ATHA Energy Corp.

Condensed Consolidated Interim Financial Statements

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

For the three and six months ended June 30, 2026 and 2025

ATHA ENERGY CORP.

Condensed Consolidated Interim Statements of Financial Position

(*Unaudited - Expressed in Canadian Dollars, unless otherwise noted*)

As at:	Notes		June 30, 2026		December 31, 2025
ASSETS					
Current assets					
Cash and cash equivalents		$	47,647,717	$	3,512,094
Restricted cash			-		35,000
Receivables	5		718,547		1,053,755
Due from related parties			12,135		12,135
Marketable securities	9		432,323		533,873
Prepaid expenses			527,456		278,351
Total current assets		**$**	**49,338,178**	**$**	**5,425,208**
Non-current assets					
Property and equipment	6		310,450		195,704
Exploration and evaluation assets	7		236,306,868		221,321,316
Right-of-use assets	8		276,053		348,066
Total non-current assets		**$**	**236,893,371**	**$**	**221,865,086**
Total assets		**$**	**286,231,549**	**$**	**227,290,294**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities			1,142,025		1,103,154
Flow-through premium liability	10		3,308,557		1,037,360
Current portion of lease liabilities	8		150,827		144,752
Due to related parties	14		58,950		33,507
Interest payable	11		707,061		-
Total current liabilities		**$**	**5,367,420**	**$**	**2,318,773**
Non-current liabilities					
Lease liabilities	8		139,433		216,397
Convertible debenture	11		39,882,384		-
Deferred tax liability	18		8,964,656		6,693,449
Total liabilities		**$**	**54,353,893**	**$**	**9,228,619**
SHAREHOLDERS' EQUITY					
Share capital	12		260,710,630		233,643,415
Share-based payment reserve	13		16,434,013		15,170,957
Contributed surplus	13		307,360		1,563,594
Accumulated other comprehensive income (loss)			783,985		(96,263)
Deficit			(46,358,332)		(32,220,028)
Total shareholders' equity		**$**	**231,877,656**	**$**	**218,061,675**
Total liabilities and shareholders' equity		**$**	**286,231,549**	**$**	**227,290,294**

Nature of business and going concern (Note 1)
Events after reporting period (Note 20)

Approved by the Board of Directors and authorized for issue on August 26, 2026:

"Troy Boisjoli" CEO ***"Mike Castanho"*** Director

ATHA ENERGY CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - *Expressed in Canadian Dollars, unless otherwise noted*)

		Three months ended		Six months ended	
	Notes	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Operating expenses					
Business development		$ 103,979	$ 28,577	$ 190,695	$ 210,948
Consulting and advisory fees	14	116,951	137,999	197,701	240,998
Depreciation	6,8	62,287	84,876	123,929	176,111
Director fees	14	70,595	63,930	134,720	129,477
Marketing and shareholder relations		201,254	219,028	399,989	458,051
Office and administration		239,250	167,388	431,442	412,360
Professional fees		262,878	317,899	462,673	725,016
Rent expense		14,114	10,700	26,014	18,780
Salaries and wages	14	228,544	228,817	461,173	475,952
Share-based compensation	13,14	1,455,733	1,035,370	4,380,097	1,039,083
Transfer agent and filing fees		157,529	150,693	334,132	203,349
Travel		95,152	92,395	166,127	234,300
Total operating expenses		**$ (3,008,266)**	**$ (2,537,672)**	**$ (7,308,692)**	**$ (4,324,425)**
Operating loss		**$ (3,008,266)**	**$ (2,537,672)**	**$ (7,308,692)**	**$ (4,324,425)**
Other income (expenses)					
Foreign exchange gain (loss)		(294,472)	38,179	(845,221)	(26,063)
Financing expense		-	-	(979,166)	-
Interest income		290,407	42,807	497,507	93,994
Interest on convertible debentures	11	(1,040,600)	-	(1,667,967)	-
Fair value loss on convertible debentures	11	(5,473,662)	-	(5,546,665)	-
Other expense		(51,290)	(1,621)	(65,209)	(20,795)
Loss before tax		**$ (9,577,883)**	**$ (2,458,307)**	**$ (15,915,413)**	**$ (4,277,289)**
Flow-through premium recovery	10	1,866,143	1,153,696	2,802,373	1,153,696
Deferred income tax expense	18	(1,976,706)	(1,310,507)	(2,271,207)	(1,277,379)
Net loss		**$ (9,688,446)**	**$ (2,615,118)**	**$ (15,384,247)**	**$ (4,400,972)**
Other comprehensive gain (loss)					
Translation adjustment		$ 293,328	$ (29,373)	$ 866,683	$ (4,323)
Unrealized gain (loss) on marketable securities	9	(366,586)	67,290	(101,550)	118,910
Change in fair value of convertible debentures attributable to credit risk	11	(390,752)	-	115,115	-
Total comprehensive loss		**$ (10,152,456)**	**$ (2,577,201)**	**$ (14,503,999)**	**$ (4,286,385)**
Basic and diluted loss per common share		**$ (0.03)**	**$ (0.01)**	**$ (0.04)**	**$ (0.02)**
Weighted average number of common shares outstanding - basic and diluted		350,277,714	293,465,451	342,816,981	285,723,275

ATHA ENERGY CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited - *Expressed in Canadian Dollars, unless otherwise noted*)

