P2 GOLD INC.

UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of P2 Gold Inc. for the three and six months ended June 30, 2026 and 2025 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

As required by National Instrument 51-102 subsection 4.3(3)(a), readers are advised that an auditor has not performed a review of these unaudited condensed consolidated interim financial statements.

P2 GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
Unaudited - Expressed in Canadian Dollars

	Note		June 30, 2026		December 31, 2025
ASSETS					
Current assets					
Cash and cash equivalents		$	16,380,619	$	9,922,289
Marketable securities	3		-		396,179
Prepaids and other receivables	4		706,080		782,721
			17,086,699		11,101,189
Non-current assets					
Property, plant and equipment	5		46,736		26,856
Total assets		$	17,133,435	$	11,128,045
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	6	$	1,869,614	$	805,312
Current portion of lease obligations			1,187		1,951
Convertible debentures	7		-		7,497,417
Related party loans	12		503,358		543,358
			2,374,159		8,848,038
Non-current liabilities					
Lease obligations			-		176
			2,374,159		8,848,214
EQUITY					
Share capital	11		83,733,624		56,799,717
Other reserves	11		5,008,410		4,574,166
Accumulated other comprehensive income (loss) ("AOCI")			(679,473)		(669,399)
Deficit			(73,303,285)		(58,424,653)
			14,759,276		2,279,831
Total liabilities and equity		$	17,133,435	$	11,128,045
Nature of operations and going concern	1				
Commitments	14				

Approved on behalf of the Board of Directors (“Board”):

“Ron MacDonald”	*“Joseph Ovsenek”*
Ron MacDonald Chair of the Audit Committee	Joseph Ovsenek Chair of the Board, President and Chief Executive Officer (together, the “CEO”)

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

P2 GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF EARNINGS (LOSS) AND COMPREHENSIVE EARNINGS (LOSS)

Unaudited - Expressed in Canadian dollars, except for share data

	Note	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Exploration and evaluation ("E&E") expenditures	8	$ 6,136,610	$ 129,074	$ 10,654,742	$ 181,662
Administrative expenses					
Share-based compensation	11	405,724	53,505	840,820	70,784
Office and general	9 , 12	218,522	120,696	486,136	265,576
Investor relations and travel		59,167	13,352	150,356	62,889
Shareholder information		45,724	40,627	101,956	73,713
Professional fees		25,250	24,059	49,960	44,032
Depreciation	5	4,674	6,329	10,726	12,505
Total administrative expenses		759,061	258,568	1,639,954	529,499
Operating loss		(6,895,671)	(387,642)	(12,294,696)	(711,161)
Loss on financial instruments at fair value	7	-	-	(2,934,283)	-
Foreign exchange loss		(24,945)	(3,616)	(53,461)	(2,361)
Interest and finance expense	10	(55)	(29,857)	(5,168)	(63,108)
Other income		-	38	-	38
Gain on extinguishment of acquisition liabilities		-	-	-	11,706
Unrealized fair value gain (loss) on marketable securities		-	(15,151)	-	189,394
Other income - sale of mineral claims	8	-	-	-	1,200,000
Gain on sale of property, plant and equipment		87	-	87	-
Interest and finance income		77,816	2,413	145,243	5,068
Realized gain on sale of marketable securities	3	-	-	263,646	-
Net earnings (loss) for the period		$ (6,842,768)	$ (433,815)	$ (14,878,632)	$ 629,576
Other comprehensive earnings (loss), net of tax					
Items that may be subsequently reclassified to earnings or loss:					
Currency translation adjustments		(20,095)	1,687	(10,074)	2,295
Comprehensive earnings (loss) for the period		$ (6,862,863)	$ (432,128)	$ (14,888,706)	$ 631,871
Earnings (loss) per share					
Basic		$ (0.03)	$ 0.00	$ (0.06)	$ 0.00
Diluted	11	$ (0.03)	$ 0.00	$ (0.06)	$ 0.00
Weighted average number of common shares outstanding					
Basic		248,959,292	152,161,706	257,984,600	151,713,706
Diluted	11	248,959,292	152,161,706	257,984,600	164,147,508

