890) 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 year ended February 28, 2026, the Company granted the following RSUs:

- On June 4, 2025, the Company granted 1,500,000 RSUs to certain officers of the Company. These RSUs are settled on the earlier of (i) the date the officer ceases to be employed by the Company and (ii) the 10<sup>th</sup> anniversary of the grant date. The vesting of these RSUs is recognized over the minimum 12-month period permitted under the Plan, as there is no subsequent service condition attached to the award. 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 \$1,800,000, which will be recognized as share-based compensation on a straight-line basis over the vesting period.

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

Balance, February 28, 2025 and February 29, 2024	-
Granted	1,500,000
<b>Balance, February 28, 2026</b>	<b>1,500,000</b>

During the year ended February 28, 2026, the Company recognized share-based compensation of \$1,326,575 (February 28, 2025 - \$nil) 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 year ended February 28, 2026, the Company granted the following DSUs:

- On June 4, 2025, the Company granted 750,000 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 \$900,000 which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On July 31, 2025, the Company granted 105,260 DSUs to a director 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 \$97,892 which will be recognized as share-based compensation on a straight-line basis over the vesting period.

## 15. SHARE CAPITAL (continued)

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

Balance, February 28, 2025 and February 29, 2024	-
Granted	855,260
<b>Balance, February 28, 2026</b>	<b>855,260</b>

During the year ended February 28, 2026, the Company recognized share-based compensation of \$720,145 (February 28, 2025 - \$nil) relating to the vesting of DSUs.

## 16. 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:

	Years ended February 28,	
	2026	2025
Management and consulting	\$ 1,906,619	\$ 1,256,294
Share-based compensation	2,258,920	795,000
	<b>\$ 4,165,539</b>	<b>\$ 2,051,294</b>

At February 28, 2026, \$54,253 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 (February 28, 2025 - \$36,141). The amounts due are unsecured, due on demand and non-interest bearing.

## 17. 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
- Level 3 - Inputs that are not based on observable market data

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

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The carrying values of cash, short-term investment, 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 are summarized below.

### a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash, short-term investment, other receivables and reclamation bonds collateral. The Company minimizes its credit risk related to cash, short-term investment and reclamation bonds collateral by placing these financial instruments with major financial institutions. The Company regularly reviews the collectability of its receivables. The Company considers the credit risk related to these financial instruments to be low.

### b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash, short-term investments and reclamation bonds collateral held with chartered Canadian financial institutions. The Company considers this risk to be low.

### c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that sufficient funds are raised from equity offerings or other financing arrangements to meet its operating requirements.

At February 28, 2026, the Company had cash of \$76,105,041 (February 28, 2025 - \$9,390,294) included in working capital of \$74,804,152 (February 28, 2025 - \$12,336,207).

Contractual undiscounted cash flow requirements for financial liabilities as at February 28, 2026, are as follows:

	<b>Less than 1 year</b>	<b>2 - 3 years</b>	<b>4 - 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Accounts payable and accrued liabilities	\$ 2,166,446	\$ -	\$ -	\$ -	2,166,446
Lease liability	267,750	547,173	208,838	-	1,023,761
	<b>\$ 2,434,196</b>	<b>\$ 547,173</b>	<b>\$ 208,838</b>	<b>\$ -</b>	<b>\$ 3,190,207</b>

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

### d) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools. The Company's operations are entirely in Canada with a low number of transactions conducted with foreign vendors that may invoice in foreign currencies. The Company considers the foreign exchange risk related to these financial instruments to be low.

## 18. CAPITAL MANAGEMENT

The Company considers capital to include items within shareholders' equity. The Company's objective when managing its capital structure is to safeguard its ability to continue as a going concern, such that it can provide returns for shareholders and benefits for other stakeholders.

The management of the Company's capital structure is based on the funds available to support the acquisition, exploration and evaluation of mineral properties. The Company is dependent on external financing to fund its operating activities, since the mineral properties in which it has an interest are in the exploration and evaluation stages and are not positive cash-flow generating. To maintain or adjust its capital structure, the Company may issue new shares or pursue other financing arrangements. The Company monitors its capital structure and makes adjustments for changes in economic conditions and the risk characteristics of the underlying assets. Management reviews its capital management approach on an ongoing basis.

The Company is not subject to any externally imposed capital requirements. Its approach to capital management has not changed during the year ended February 28, 2026.

## 19. INCOME TAXES

A summary of the Company's reconciliation of income taxes at statutory rates is as follows:

	February 28, 2026	February 28, 2025
Net income (loss) before income taxes	\$ (2,516,798)	\$ 920,091
Combined federal and provincial statutory income tax rates	27%	27%
Income tax recovery (expense) at statutory rates	679,536	(248,425)
Permanent differences and other	(4,068,980)	(2,321,907)
<b>Deferred income tax expense</b>	<b>\$ (3,389,444)</b>	<b>\$ (2,570,332)</b>

## 19. INCOME TAXES (continued)

A summary of the Company's significant components of deferred tax liabilities is as follows:

	February 28, 2026	February 28, 2025
Deferred income tax assets (liabilities)		
Non-capital losses	\$ 13,158,487	\$ 9,889,092
Share issuance costs	1,080,178	1,195,635
Equipment	168,544	62,269
Exploration and evaluation assets	(35,683,118)	(28,757,639)
Asset retirement obligation	776,250	501,553
Other	2,465	1,340
<b>Deferred income tax liabilities</b>	<b>\$ (20,497,194)</b>	<b>\$ (17,107,750)</b>

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have been recognized in deferred income tax liability in the statement of financial position are as follows:

	February 28, 2026	Expiry date range	February 28, 2025	Expiry date range
Temporary differences				
Non-capital losses	\$ 48,735,137	2031 to 2046	\$ 36,628,062	2031 to 2045
Share issuance costs	4,000,659	2047 to 2050	4,429,538	2046 to 2049
Equipment	624,237	No expiry date	230,625	No expiry date
Exploration and evaluation assets	(132,159,696)	No expiry date	(106,510,442)	No expiry date
Asset retirement obligation	2,875,000	No expiry date	1,857,568	No expiry date
Other	9,130	No expiry date	4,963	No expiry date

## 20. SUBSEQUENT EVENTS

Subsequent to February 28, 2026, the Company issued an aggregate of 300,000 common shares upon the exercise of 300,000 warrants at an average exercise price of \$0.60 for gross proceeds of \$180,000.

Subsequent to February 28, 2026, the Company issued an aggregate of 1,296,261 common shares upon the exercise of 1,296,261 stock options at an average exercise price of \$0.99 for gross proceeds of \$1,289,676, with \$423,858 of this amount being received during the year ended February 28, 2026 (Note 15(b)).

On May 7, 2026, 98,400 stock options of the Company expired unexercised.

On March 27, 2026, the Company granted directors, officers and employees an aggregate of (i) 1,360,000 stock options; (ii) 402,000 RSUs; (iii) 393,000 PSUs; and (iv) 261,000 DSUs.

- Each vested stock option entitles the holder to purchase one common share of the Company at an exercise price of \$2.70 per common share for five years from the grant date. The stock options vest one third on the first, second and third anniversaries of the grant date.
- Each vested RSU entitles the holder to receive one common share upon settlement. The RSUs vest one third on the first, second and third anniversaries of the grant date.

## **20. SUBSEQUENT EVENTS (continued)**

- Each vested PSU entitles the holder to receive one common share upon settlement. The PSUs vest upon satisfaction of certain corporate objectives established by the Company over a three-year period.
- Each vested DSU entitles the holder to receive one common share upon settlement. The DSUs vest and settle on the DSU holder's termination date.