	Number of shares		Share capital		Share-based payment reserve		Contributed surplus		Accumulated other comprehensive income		Deficit		Total shareholders' equity
Balance - January 1, 2025	**277,895,074**	**$**	**217,052,772**	**$**	**14,534,173**	**$**	**3,991,403**	**$**	**(618,606)**	**$**	**(26,624,419)**	**$**	**208,335,323**
Common shares issued on private placement of Units (Note 12)	20,241,490		7,894,181		-		-		-		-		7,894,181
Share issuance costs (Note 12)	-		(859,254)		-		-		-		-		(859,254)
Expiration of stock options	-		-		-		(1,016,970)		-		1,016,970		-
Share-based payments (Note 13)	-		-		1,039,083		-		-		-		1,039,083
Unrealized gain on marketable securities (Note 9)	-		-		-		-		118,910		-		118,910
Translation adjustment	-		-		-		-		(4,323)		-		(4,323)
Net loss for the period	-		-		-		-		-		(4,400,972)		(4,400,972)
Balance - June 30, 2025	**298,136,564**	**$**	**224,087,699**	**$**	**15,573,256**	**$**	**2,974,433**	**$**	**(504,019)**	**$**	**(30,008,421)**	**$**	**212,122,948**
Balance - January 1, 2026	**316,546,035**	**$**	**233,643,415**	**$**	**15,170,957**	**$**	**1,563,594**	**$**	**(96,263)**	**$**	**(32,220,028)**	**$**	**218,061,675**
Common shares issued on private placement (Note 12)	28,186,500		23,676,660		-		-		-		-		23,676,660
Share issuance costs (Note 12)	-		(2,035,757)		-		-		-		-		(2,035,757)
Common shares issued to settle transaction costs on convertible debenture financing (Note 11)	1,552,900		1,025,700		-		-		-		-		1,025,700
Common shares issued for settlement of debt (Note 11)	354,521		323,119		-		-		-		-		323,119
Expiration of stock options	-		-		-		(1,245,943)		-		1,245,943		-
Exercise of RSUs	2,800,000		2,966,500		(2,966,500)		-		-		-		-
Exercise of stock options	598,333		431,758		(150,541)		-		-		-		281,217
Exercise of warrants	1,029,145		679,235		-		(10,291)		-		-		668,944
Share-based payments (Note 13)	-		-		4,380,097		-		-		-		4,380,097
Unrealized loss on marketable securities (Note 9)	-		-		-		-		(101,550)		-		(101,550)
Change in fair value of convertible debentures attributable to credit risk (Note 11)	-		-		-		-		115,115		-		115,115
Translation adjustment	-		-		-		-		866,683		-		866,683
Net loss for the period	-		-		-		-		-		(15,384,247)		(15,384,247)
Balance - June 30, 2026	**351,067,434**	**$**	**260,710,630**	**$**	**16,434,013**	**$**	**307,360**	**$**	**783,985**	**$**	**(46,358,332)**	**$**	**231,877,656**

ATHA ENERGY CORP.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - *Expressed in Canadian Dollars, unless otherwise noted*)

For the six months ended		June 30, 2026		June 30, 2025
OPERATING ACTIVITIES				
Net loss	**$**	**(15,384,247)**	**$**	**(4,400,972)**
Non-cash items:				
Depreciation		123,929		176,111
Share-based compensation		4,380,097		1,039,083
Flow-through premium recovery (Note 10)		(2,802,373)		(1,153,696)
Interest expense		1,678,153		22,757
Foreign exchange loss		845,221		26,063
Other expense		-		(55,441)
Fair value loss on convertible debentures		5,546,665		-
Deferred income tax expense (recovery)		2,271,207		1,277,379
Changes in non-cash working capital items:				
Receivables		335,227		805,431
Prepaid expenses		(317,661)		490,173
Accounts payable and accrued liabilities		298,699		(812,845)
Deferred financing costs		-		72,109
Due to related parties		25,443		-
Cash flows used in operating activities	**$**	**(2,999,640)**	**$**	**(2,513,848)**
INVESTING ACTIVITIES				
Exploration and evaluation expenditures	$	(14,504,350)	$	(6,879,938)
Purchase of property and equipment		(166,661)		(22,028)
Refund of claim deposits		314,611		-
Net cash used in investing activities	**$**	**(14,356,400)**	**$**	**(6,901,966)**
FINANCING ACTIVITIES				
Proceeds from issuance of flow-through shares		28,750,230		10,000,000
Share issuance costs		(2,035,757)		(859,254)
Proceeds from convertible debt financing		34,190,000		-
Transaction costs on convertible debt financing		(979,166)		-
Proceeds from exercise of options		281,217		-
Proceeds from exercise of warrants		668,944		-
Payment on lease obligations		(84,000)		(97,432)
Interest paid on convertible debentures		(643,661)		-
Advances from affiliates		15,100		-
Net cash provided by financing activities	**$**	**60,162,907**	**$**	**9,043,314**
Increase (decrease) in cash and cash equivalents, and restricted cash	**$**	**42,806,867**	**$**	**(372,500)**
Effect of foreign exchange rate fluctuation		1,293,756		(30,600)
Cash and cash equivalents, and restricted cash, beginning of period	**$**	**3,547,094**	**$**	**8,145,541**
Cash and cash equivalents, and restricted cash, end of period	**$**	**47,647,717**	**$**	**7,742,441**
Interest paid	$	643,661	$	28,180
Interest received	$	512,375	$	116,751
Total cash	$	47,572,717	$	7,583,691
Total cash equivalents	$	75,000	$	123,750
Total restricted cash	$	-	$	35,000

Note 17 – Supplemental Cash flow Information

1. NATURE OF BUSINESS AND GOING CONCERN

Atha Energy Corp. (the "Company" or "ATHA") was incorporated under the British Columbia Business Corporations Act on January 14, 2021. The Company's head office and its registered and records office is located at 1240 – 1066 West Hastings Street, Vancouver, British Columbia V6E 3X1. On April 6, 2023, the Company received approval from the Canadian Securities Exchange ("CSE") to list its common shares under the symbol "SASK". On March 4, 2024, the Company's common shares were delisted from the CSE, and listed on the TSX Venture Exchange ("TSXV"). The Company's common shares continue to trade under the symbol "SASK".

The Company is principally engaged in the acquisition, exploration and evaluation of mineral resources in Canada in the Angikuni and Thelon Basins located in Nunavut, the Athabasca Basin located in Saskatchewan and the Central Mineral Belt located in Newfoundland and Labrador. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for exploration and operations is expected to be raised primarily through share offerings.

Going concern

These condensed consolidated interim financial statements ("Financial Statements") have been prepared on the assumption that the Company will continue as a going concern. Continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future is assumed, at least, but not limited to, one year from June 30, 2026. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is material uncertainty that may raise significant doubt as to the Company's ability to continue as a going concern. There are no assurances that the Company's funding initiatives will continue to be successful.