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

P2 GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

Unaudited - Expressed in Canadian dollars

	Note	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Cash flows generated by (used in) operating activities					
Net earnings (loss) for the period		$ (6,842,768)	$ (433,815)	$ (14,878,632)	$ 629,576
Items not affecting cash:					
Depreciation	5	4,674	6,329	10,726	12,505
Gain on extinguishment of acquisition liabilities		-	-	-	(11,706)
Gain on sale of property, plant and equipment		(87)	-	(87)	-
Interest and finance (income) expense, net		(77,761)	27,424	(140,075)	58,020
Loss on financial instruments at fair value	7	-	-	2,934,283	-
Realized gain on sale of marketable securities	3	-	-	(263,646)	-
Related party loans		-	75,000	-	150,000
Share-based compensation	11	405,724	53,505	840,820	70,784
Shares received for sale of mineral projects	3	-	-	-	(250,000)
Unrealized fair value (gain) loss on marketable securities		-	15,151	-	(189,394)
Unrealized foreign exchange loss (gain)		39,898	(728)	50,065	(906)
Changes in non-cash working capital items:					
Prepaids and other receivables		68,068	(3,152)	100,657	(29,078)
Accounts payable and accrued liabilities		847,186	20,232	996,667	(53,827)
Net cash generated by (used in) operating activities		(5,555,066)	(240,054)	(10,349,222)	385,974
Cash flows generated by investing activities					
Proceeds from disposition of marketable securities	3	-	-	659,825	-
Proceeds from sale of property, plant and equipment		1,900	-	1,900	-
Purchase of property, plant and equipment	5	-	-	(11,379)	-
Interest received		77,816	2,413	145,243	5,068
Net cash generated by investing activities		79,716	2,413	795,589	5,068
Cash flows generated by (used in) financing activities					
Payment of acquisition liabilities - Gabbs Project		-	-	-	(322,925)
Payment of lease obligations		(533)	(534)	(1,068)	(890)
Proceeds from exercise of share options	11	28,150	-	223,000	-
Proceeds from exercise of warrants	11	234,000	-	4,257,689	-
Proceeds from private placement		11,625,000	-	11,625,000	-
Share issuance costs		(52,328)	-	(52,328)	-
Repayment of related party loans	12	-	-	(40,000)	-
Interest paid		-	(7,600)	(5,040)	(16,659)
Net cash generated by (used in) financing activities		11,834,289	(8,134)	16,007,253	(340,474)
Increase (decrease) in cash and cash equivalents for the period		**6,358,939**	**(245,775)**	**6,453,620**	**50,568**
Cash and cash equivalents, beginning of period		10,019,512	836,439	9,922,289	539,945
Effect of foreign exchange rate changes on cash and cash equivalents		2,168	(1,974)	4,710	(1,823)
Cash and cash equivalents, end of period		**$ 16,380,619**	**$ 588,690**	**$ 16,380,619**	**$ 588,690**

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

P2 GOLD INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

Unaudited - Expressed in Canadian dollars, except for share data

	Note	Number of common shares	Share capital	Other reserves	AOCI	Deficit	Total
Balance - December 31, 2024		148,696,385	$ 42,605,973	$ 4,193,331	$ (677,563)	$ (48,330,672)	$ (2,208,931)
Shares issued for settlement of convertible debentures	7 , 11	3,465,321	236,967	-	-	-	236,967
Expiry of warrants		-	283,780	(283,780)	-	-	-
Value assigned to share options vested	11	-	-	70,784	-	-	70,784
Other comprehensive earnings for the period		-	-	-	2,295	-	2,295
Net earnings for the period		-	-	-	-	629,576	629,576
Balance - June 30, 2025		152,161,706	$ 43,126,720	$ 3,980,335	$ (675,268)	$ (47,701,096)	$ (1,269,309)
Balance - December 31, 2025		224,026,100	$ 56,799,717	$ 4,574,166	$ (669,399)	$ (58,424,653)	$ 2,279,831
Private placement		15,500,000	11,625,000	-	-	-	11,625,000
Share issuance costs		-	(52,328)	-	-	-	(52,328)
Shares issued for settlement of convertible debentures	7 , 11	11,243,079	10,473,970	-	-	-	10,473,970
Exercise of share options	11	2,500,000	331,866	(108,866)	-	-	223,000
Exercise of warrants	11	25,359,400	4,555,399	(297,710)	-	-	4,257,689
Value assigned to share options vested	11	-	-	840,820	-	-	840,820
Other comprehensive loss for the period		-	-	-	(10,074)	-	(10,074)
Net loss for the period		-	-	-	-	(14,878,632)	(14,878,632)
Balance - June 30, 2026		278,628,579	$ 83,733,624	$ 5,008,410	$ (679,473)	$ (73,303,285)	$ 14,759,276

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

1. NATURE OF OPERATIONS AND GOING CONCERN

(a) Nature of operations

P2 Gold Inc. (the "Company") was incorporated under the laws of the Canada Business Corporations Act on November 10, 2017 and continued under the British Columbia ("BC") Business Corporations Act on August 31, 2020. The Company's common shares are traded on the TSX Venture Exchange ("Exchange") under the symbol "PGLD" and the OTCQB Venture Market under the symbol "PGLDF". The address of the Company's registered office is 15th Floor, 1111 West Hastings Street, Vancouver, BC, Canada V6E 2J3.