These Financial Statements do not reflect the adjustments that would be necessary if the going concern assumption was inappropriate. Adjustments to the carrying value of assets, liabilities, reported expenses and statements of financial position classifications could be material. To advance its exploration and development efforts, the Company will have to raise additional funds. While the Company has been successful in doing so in the past, there can be no assurances that it will be able to do so in the future.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

Statement of Compliance

These Financial Statements have been prepared in accordance with IFRS® as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements as set out in IAS 34 Interim Financial Reporting. They do not include all of the information required by IFRS for annual financial statements and should be read in conjunction with the audited consolidated annual financial statements as at and for the year ended December 31, 2025.

These Financial Statements were approved and authorized for issuance by the Board of Directors on August 26, 2026.

Basis of Presentation

These Financial Statements have been prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information. Unless otherwise indicated, these Financial Statements of the Company are presented in Canadian dollars, being the reporting currency of the Company.

Basis of consolidation

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

These Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, which are controlled by the Company. Control is achieved when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following: (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns. The financial statements of the subsidiaries are included in these Financial Statements from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

The entities contained in the Financial Statements are as follows:

Entity Name	Place of business and operations	Functional currency	Equity percentage
Atha Energy Corp (the "Company") - parent	Canada	CAD	n/a
Atha Energy (NU) Corp. ("ATHA NU") – wholly owned subsidiary	Canada	CAD	100%
Latitude Uranium Inc. ("LUR") – wholly owned subsidiary	Canada	CAD	100%
5833 Nunavut Ltd ("NUN") – indirect wholly-owned subsidiary	Canada	CAD	100% owned by LUR
92 Energy Pty Ltd. ("92E") – wholly owned subsidiary	Australia	AUD	100%
92 Energy Canada Ltd. ("92CAN") – indirect wholly-owned subsidiary	Canada	CAD	100% owned by 92E

3. MATERIAL ACCOUNTING POLICIES

Material accounting policies applied to these Financial Statements are the same as those applied and disclosed in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2025 except for:

Financial instrument

Classification

Financial liabilities are measured at amortized cost, unless they are required to be measured at Fair Value Through Profit and Loss ("FVTPL") (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL (such as the Convertible Debentures).

The Company has the following financial instruments, which are classified under IFRS 9 in the table below:
Financial assets/liabilities Classification

Cash and cash equivalents	Amortized cost
Amounts receivable	Amortized cost
Marketable securities	Fair Value Through Other Comprehensive Income ("FVTOCI")
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures	FVTPL

Measurement

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed as incurred. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they

(Unaudited - E*xpressed in Canadian Dollars, unless otherwise noted*)

arise, except for financial liabilities measured at FVTPL, the change in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive (loss) income. The Company's Convertible Debentures have been recognized at FVTPL.

Adoption of new and future accounting standards

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has not yet completed its assessment on the potential impact of adopting these accounting standards on its financial statements.

IFRS 18 - Presentation and Disclosure in Financial Statements.

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is currently assessing the effect of this new standard on its financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Critical accounting estimates and judgments applied to these Financial Statements are the same as those applied to the Company's audited consolidated financial statements for the year ended December 31, 2025 except for:

Estimates

<u>Convertible debentures</u>

The Company uses a model based on a system of two coupled Black-Scholes equations to determine the fair value of the convertible debentures. This model involves five key inputs to determine the fair value of the convertible debentures: risk-free interest rate, credit spread, market price at valuation date, expected dividend yield and expected volatility. Certain of the inputs are estimates that involve considerable judgment and are or could be affected by significant factors that are out of the Company's control. Refer to Note 11 for further details.

5. RECEIVABLES

Receivables as at June 30, 2026 and December 31, 2025 were comprised of the following:

		June 30, 2026		December 31, 2025
Interest receivable	$	31,017	$	6,626
Other receivables		123		3,131
Sales tax credit receivable		687,407		1,043,998
Total receivables	**$**	**718,547**	**$**	**1,053,755**

(Unaudited - E*xpressed in Canadian Dollars, unless otherwise noted*)

6. PROPERTY AND EQUIPMENT

		Computer equipment		Furniture		Field equipment		Leasehold improvements		Total
Cost										
Balance, December 31, 2024	**$**	**23,219**	**$**	**90,722**	**$**	**94,382**	**$**	**181,486**	**$**	**389,809**
Additions		19,648		5,600		–		–		25,248
Balance, December 31, 2025	**$**	**42,867**	**$**	**96,322**	**$**	**94,382**	**$**	**181,486**	**$**	**415,057**
Additions		21,661		-		145,000		-		166,661
Balance, June 30, 2026	**$**	**64,528**	**$**	**96,322**	**$**	**239,382**	**$**	**181,486**	**$**	**581,718**
Accumulated depreciation										
Balance, December 31, 2024	**$**	**7,811**	**$**	**22,095**	**$**	**10,478**	**$**	**79,317**	**$**	**119,701**
Depreciation		18,355		14,719		19,287		47,291		99,652
Balance, December 31, 2025	**$**	**26,166**	**$**	**36,814**	**$**	**29,765**	**$**	**126,608**	**$**	**219,353**
Depreciation		12,765		7,972		7,533		23,645		51,915
Balance, June 30, 2026	**$**	**38,931**	**$**	**44,786**	**$**	**37,298**	**$**	**150,253**	**$**	**271,268**
Carrying amount										
Balance, December 31, 2025	$	16,701	$	59,508	$	64,617	$	54,878	$	195,704
Balance, June 30, 2026	**$**	**25,597**	**$**	**51,536**	**$**	**202,084**	**$**	**31,233**	**$**	**310,450**