The Company is a mineral exploration company engaged in the acquisition, exploration and development of mineral resource properties primarily in the western United States of America ("USA"). Currently, the Company is focused on exploration drill programs and feasibility-level studies to identify potential mineral reserves at its Gabbs Project in Nevada, USA.

The Company has not yet determined whether its mineral resource properties contain mineral reserves that are economically recoverable. The continued operation of the Company is dependent upon the preservation of its interest in its properties, the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of such properties.

(b) Going concern assumption

These condensed consolidated interim financial statements are prepared on a going concern basis, which contemplates that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for at least twelve months from June 30, 2026. For the six months ended June 30, 2026, the Company had a net loss of $14,878,632 (2025 – net earnings of $629,576, which included other income from the sale of the Ball Creek Claims in the amount of $1,200,000) and used cash in operating activities of $10,349,222 (2025 – generated cash from operating activities of $385,974, which included $950,000 from the sale of the Ball Creek Claims). As at June 30, 2026, the Company had cash and cash equivalents of $16,380,619 (December 31, 2025 – $9,922,289) and a positive working capital (current assets less current liabilities) of $14,712,540 (December 31, 2025 – $2,253,151).

The Company has incurred losses to date, has limited financial resources and has no current source of revenue or cash flow from operating activities. The Company will require significant capital to complete the feasibility study and continue to de-risk the Gabbs Project as it moves toward a construction decision. To address its financing requirements, the Company plans to seek financing through, but not limited to, debt financing, equity financing and strategic alliances. However, there is no assurance that such financing will be available. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay or reduce the scope of its exploration and development plans at its mineral resource properties.

The above factors give rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. If the going concern assumption were not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary to the carrying values of assets, liabilities, the reported expenses and the consolidated statement of financial position classifications used. Such adjustments could be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance and basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The Company's material accounting policies applied in these condensed consolidated interim financial statements are the same as those disclosed in note 3 of the Company's annual consolidated financial statements as at and for the years ended December 31, 2025 and 2024. These condensed consolidated interim financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements.

The functional currency of the parent company is the Canadian dollar ("CAD" or "$") and the functional currency of each of the Company's subsidiaries is the United States dollar ("USD" or "US$"). The presentation currency of these condensed consolidated interim financial statements is CAD.

These condensed consolidated interim financial statements were authorized for issuance by the Board on August 6, 2026.

(b) Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates. It also requires management to exercise judgment in the process of applying its accounting policies. Estimates and policy judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following discusses the most significant accounting policy judgments and accounting estimates that the Company has made in the preparation of the condensed consolidated interim financial statements including those that could result in material changes within the next twelve months in the carrying amounts of assets and liabilities:

Key instances of accounting policy judgment

- The assessment of the Company's ability to continue as a going concern requires judgment related to future funding available to continue exploring and developing its properties and meet working capital requirements, the outcome of which is uncertain (refer to note 1b).

Unaudited – Expressed in Canadian dollars, except for share data

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(c) New accounting standards and recent pronouncements

The following standards, amendments and interpretations have been issued but are not yet effective:

- In April 2024, the International Accounting Standards Board issued IFRS 18 – *Presentation and Disclosure in Financial Statements* which will replace IAS 1, *Presentation of Financial Statements.* The new standard on presentation and disclosure in financial statements focuses on updates to the statement of earnings (loss). The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings (loss) performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. The Company is in the process of assessing the impact of this standard.

There are no other IFRS Accounting Standards or International Financial Reporting Interpretations Committee interpretations that are not yet effective or early adopted that are expected to have any impact on the Company.