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

7. EXPLORATION AND EVALUATION ASSETS

	Saskatchewan/ Alberta Exploration Properties	Nunavut Exploration Properties	Angilak Property	Gemini Property	Other Exploration Properties	Total
Acquisition costs:						
Balance, December 31, 2025	**$ 53,581,880**	**$ 2,915,965**	**$ 53,015,664**	**$ 47,942,590**	**$ 6,787,599**	**$ 164,243,698**
Option and other payments	107,223	6,787	-	-	1,009,518	1,123,528
Balance, June 30, 2026	**$ 53,689,103**	**$ 2,922,752**	**$ 53,015,664**	**$ 47,942,590**	**$ 7,797,117**	**$ 165,367,226**
Exploration and evaluation costs:						
Balance, December 31, 2025	**$ 26,486,910**	**$ 1,199,042**	**$ 24,681,690**	**4,354,010**	**$ 355,966**	**$ 57,077,618**
Expenditures incurred during the period:						
Data review	11,743	-	-	-	-	11,743
Field work	408,710	-	2,425,841	206,899	69,754	3,111,204
Salaries and wages	619,207	888	590,920	524	5,041	1,216,580
Travel	934	-	2,065,654	-	-	2,066,588
Geophysical surveying	3,163,179	-	228,328	-	126,737	3,518,244
Geological	-	-	34,507	-	-	34,507
Drilling	-	-	2,563,822	-	-	2,563,822
Assaying	-	-	97,261	-	-	97,261
Helicopter	177,977	-	1,042,978	-	-	1,220,955
Translation adjustment	-	-	-	21,120	-	21,120
Balance, June 30, 2026	**$ 30,868,660**	**$ 1,199,930**	**$ 33,731,001**	**$ 4,582,553**	**$ 557,498**	**$ 70,939,642**
Balance, December 31, 2025	**$ 80,068,790**	**$ 4,115,007**	**$ 77,697,354**	**$ 52,296,600**	**$ 7,143,565**	**$ 221,321,316**
Balance, June 30, 2026	**$ 84,557,763**	**$ 4,122,682**	**$ 86,746,665**	**$ 52,525,143**	**$ 8,354,615**	**$ 236,306,868**

(Unaudited - E*xpressed in Canadian Dollars, unless otherwise noted*)

7. EXPLORATION AND EVALUATION ASSETS (continued)

		Saskatchewan/ Alberta Exploration Properties		Nunavut Exploration Properties		Angilak Property		Gemini Property		Other Exploration Properties		Total
Acquisition costs:												
Balance, December 31, 2024	**$**	**51,225,431**	**$**	**2,915,965**	**$**	**53,065,664**	**$**	**47,942,590**	**$**	**6,778,293**	**$**	**161,927,943**
Option and other payments		2,356,449		-		(50,000)		-		9,306		2,315,755
Balance, December 31, 2025	**$**	**53,581,880**	**$**	**2,915,965**	**$**	**53,015,664**	**$**	**47,942,590**	**$**	**6,787,599**	**$**	**164,243,698**
Exploration and evaluation costs:												
Balance, December 31, 2024	**$**	**22,967,659**	**$**	**1,152,242**	**$**	**11,340,682**		**3,926,818**	**$**	**231,693**	**$**	**39,619,094**
Expenditures incurred during the period:												
Staking		61,552		-		47,704		-		50,744		160,000
Data review		1,221,520		3,085		436,790		1,531		6,486		1,669,412
Information technology		-		-		5,803		-		2,050		7,853
Field work		2,624		-		5,554,869		189,962		2,169		5,749,624
Salaries and wages		543,449		39,062		371,563		21,256		1,907		977,237
Travel		-		-		1,183,641		8,069		-		1,191,710
Geophysical surveying		1,690,106		4,653		1,119,832		116,617		-		2,931,208
43-101 Technical report		-		-		-		-		29,476		29,476
Geological		-		-		205,712		-		31,441		237,153
Drilling		-		-		2,412,154		82,446		-		2,494,600
Assaying		-		-		304,537		-		-		304,537
Helicopter		-		-		1,670,667		-		-		1,670,667
Environmental		-		-		27,736		-		-		27,736
Translation adjustment		-		-		-		7,311		-		7,311
Balance, December 31, 2025	**$**	**26,486,910**	**$**	**1,199,042**	**$**	**24,681,690**	**$**	**4,354,010**	**$**	**355,966**	**$**	**57,077,618**
Balance, December 31, 2024	$	74,193,090	$	4,068,207	$	64,406,346	$	51,869,408	$	7,009,986	$	201,547,037
Balance, December 31, 2025	**$**	**80,068,790**	**$**	**4,115,007**	**$**	**77,697,354**	**$**	**52,296,600**	**$**	**7,143,565**	**$**	**221,321,316**

Nunavut - Angilak

The Angilak Project is situated within the Angikuni Basin approximately 225 km southwest of Baker Lake in the Kivalliq Region of Nunavut. The Angilak project comprises a total area of 498,559 acres (201,760 hectares) and hosts the Lac 50 uranium deposit. In 2024, the Company identified a 31 km prospective structural corridor which transects the Angikuni Basin called the RIB-Nine Iron trend. This prospective structural corridor was identified through historic data compilation, airborne geophysical surveys and structural geology modeling and interpretation completed as part of the 2024 and 2025 exploration programs.

Saskatchewan - Gemini Property

The Gemini property is an unconformity-associated uranium exploration project located on the eastern margin of the Athabasca Basin, 27 km southeast of the McArthur River uranium mine, 32 km northeast of the Key Lake uranium mill and 780 km northeast of the regional center of Saskatoon. Gemini consists of 13 granted mineral claims with a total area of 445.3 km^2, and hosts the Gemini Mineralized Zone – a shallow, basement-style, high-grade uranium discovery.

Saskatchewan/ Alberta - Exploration Properties

On September 20, 2022, the Company entered into an agreement (the “NSS Purchase Agreement”) to acquire a diversified portfolio of mineral exploration assets and carried interests in the Athabasca Basin (the “NSS Acquired Assets”) from the New Saskatchewan Syndicate (“NSS”), which includes a 10% carried interest and 2% net smelter returns (“NSR”) royalty on certain land owned and operated by NexGen Energy Ltd. and IsoEnergy Ltd. (the “NSS Acquisition”).

Pursuant to an amending agreement entered into in December 2023, the Company agreed to grant to the NSS a 1% NSR and a 5% carried interest in and to the NSS Acquired Assets and agreed to issue 5,000,000 common shares to the NSS (issued on April 11, 2024). The NSS also retained a 5% interest in any additional prospective mineral exploration properties acquired by ATHA.

Pursuant to a second amending agreement entered into in June 2026, (the “Second Amending Agreement”), the claims comprising the Gemini Mineralized Zone were released from the NSR and carried interest granted to the NSS and the royalty was extended to certain additional exploration properties of the Company. In consideration, the Company agreed to issue to the NSS 1,000,000 common shares and 1,000,000 common share purchase warrants, each exercisable to acquire one common share at a price of $1.05. The common shares and warrants were issued on July 16, 2026 (Note 20).

Nunavut - Exploration Properties

In October 2023 the Company began to acquire prospective uranium mineral claims in the Canadian Territory of Nunavut. The Company focused its claim staking on known uranium jurisdictions of the Thelon Basin, and Baker Lake Basin. Consequently, the Company owns 2,752,024 acres (1,113,705 hectares) of mineral claims and is the largest land holder of prospective uranium mineral claims in the territory.

Stallion Discoveries Option

On May 16, 2023 the Company entered into a binding letter of intent (“LOI”) with Stallion Discoveries Corp. (“Stallion”), and on July 18, 2023 the parties entered a definitive option and joint venture agreement (the “Stallion Agreement”) providing Stallion an ability to earn an option (the “Option”) to acquire a 70% interest in 47 of the Company’s mineral claims in Saskatchewan, Canada (the “Stallion Claims”) by acquiring the requisite portion of the Company’s current 90% interest, after meeting certain milestones.

Within two days of the closing date Stallion issued 3,333,333 shares pre-consolidated to the Company (with a then corresponding fair value of $683,333).

On May 31, 2024, Stallion provided ATHA with written notice that it reasonably anticipates that it will not have incurred the required expenditures related to the mineral claims under the Stallion Agreements. The amount of the deficiency between the required amount and the incurred amount for the period from June 13, 2023, to August 8, 2024 (inclusive), was $564,854. As such, pursuant to the Stallion Agreement,

Stallion was obligated to issue to ATHA such number of shares equal to 150% of the amount of such deficiency.

On February 27, 2025, Stallion received TSX approval for consolidation of its shares on the basis of a one post-consolidated share for each five pre-consolidated shares. On a post-consolidated basis, the Company held 666,667 common shares of Stallion.

On March 28, 2025, Stallion and ATHA executed a settlement agreement in respect of Stallion decreasing its land package from 438,000 acres (177,252 hectares) to 255,000 acres (103,195 hectares) and addressing the unrecovered refundable claim deposits. Subsequent to ATHA receiving from the Saskatchewan government $492,601 on Stallion's account, ATHA and Stallion agreed that the remainder of the deficiency, being $72,253, would be paid by Stallion issuing to ATHA shares equal to 150% of such remainder. 802,809 common shares of Stallion were formally issued to ATHA in July 2025 (Note 9) as settlement at a deemed price of $0.135 as a settlement of the matter, resulting in a total position of 1,469,476 common shares of Stallion held at June 30, 2026.

Stallion has provided further notices in accordance with the Option that it has relinquished mineral claims decreasing its land package further to 177,394 acres (71,789 hectares).

During the year ended December 31, 2025, the Company paid refundable claim deposits totaling $3,773,664 to the Ministry of Energy and Resources of Saskatchewan and received refunds totaling $1,457,910. During the six months ended June 30, 2026, the Company paid refundable claim deposits of $1,430,377 and received refunds totaling $314,611.

Other Exploration Properties

Inspiration Energy Option Agreement

On April 24, 2024, the Company announced an agreement (the "IEC Option Agreement") with Inspiration Energy Corp. ("IEC") whereby it granted IEC an option to acquire an undivided 70% interest in each of the Company's Plateau and Ledge properties, subject to option considerations and work commitments outlined in the option agreement.

In accordance with the terms of the IEC Option Agreement, IEC can earn a 70% undivided interest (subject to underlying 2.0% NSR royalties on each property) in the Plateau and Ledge properties through the issuance of 4,330,228 common shares of IEC (the "Consideration Shares") to the Company and incurring a total of $8,000,000 in exploration expenditures. Additionally, the Company is entitled to anti-dilution provisions during the option period, such that the number of common shares issuable will be adjusted upwards to maintain a 9% shareholder interest upon any issuance of new common shares by IEC out of treasury. The anti-dilution feature will not be triggered by any shares issued upon exercise of outstanding stock options, warrants or other convertible securities.

IEC issued a notice of non-compliance with the option agreement during 2024, resulting in the termination of the agreement.

IEC issued a total of 4,330,228 common shares to the Company in accordance with the IEC Option Agreement. On June 27, 2024, IEC received Canadian Securities Exchange approval for consolidation of its shares on the basis of a one post-consolidated share for each five pre-consolidated shares. On a post-consolidated basis, the Company held 866,046 common shares of IEC as at December 31, 2025 and June 30, 2026.

Riverboat Energy Option Agreement

On May 28, 2024, ATHA Energy announced a definitive option agreement, dated May 20, 2024, with Riverboat Energy Corporation ("Riverboat"), a privately held Canadian exploration company. The option agreement grants Riverboat an exclusive option to acquire an undivided 70% interest in ATHA's Vista

property, situated within the Company's East Rim Exploration District, located in the Athabasca Basin, Saskatchewan. The option agreement is subject to Riverboat fulfilling the option considerations and exploration expenditures detailed below in the Vista Option.

In accordance with the terms of the Option Agreement, Riverboat can earn a 70% undivided interest (subject to underlying 2.0% NSR royalties on the property) in the Vista Property by making cash payments to ATHA, issuing common shares to ATHA and incurring and funding certain expenditures on the property, as described below. Riverboat may exercise the option on the property by satisfying all of the following conditions: making an aggregate of $600,000 in cash payments by the third anniversary of the Effective Date, issuing such number of common shares in the capital of Riverboat equal to the quotient by dividing $800,000 by the then price per share, and funding aggregate expenditures in the amount of $9,300,000 on the property over a three-year period.

Upon exercise of the option, a joint venture agreement shall be entered into by ATHA and Riverboat, with Riverboat and ATHA (including the carried over interest of the legacy owner) holding a 70% and a 30% interest, respectively.

The option agreement was terminated, and the property was returned to the control of the Company, as the conditions set out above were not met.

Terra Critical Minerals Limited Option Agreements

On October 11, 2024, ATHA announced that the Company had executed a definitive option agreement with Terra Critical Minerals Limited (ASX: T92) ("T92") to earn an option to acquire a 70% interest in ATHA's Spire and Horizon properties (together, the "Spire Horizon Projects") and a definitive option agreement for ATHA to earn an option to acquire up to a 60% interest in T92's Pasfield Lake property (the "Pasfield Project").

The original Pasfield Option, dated October 11, 2024, was not met by December 31, 2025. ATHA and T92 agreed to an amended option agreement during the six months ended June 30, 2026, dated January 15, 2026, for ATHA to earn an option to acquire an interest in T92's Pasfield Project.