3. MARKETABLE SECURITIES

As at June 30, 2026, the Company holds nil common shares (December 31, 2025 – 1,440,651) of Kingfisher Metals Corp. ("Kingfisher") that were received as part of the consideration for the sale of the Ball Creek Claims (refer to note 8a). The movement in marketable securities during the period/year comprised the following:

	For the six months ended June 30, 2026	For the year ended December 31, 2025
Opening balance	$ 396,179	$ -
Common shares of Kingfisher received for sale of Ball Creek claims (1,515,151 shares at $0.165 per share)	-	250,000
Fair value adjustment to marketable securities at inception	-	7,576
Proceeds from disposition of marketable securities	(659,825)	(32,290)
Realized gain on sale of marketable securities	263,646	10,685
Unrealized fair value gain on marketable securities	-	160,208
Ending balance	$ -	$ 396,179

Unaudited – Expressed in Canadian dollars, except for share data

4. PREPAIDS AND OTHER RECEIVABLES

		June 30, 2026		December 31, 2025
Prepaid expenses and deposits	$	492,610	$	730,133
Prepayment for acquisition of water rights		152,372		-
Tax receivables		42,930		24,420
Other receivables		18,168		28,168
	$	706,080	$	782,721

5. PROPERTY, PLANT AND EQUIPMENT

		Property, plant and equipment		Right of use ("ROU") asset		Total
Period ended June 30, 2026						
Cost						
Balance - December 31, 2025	$	161,855	$	3,680	$	165,535
Additions		32,419		-		32,419
Disposals		(27,196)		-		(27,196)
Balance - June 30, 2026	$	167,078	$	3,680	$	170,758
Accumulated depreciation						
Balance - December 31, 2025	$	136,992	$	1,687	$	138,679
Depreciation		9,806		920		10,726
Disposals		(25,383)		-		(25,383)
Balance - June 30, 2026	$	121,415	$	2,607	$	124,022
Net book value - June 30, 2026	$	45,663	$	1,073	$	46,736

Property, plant and equipment consists of exploration equipment, office furniture and information technology ("IT") hardware.

As at June 30, 2026, the ROU asset consists of the Company's photocopier which is depreciated over the term of the lease.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		June 30, 2026		December 31, 2025
Trade payables	$	1,760,620	$	720,242
Accrued liabilities		71,050		42,800
Payroll liabilities		37,944		-
Interest payable		-		42,270
	$	1,869,614	$	805,312

7. CONVERTIBLE DEBENTURES

On March 4, 2024, and March 14, 2024, the Company issued 1,665 convertible debenture units for gross proceeds of $1,665,000. Each unit consisted of one convertible debenture with a principal amount of $1,000 and 12,500 share purchase warrants.

Each warrant entitled the holder to purchase one additional common share of the Company at an exercise price of $0.15 per common share for a period of two years from the date of issue. If after four months from the date of issue, the closing price of the common shares of the Company on the Exchange was equal to or greater than $0.30 for a period of 10 consecutive trading days at any time prior to the expiry date, the Company had the right to accelerate the expiry date of the warrants.

The convertible debentures had approximately a two-year term, with the principal amount to be repaid in full by the Company on January 31, 2026. At any time during the term, the Company had the option to extend the term by up to one additional year on payment of an extension fee to the holders of the convertible debentures in the amount of six month's interest payable in shares based on the greater of the market price and the 15-day volume weighted average price ("VWAP") or cash, at the Company's election. The convertible debentures were unsecured.

Under the terms of the offering, at any time during the term, a holder of the convertible debentures could elect to convert the outstanding net principal amount, or any portion thereof, into common shares in the capital of the Company at a conversion price of $0.07 per share up to January 31, 2025 and $0.10 per share from February 1, 2025 to January 31, 2026. In the event the Company announced a business combination and the 15-day VWAP of the shares on the Exchange was greater than $0.07, the Company had the right to require the holders to convert the outstanding net principal amount into common shares at the conversion price.

For the six months ended June 30, 2026, 11,180,000 (2025 – 2,642,854) common shares, with a fair value of $10,431,700, were issued for the conversion of convertible debentures with an original principal amount of $1,118,000 (2025 – $185,000) (refer to note 11).

The convertible debentures accrued interest at a rate of 7.5%, payable semi-annually on the last day of June and December of each year, commencing on June 30, 2024. Interest could be paid in shares based on the greater of the market price and 15-day VWAP of the shares on the Exchange, or cash, at the Company's election. For the six months ended June 30, 2026, $5,040 (2025 – $45,260) of interest expense on convertible debentures was recorded in the statement of earnings (loss).

For the six months ended June 30, 2026, the Company issued 63,079 (2025 – 822,467) common shares to settle interest owing to the convertible debenture holders in the amount of $42,270 (2025 – $51,967) (refer to note 11).

For the six months ended June 30, 2026, the Company paid $5,040 (2025 – $1,020) of interest expense on convertible debentures which were converted to common shares by the holders.