Spire Horizon Option

Under the option agreement, ATHA granted to T92 the sole and exclusive right and option to acquire up to a 70% interest in the Spire Horizon Projects (the "Spire Horizon Option") in consideration for T92 incurring a minimum of $4,750,000 exploration expenditures on or before September 21, 2028.

Prior to December 20, 2024, T92 spent at least $750,000 of statutory exploration expenditures, which included the costs associated with the payment for a mineral exploration assessment report.

On September 18, 2025, T92 provided ATHA with a written notice that it will not have incurred the required expenditures related to the mineral claims under the Spire Horizon option agreement.

Pasfield Option

Under the amended option agreement, dated January 15, 2026, T92 granted to ATHA three exclusive and separate rights and options to acquire undivided legal and beneficial interests in the Pasfield Project (together the "Pasfield Options" and each, a "Pasfield Option") as follows:

- (i) an undivided 30% interest in the Pasfield Project, which may be exercised by either:
  - (a) funding exploration expenditures totaling $2,000,000; or
  - (b) successfully completing two deep holes of at least 1,000 m into the geophysical target on or before December 31, 2026;
- (ii) an undivided 15% interest for a total of 45% interest in the Pasfield Project, which may be exercised by either:
  - (a) funding exploration expenditures totaling $3,000,000; or
  - (b) successfully completing three deep holes of at least 1,000 m into the geophysical target on or before December 31, 2027;
- (iii) an undivided 15% interest for a total of 60% interest in the Pasfield Project, which may be exercised by either:
  - (a) funding exploration expenditures totaling $4,000,000; or
  - (b) successfully completing four deep holes of at least 1,000 m into the geophysical target on or before December 31, 2028; and

Upon the satisfaction of the Third Option, the parties will be deemed to form a joint venture on the Pasfield Project with T92 holding an initial 40% participating interest in the joint venture and ATHA holding a 60% participation interest. ATHA will also have the sole and exclusive right to access and use all camp facilities located on the Pasfield Project for a daily fee to be negotiated between ATHA and T92.

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

ROU asset and corresponding lease liability relate to one office building lease based in Saskatoon, Saskatchewan.

On November 5, 2024, the Company signed a lease amendment to increase the number of office units being leased at their office property in Saskatoon. The amendment resulted in an increase to monthly gross rent at market rates for the additional office units. The lease amendments are effective January 1, 2025. The additional office units were accounted for as a separate lease in accordance with IFRS 16 for the year-ended December 31, 2025. The lease amendment was measured as the present value of incremental lease payments and using an 8.25% interest rate, being the Company's estimated incremental borrowing rate.

On April 30, 2025, the Company's office lease in St. John's, Newfoundland came to an end and the Company did not renew the lease. On July 14, 2025, the Company executed a lease termination agreement ("Termination Agreement") associated with its office in Toronto, Ontario. Pursuant to the terms of the Termination Agreement, the Company was required to pay six months of rent equaling $48,000 with no further termination or break fees. Consequently, the carrying value of right-of-use asset, accumulated

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depreciation, and lease liability was de-recognized with a resulting gain on lease termination of $10,160 which has been presented as other income on the statement of loss and comprehensive loss.
A continuity of right-of-use asset balances as at June 30, 2026 is as follows:

Right-of-use assets		Office Properties
Cost		
Balance, December 31, 2024	**$**	**762,268**
Additions		143,442
Derecognition on lease termination		(312,147)
Balance, December 31, 2025, and June 30, 2026	**$**	**593,563**
Accumulated Depreciation		
Balance, December 31, 2024	**$**	**150,993**
Depreciation in the year		198,553
De-recognition on lease termination		(104,049)
Balance, December 31, 2025	**$**	**245,497**
Depreciation in the period		72,013
Balance, June 30, 2026	**$**	**317,510**
Net book value		
Balance, December 31, 2025	$	348,066
Balance, June 30, 2026	**$**	**276,053**

At June 30, 2026, the Company is committed to minimum lease payments as follows:

		June 30, 2026		December 31, 2025
Maturity analysis – contractual undiscounted cash flows				
Less than one year	$	168,000	$	168,000
One to five years		144,000		228,000
Total undiscounted lease liabilities	**$**	**312,000**	**$**	**396,000**
Lease liabilities	**$**	**290,260**	**$**	**361,149**
Current	$	150,827	$	144,752
Non-current	$	139,433	$	216,397

During the three and six months ended June 30, 2026, the Company recognized total interest expense of $6,191 and $13,111 (June 30, 2025 - $9,018 and $18,706) in connection with its lease liabilities.

9. MARKETABLE SECURITIES

In July 2025, the Company received 802,809 common shares of Stallion pursuant to a settlement agreement (Note 7).

As at June 30, 2026, the Company held 1,469,476 common shares (December 31, 2025 – 1,469,476) of Stallion and 866,046 common shares (December 31, 2025 – 866,046) of IEC (Note 7). Marketable securities are re-measured at each reporting date with changes in fair-value recognized through other comprehensive income (“OCI”).

The fair value of marketable securities as at June 30, 2026 and December 31, 2025 are as follows:

		June 30, 2026		December 31, 2025
Opening balance	**$**	**533,873**	**$**	**151,963**

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		June 30, 2026		December 31, 2025
Initial recognition of Stallion shares (Note 7)		-		112,457
Unrealized gain (loss) from remeasurement		(101,550)		269,453
Ending balance	**$**	**432,323**	**$**	**533,873**

During the three and six months ended June 30, 2026 the Company recognized an unrealized loss of $366,586 and $101,550 (June 30, 2025 – unrealized gain of $67,290 and $118,910) on remeasurement of its marketable securities.

10. FLOW-THROUGH PREMIUM LIABILITY

The Company's flow-through premium liability balance as at June 30, 2026 and December 31, 2025 and the change during the periods ended are as follows:

		June 30, 2026		December 31, 2025
Opening balance	**$**	**1,037,360**	**$**	**-**
Initial recognition (Note 12)		5,073,570		4,357,633
Settlement of flow-through premium liability upon incurring eligible expenses		(2,802,373)		(3,320,273)
Ending balance	**$**	**3,308,557**	**$**	**1,037,360**

During the six months ended June 30, 2026, the Company incurred qualifying flow-through expenditures of $13,764,460 on its properties. The Company is required to incur $18,748,498 of qualifying flow-through expenditures to meet its flow-through requirement.

11. CONVERTIBLE DEBENTURE

		June 30, 2026
Balance, beginning of period	**$**	**-**
Fair value on issuance		33,164,300
Foreign exchange loss on translation included in profit and loss		1,286,534
Change in fair value due to credit risk - included in OCI		(115,115)
Change in fair value included in profit and loss		5,546,665
Balance, end of period	**$**	**39,882,384**

On February 5, 2026, the Company entered into an agreement with Queen's Road Capital Investment Ltd. (the "QRC") for a US$25 million private placement of unsecured convertible debentures (the "Debentures"). The Debentures are convertible at the holder's option at a conversion price of C$0.85 (the "Conversion Price"), being 130% of C$0.655, into common shares of the Company.

The Company received gross proceeds of $34,190,000 (US$25,000,000). A 3% establishment fee of $1,025,700 (US$750,000) was paid to QRC through the issuance of 1,552,900 common shares of the Company. In addition, $41,501 (US$30,346) representing QRC's transaction expenses was reimbursed at closing through a deduction from gross proceeds, resulting in net cash received by the Company of $34,148,499 (US$24,969,654). The fair value of the Debentures on the issuance date was determined to be $33,164,300 (US$24,250,000).

In connection with the Debentures financing, the Company incurred legal costs of $68,251 and capital financing fees of $869,414 which have been presented as financing expense.

The Company revalues the Debentures at the end of each reporting period, with the change in fair value in the period attributable to changes in the credit risk of the liability recorded in Other Comprehensive Income or Loss ("OCI"), and other changes in fair value in the period recorded in the loss for the period. During the three and six months ended June 30, 2026, the change in fair value of the Debentures attributable to changes in the credit risk of the liability was a $390,752 loss and a $115,115 gain respectively, of which the entire amount represents the cumulative change in fair value attributable to credit risk since initial recognition. This amount has been recognised in OCI. The amount of change in fair value attributable to credit risk was determined by re-valuing the Debentures using the credit spread observed at the date of initial recognition (29.13%) as compared to the credit spread observed as at June 30, 2026 (29.47%).

The following assumptions were used to estimate the fair value of the Debentures:

	June 30, 2026	**February 5, 2026**
Expected stock price volatility	90.02%	90.40%
Expected life	4.60	5.00
Risk free interest rate	4.18%	3.74%
Expected dividend yield	0%	0%
Credit spread	29.47%	29.13%
Underlying share price of the Company (in USD)	USD 0.70	USD 0.61
Conversion price (CAD = $0.85)	USD 0.60	USD 0.62
Exchange rate (C$:US$)	1.4210	1.3676

The Debentures carry a 12% coupon (the "Interest") over a 5-year term. The Interest is payable quarterly, calculated on the basis of a 360-day year consisting of twelve 30-day months, with 8% per annum payable in cash and 4% per annum payable in common shares of the Company, subject to TSXV approval, at a price equal to the greater of (i) the volume-weighted average trading price ("VWAP") of the Company's common shares on the TSXV for the 20 trading days ending on the last trading day prior to the date on which such Interest payment is due, and (ii) the minimum price permitted under the policies of the TSXV.

During the three and six months ended June 30, 2026, the Company incurred interest expense of $1,040,600 and $1,667,967 (US$750,000 and US$1,208,333), of which $693,733 and $1,111,978 (US$500,000 and US$805,556) is to be settled in cash and $346,867 and $555,989 (US$250,000 and US$402,778) is to be settled in common shares. A foreign exchange loss of $5,874 was recognized in profit and loss on translation of interest payable denominated in USD to CAD as at June 30, 2026.

Upon completion of a change of control, the Company shall deliver to the QRC an offer to purchase any outstanding Debentures in cash at: (i) on or prior to February 5, 2029, 130% of the principal amount; and (ii) at any time thereafter, 115% of the principal amount, in each case plus accrued but unpaid Interest, if any. QRC may accept or decline this offer in its sole discretion.

A "change of control" of the Company is defined as consisting of: (i) the acquisition, directly or indirectly, by a person or group of persons acting jointly or in concert of voting control or direction over 50% or more of the outstanding common shares; (ii) the consolidation or merger of the Company with or into another entity as a result of which the holders of the common shares immediately prior to such transaction, directly or indirectly, hold less than 50% of voting control or direction over the entity carrying on the business of the

Company following such transaction; or (iii) the sale, assignment, transfer or other disposition of all or substantially all of the properties or assets of the Company to another entity in which the holders of the common shares immediately prior to such transaction, directly or indirectly, hold less than 50% of voting control or direction over the other entity following such transaction. For the avoidance of doubt, any Atha Basin Spin-Off (as defined in the debenture indenture) shall not constitute a change of control.

12. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

As at June 30, 2026 no shares were held in escrow (December 31, 2025 – 6,338,319).

(b) Issued and outstanding

As at June 30, 2026, the Company had 351,067,434 (December 31, 2025 - 316,546,035) common shares issued and outstanding.

Share issuances during the six months ended June 30, 2026

On February 5, 2026 (“Closing Date”), the Company completed a brokered private placement (“LIFE Offering”). The Company issued 28,186,500 charity flow-through common shares (“February FTS”) at a price of $1.02 per February FTS, for aggregate gross proceeds of $28,750,230. Each February FTS qualifies as a “flow-through share” within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the “ITA”). The Company has agreed to incur (or be deemed to incur) eligible “Canadian exploration expenses” as defined in subsection 66.1(6) of the Tax Act that qualify as “flow-through critical mineral mining expenditures” as defined in subsection 127(9) of the Tax Act (the “Qualifying Expenditures”), in an aggregate amount not less than the gross proceeds of $28,750,230, on or before December 31, 2027, and to renounce all such Qualifying Expenditures in favour of the subscribers of the February FTS with an effective date no later than December 31, 2026.

On initial recognition of the February FTS, a flow-through share premium liability of $5,073,570 was recorded, representing the difference between the issue price of $1.02 per February FTS and the closing price of the Company’s common shares on the TSX Venture Exchange of $0.84 on the day immediately preceding the Closing Date.