Unaudited – Expressed in Canadian dollars, except for share data

7. CONVERTIBLE DEBENTURES (Continued)

The fair values of the convertible debentures were estimated using the partial differential equation valuation method with key inputs used including share prices, risk-free interest rates, credit spreads, historical volatilities and dividend yields. At initial recognition, the fair value of the convertible debenture units was $2,834,200, of which $479,111 was allocated to the share purchase warrants. The excess of the initial fair value of the convertible debentures over the proceeds received was recorded in the statement of earnings (loss) and comprehensive earnings (loss). For the six months ended June 30, 2026, the change in fair value of the convertible debentures was a loss on financial instruments at fair value of $2,934,283 (2025 – $nil) which was recognized in the statement of earnings (loss).

The movement in convertible debentures during the period/year comprised the following:

	For the six months ended June 30, 2026	For the year ended December 31, 2025
Opening balance	$ 7,497,417	$ 1,448,688
Conversion of convertible debentures into common shares	(10,431,700)	(436,489)
Loss on financial instruments at fair value	2,934,283	6,485,218
Ending balance	$ -	$ 7,497,417

8. E&E EXPENDITURES

The E&E expenditures of the Company, by property, for the three and six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended		For the six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Gabbs Project	$ 6,133,207	$ 125,671	$ 10,651,339	$ 178,259
BAM Project	2,300	2,300	2,300	2,300
Silver Reef Property	1,103	1,103	1,103	1,103
	$ 6,136,610	$ 129,074	$ 10,654,742	$ 181,662

The Gabbs Project is located in the Fairplay Mining District, south-southwest of the town of Gabbs, Nye County, Nevada and was acquired on February 22, 2021 from Borealis Mining Company, LLC, an indirect, wholly owned subsidiary of Waterton Precious Metals Fund II Cayman, LP.

Unaudited – Expressed in Canadian dollars, except for share data

8. E&E EXPENDITURES (Continued)

(a) Sale of Ball Creek Claims

On December 4, 2024, the Company entered into a definitive agreement to sell the Ball Creek Claims to Kingfisher, an arm's length party, on (a) cash payment of $1,000,000, with a non-refundable $50,000 deposit due on signing of the agreement (received on December 9, 2024) and $950,000 due on closing of the transaction; and (b) issuance to the Company of shares of Kingfisher having a value of $250,000, with the shares priced at the closing price of the shares on the Exchange immediately prior to the announcement of the agreement. On January 29, 2025, the transaction closed with the Company receiving $950,000 in cash and 1,151,151 common shares (refer to note 3) of Kingfisher.

The proceeds received from the sale of the Ball Creek claims were recognized as other income – sale of mineral claims in the statement of earnings (loss).

(b) Project reclamation requirements

As at June 30, 2026, the Company holds total surety bonds of $471,263 (US$331,642) in favour of the United States Department of the Interior Bureau of Land Management in support of the reclamation requirements for the Gabbs Project.

As at June 30, 2026, the Company holds total surety bonds of $136,103 in favour of the BC Ministry of Energy, Mines and Low Carbon Innovation in support of the reclamation requirements for the BAM Property and Silver Reef Property.

(c) E&E expenditures – Nature of expense

The E&E expenditures of the Company, by nature of expense, for the three and six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended		For the six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Drilling	$ 3,276,825	$ -	$ 5,241,163	$ -
Assays	530,033	-	1,188,040	-
Environmental and permitting	537,565	-	1,043,514	-
Technical studies and assessment reports	721,848	82,807	981,124	98,994
Consulting and contracted labour	373,834	22,233	777,358	39,903
Supplies and field office costs	201,284	18,988	452,947	35,606
Geotechnical site assessments	70,944	-	338,154	-
Equipment rentals	90,172	-	188,099	-
Government payments	149,565	3,378	151,491	4,783
Travel expenses	54,710	1,668	118,524	2,376
Salaries and benefits	61,126	-	104,766	-
Acquisition costs	68,009	-	68,009	-
Other E&E expenditures	695	-	1,553	-
	$ 6,136,610	$ 129,074	$ 10,654,742	$ 181,662

Unaudited – Expressed in Canadian dollars, except for share data

9. OFFICE AND GENERAL

Office and general expenses of the Company, by nature of expense, for the three and six months ended June 30, 2026 and 2025 were as follows:

	For the three months ended		For the six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Salaries and benefits	$ 159,069	$ 89,469	$ 367,592	$ 202,655
Office and administrative expenses	28,429	14,868	66,540	30,159
Insurance	16,563	10,637	31,574	21,702
IT related expenses	14,461	5,722	20,430	11,060
	$ 218,522	$ 120,696	$ 486,136	$ 265,576

10. INTEREST AND FINANCE EXPENSE

	For the three months ended		For the six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Interest expense on convertible debentures	$ -	$ 22,242	$ 5,040	$ 45,260
Interest expense on leases	55	122	128	210
Interest expense on related party loans	-	7,473	-	15,241
Accretion of acquisition liabilities - Gabbs Project	-	-	-	2,377
Interest expense - other	-	20	-	20
	$ 55	$ 29,857	$ 5,168	$ 63,108

11. SHARE CAPITAL AND OTHER RESERVES

(a) Share capital

At June 30, 2026, the authorized share capital of the Company consisted of an unlimited number of common shares without par value.

For the six months ended June 30, 2026, 11,180,000 (2025 – 2,642,854) common shares, with a fair value of $10,431,700, were issued for the conversion of convertible debentures with an original principal amount of $1,118,000 (2025 – $185,000) (refer to note 7).

For the six months ended June 30, 2026, the Company issued 63,079 (2025 – 822,467) common shares to settle interest owing to the convertible debenture holders in the amount of $42,270 (2025 – $51,967) (refer to note 7).

Unaudited – Expressed in Canadian dollars, except for share data

11. SHARE CAPITAL AND OTHER RESERVES (Continued)

On May 25, 2026, the Company completed a private placement of 15,500,000 units at a price of $0.75 for gross proceeds of $11,625,000. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at an exercise price of $1.50 per common share for a period of two years from the date of issue. Using the residual method, the warrants were valued at $nil. Total share issuance costs associated with the private placement were $52,328.

(b) Other reserves

The Company's other reserves consisted of the following:

		June 30, 2026		December 31, 2025
Other reserve - Share options	$	4,973,954	$	4,242,000
Other reserve - Warrants		34,456		332,166
	$	5,008,410	$	4,574,166

(c) Share options

The following table summarizes the changes in share options for the six months ended June 30:

	2026			2025		
	Number of share options		Weighted average exercise price	Number of share options		Weighted average exercise price
Outstanding, January 1,	10,066,000	$	0.33	6,983,333	$	0.14
Granted	50,000		0.71	1,625,000		0.11
Exercised	(2,500,000)		0.09	-		-
Expired	(100,000)		0.08	(2,233,333)		0.24
Outstanding, June 30,	7,516,000	$	0.42	6,375,000	$	0.10

For the options exercised during the period, the related weighted average share price at the time of exercise was $0.76 (2025 – $nil).

Unaudited – Expressed in Canadian dollars, except for share data

11. SHARE CAPITAL AND OTHER RESERVES (Continued)

The following table summarizes information about share options outstanding and exercisable at June 30, 2026:

	Share options outstanding		Share options exercisable		
Exercise prices	Number of share options outstanding	Weighted average years to expiry	Number of share options exercisable		Weighted average exercise price
$0.01 - $0.12	2,116,000	0.59	2,116,000	$	0.10
$0.51 - $0.63	5,350,000	1.47	3,584,500		0.54
$0.64-$0.76	50,000	1.84	17,000		0.71
	7,516,000	1.22	5,717,500	$	0.38

The total share-based compensation expense for the six months ended June 30, 2026 was $840,820 (2025 – $70,784) which was expensed in the statement of earnings (loss).

The following are the weighted average assumptions used to estimate the fair value of share options granted for the six months ended June 30, 2026 and 2025 using the Black-Scholes option pricing model:

	For the six months ended	
	June 30, 2026	June 30, 2025
Expected life	2 years	2 years
Expected volatility	105.33%	121.75%
Risk-free interest rate	2.94%	2.64%
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

The Black Scholes option pricing model requires the input of subjective assumptions including the expected price volatility and expected share option life. Changes in these assumptions would have a significant impact on the fair value.

(d) Warrants

The following table summarizes the changes in warrants for the six months ended June 30:

	2026			2025		
	Number of warrants		Warrant reserve	Number of warrants		Warrant reserve
Outstanding, January 1,	88,845,650	$	332,166	58,307,059	$	657,787
Transactions during the period:						
Warrants issued - private placements	15,500,000		-	-		-
Warrants exercised	(25,359,400)		(297,710)	-		-
Warrants expired	-		-	(10,327,684)		(283,780)
Outstanding, June 30,	78,986,250	$	34,456	47,979,375	$	374,007

Unaudited – Expressed in Canadian dollars, except for share data

11. SHARE CAPITAL AND OTHER RESERVES (Continued)

At June 30, 2026, the weighted average exercise price for the outstanding warrants is $0.50 (2025 – $0.13) and the weighted average remaining life for the outstanding warrants is 1.18 years (2025 – 0.88 years).

For the warrants exercised during the period, the weighted average exercise price was $0.17 (2025 – $nil) and the weighted average share price at the time of exercise was $0.85 (2025 – $nil).

(e) Earnings (loss) per share

The calculation of diluted earnings (loss) per share was based on earnings (loss) attributable to ordinary shareholders and the weighted-average number of shares outstanding after adjustments for the effect of potential dilutive shares. For the six months ended June 30, 2026, potential share issuances arising from the exercise of share options and warrants were not included in the diluted loss per share calculation as their effect was antidilutive. For the six months ended June 30, 2025, potential share issuances arising from the exercise of share options and warrants and settlement of convertible debentures in common shares were included in the calculation of diluted weighted average shares outstanding as well as their impact on earnings attributable to shareholders of the Company. Potentially dilutive shares associated with share options and warrants (out of the money) were not included in the diluted earnings per share calculation as their effect was antidilutive.

The following table summarizes the calculation of basic and diluted earnings (loss) per share:

	For the three months ended		For the six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Net earnings (loss) for the period	$ (6,842,768)	$ (433,815)	$ (14,878,632)	$ 629,576
Basic weighted average number of common shares outstanding	248,959,292	152,161,706	257,984,600	151,713,706
Effective impact of dilutive securities:				
Share options	-	-	-	343,713
Warrants	-	-	-	195,089
Convertible debentures	-	-	-	11,895,000
Diluted weighted average number of common shares outstanding	248,959,292	152,161,706	257,984,600	164,147,508
Earnings (loss) per share				
Basic	(0.03)	0.00	(0.06)	0.00
Diluted	(0.03)	0.00	(0.06)	0.00

Unaudited – Expressed in Canadian dollars, except for share data

12. RELATED PARTIES

Key management consists of the Company's directors and officers including its CEO, Chief Exploration Officer ("CExO"), Executive Vice President ("EVP") and Chief Financial Officer ("CFO").

Directors and key management compensation:

	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Share-based compensation	$ 326,147	$ 51,468	$ 685,230	$ 67,115
Salaries and benefits	152,883	89,478	331,419	203,155
	$ 479,030	$ 140,946	$ 1,016,649	$ 270,270

As at June 30, 2026, accounts payable and accrued liabilities include $33,024 (December 31, 2025 – $28,672) owed to two officers (December 31, 2025 – two officers) of the Company for reimbursement of transactions incurred in the normal course of business.

For the six months ended June 30, 2026, the Company charged $54,504 (2025 – $93,116) to Austin Gold Corp. ("Austin") and Innovation Mining Inc. ("Innovation") under financial services agreements. On November 30, 2025, the financial services agreement with Innovation was terminated. As at June 30, 2026, under the financial services agreements, $9,084 (December 31, 2025 – $9,084) is owed to the Company and included in prepaids and other receivables.

On May 12, 2025, the CEO, CExO and EVP were appointed to senior management positions at Tudor Gold Corp. ("Tudor"). On July 1, 2025, the CFO of the Company was appointed CFO of Tudor under a financial services agreement, similar to those signed with Austin and Innovation. The Company and Tudor share an office space in which, for the six months ended June 30, 2026, the Company incurred $29,320 (2025 – $20,071) of rent expense that was included in office and general expenses. For the six months ended June 30, 2026, the Company charged $54,504 (2025 – $17,143) to Tudor under shared services agreements. As at June 30, 2026, under the shared services agreements, $9,084 (December 31, 2025 – $19,084) is owed to the Company and included in prepaids and other receivables.

On March 14, 2024, the Company issued 85 convertible debenture units for gross proceeds of $85,000 to an officer of the Company (refer to note 7). On January 24, 2025, the Company issued 1,214,285 common shares to the officer of the Company for the conversion of the convertible debentures in the amount of $85,000 (refer to note 7 and 11).

(a) Related party loans

Non-interest bearing related party loans

As at June 30, 2026, related party loans include $503,358 (December 31, 2025 – $543,358) of non-interest bearing, due on demand, loans owed to three officers (December 31, 2025 – three officers) of the Company.

13. FINANCIAL RISK MANAGEMENT

The Company has exposure to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk from its use of financial instruments.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

(i) Currency risk

The Company is subject to currency risk on financial instruments that are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses would impact the statement of earnings (loss).

The Company is exposed to currency risk through cash and cash equivalents and accounts payable and accrued liabilities held in the parent entity which are denominated in USD.

The following table shows the impact on pre-tax loss of a 10% change in the USD:CAD exchange rate on financial assets and liabilities denominated in USD, as of June 30, 2026, with all other variables held constant:

	Impact of currency rate change on pre-tax loss	
	10% increase	10% decrease
Cash and cash equivalents	$ 13,319	$ (13,319)
Accounts payable and accrued liabilities	(176,202)	176,202

(ii) Interest rate risk

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents. The Company's current policy is to invest cash at floating rates of interest with cash reserves to be maintained in cash and cash equivalents in order to maintain liquidity. Fluctuations in interest rates impact interest and finance income earned.

The impact on pre-tax loss of a 1% change in interest rates on financial assets as of June 30, 2026, with all other variables held constant, would be nominal.

(b) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with Canadian Tier 1 chartered financial institutions. Management believes there is a nominal expected credit loss associated with its financial assets.

13. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Cash flow forecasting is performed regularly to ensure that there is sufficient liquidity in order to meet short-term business requirements.

Refer to note 1b for further discussion regarding the Company's ability to continue as a going concern.

The Company has issued surety bonds to support future decommissioning and restoration provisions (refer to note 8b).

The Company's financial obligations consist of accounts payable and accrued liabilities, lease obligations and related party loans.

The maturity of financial liabilities as at June 30, 2026 is as follows:

	1 year	2 -3 years	More than 3 years	Total
Accounts payable and accrued liabilities	$ 1,869,614	$ -	$ -	$ 1,869,614
Lease obligations	1,246	-	-	1,246
	$ 16,826,885	$ -	$ -	$ 16,826,885

(d) Fair value estimation

The Company's financial assets and liabilities are initially measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The following tables present the Company's financial assets and liabilities by level within the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Unaudited – Expressed in Canadian dollars, except for share data

13. FINANCIAL RISK MANAGEMENT (Continued)

As at June 30, 2026	Carrying value		Fair value		
	FVTPL	Amortized cost	Level 1	Level 2	Level 3
Financial assets					
Cash and cash equivalents	$ -	$ 16,380,619	$ -	$ -	$ -
Prepaids and other receivables	-	706,080	-	-	-
	$ -	$ 17,086,699	$ -	$ -	$ -
Financial liabilities					
Accounts payable and accrued liabilities	$ -	$ 1,869,614	$ -	$ -	$ -
Lease obligations	-	1,187	-	-	-
	$ -	$ 1,870,801	$ -	$ -	$ -

As at December 31, 2025	Carrying value		Fair value		
	FVTPL	Amortized cost	Level 1	Level 2	Level 3
Financial assets					
Cash and cash equivalents	$ -	$ 9,922,289	$ -	$ -	$ -
Marketable securities	396,179	-	396,179	-	-
Prepaids and other receivables	-	782,721	-	-	-
	$ 396,179	$ 10,705,010	$ 396,179	$ -	$ -
Financial liabilities					
Accounts payable and accrued liabilities	$ -	$ 805,312	$ -	$ -	$ -
Lease obligations	-	2,127	-	-	-
Convertible debentures	7,497,417	-	-	-	7,497,417
	$ 7,497,417	$ 807,439	$ -	$ -	$ 7,497,417

The carrying values of cash and cash equivalents, prepaids and other receivables and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

Marketable securities are fair valued at each reporting period using Kingfisher's share price on the Exchange.

14. COMMITMENTS

The following table provides the Company's gross contractual obligations as of June 30, 2026:

	1 year	2 -3 years	More than 3 years	Total
Contractual commitments - acquisition of water rights	$ 14,956,025	$ -	$ -	$ 14,956,025
Lease obligations	1,246	-	-	1,246
	$ 14,957,271	$ -	$ -	$ 14,957,271

14. COMMITMENTS (Continued)

(a) Water rights – Gabbs Project

On April 1, 2026, the Company entered into a definitive agreement (the "Definitive Agreement") with an arm's length private vendor to acquire water rights in the Gabbs Basin of Nevada, USA. Pursuant to the Definitive Agreement, the Company will acquire 2,500 acre-feet per year of water rights at a purchase price of US$4,250 per acre-foot per year for a total of US$10,625,000, with US$100,000 payable on signing of the Definitive Agreement (paid on April 2, 2026, which is included in prepaids and other receivables); and US$10,525,000 payable within 30 days following the Nevada Division of Water Resources approving the transfer of the water rights to the Company.