In connection with the LIFE Offering, the Company incurred total share issuance costs of $2,035,757, comprised of $1,725,014 in cash commissions paid to the agents (6.0% of aggregate gross proceeds), $288,134 in legal fees and $22,609 in other fees in connection with the LIFE Offering.

The Company issued 1,029,145 common shares on the exercise of warrants for proceeds of $668,944. As a result of the exercises, $679,235 was recorded to Share capital.

The Company issued 598,333 common shares on the exercise of stock options for proceeds of $281,217. As a result of the exercises $150,541 was reclassified from reserves to share capital.

The Company issued 2,800,000 common shares on the exercise of RSUs. As a result of the exercises, $2,966,500 was reclassified from reserves to share capital.

Share issuances during the year ended December 31, 2025

On April 22, 2025 (“Closing Date”), the Company completed a private placement (“April Private Placement”) and issued 16,766,490 flow-through common shares of the Company (“FTS”) at a price of $0.47 per FTS and 3,475,000 charity flow-through common shares (“Charity FTS”) at a price of $0.61 per Charity FTS. The Company raised total gross proceeds of $10,000,000. A flow-through premium liability of $2,105,819 was recognized on closing of the April Private Placement.

In connection with the April Private Placement, the Company incurred total share issuance costs of $859,254, comprised of $600,000 in cash commissions, $255,254 in legal fees and $4,000 in other costs.

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On September 18, 2025 (“Closing Date”), the Company closed an underwritten private placement (“September Private Placement”) and raised a total of $11,499,928 through the issuance of 17,126,138 special warrants (“SW” or “Special Warrants”) as follows:

- 5,756,820 non-flow through special warrants (“NFT SW”) at $0.54 per NFT SW; and
- 6,257,430 charity flow-through special warrants (“Charity SW”) at $0.81 per Charity SW; and
- 5,111,888 standard flow-through special warrants (“FT SW”) at $0.65 per FT SW

On initial recognition of the Charity SW and FT SW, a flow-through premium liability of $2,251,814 was recorded.

Each SW entitles the holder to receive, without payment of additional consideration, one unit of the Company (a "Unit"). Each Unit shall consist of one common share of the Company and one common share purchase warrant ("Warrant"). Each Warrant will entitle the holder thereof to purchase one common share of the Company at a price of $0.65 per common share for a period of 36 months following the Closing Date. All unexercised Special Warrants shall be deemed exercised on behalf of, and without any required action on the part of the holders, on the earlier of (the "Automatic Exercise Date"):

a) the second business day following the date on which a final receipt (the “Final Receipt”) is obtained from the British Columbia Securities Commission, for a (final) short form prospectus (the “Final Prospectus”) filed pursuant to National Instrument 44-101 - Short Form Prospectus Distributions (the “Qualification Date”); or

b) the date which is four months and a day following the Closing Date.

In the event the Qualification Date has not occurred on or before the date that is 45 calendar days following the Closing Date, the Corporation may not repay or return any amount of the subscription amount but each SW shall thereafter entitle the holder to receive, upon the exercise or deemed exercise of each SW, for no additional consideration, 1.1 Units (the “Penalty Provision”).

On October 31, 2025, all 17,126,138 Special Warrants were exercised resulting in the issuance of 17,126,138 common shares and 17,126,138 Warrants of the Company. The common shares were fair-valued at $9,076,854 equal to the market price of $0.53 per common share observed on September 18, 2025, the Closing Date of the September Private Placement. The residual fair-value of $0.01, equal to the difference between the SW subscription prices and the market price per common share was assigned to the Warrant component of each Unit; the total fair-value of Warrants issued was $171,261.

In connection with the September Private Placement, the Company incurred share issuance costs as follows: $646,414 in cash commissions, $378,470 in legal fees and $6,141 in other costs associated with the September Private Placement. The Company also issued to the agent of the private placement, 957,805 agent warrants (“Agent Warrants”) each with an exercise price of $0.65 and exercisable for a period of 36 months from the Closing Date.

The Agent Warrants were fair-valued at $189,166 using the Black-Scholes option pricing model and the following weighted average inputs:

		December 31, 2025
Share price on grant date	$	0.53
Exercise price	$	0.65
Expected life of options (years)		3.00
Expected annualized share volatility		62.33%
Expected dividend yield		0%
Risk-free interest rate		2.48%
Fair value of warrants	**$**	**0.198**

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13. SHARE-BASED PAYMENT RESERVE AND CONTRIBUTED SURPLUS

On January 20, 2023, the Company adopted a new equity incentive plan (the "Equity Incentive Plan"). The Equity Incentive Plan is a 10% rolling plan that allows the Company to grant incentive stock options, deferred share units ("DSUs"), performance share units ("PSUs"), and RSUs (collectively, "Awards").

Pursuant to the Equity Incentive Plan, the Company can grant Awards to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Equity Incentive Plan is limited to 10% of the issued common shares of the Company at any time. The vesting period for all incentive stock options is at the discretion of the Board of Directors of the Company. The exercise price of incentive stock options will be set by the Board of Directors of the Company at the time of grant and cannot be less than the discounted market price of the Company's common shares. The maximum term for all incentive stock options is 10 years.

The Equity Incentive Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all Awards held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All incentive stock options granted under the Equity Incentive Plan will expire not later than the date that is ten years from the date that such options are granted. Incentive stock options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) 90 days from the date of death or disability. Incentive stock options granted under the Equity Incentive Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

During the three and six months ended June 30, 2026 and 2025, the Company recognized the following share-based compensation:

	Three months ended		Six months ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Stock Options (a)	$ 1,148,879	$ 990,818	$ 3,721,837	$ 994,531
RSUs (b)	306,854	44,552	658,260	44,552
Total share-based compensation	**$ 1,455,733**	**$ 1,035,370**	**$ 4,380,097**	**$ 1,039,083**

a. Stock options

The following is a summary of changes in stock options:

		Weighted average exercise price per stock option	Number of options
As at December 31, 2024	**$**	**1.23**	**13,945,510**
Granted (i)	$	0.47	9,448,750
Exercised	$	0.47	(33,333)
Expired (ii)	$	1.13	(5,707,596)
Forfeited (iii)	$	0.47	(99,167)
As at December 31, 2025	**$**	**0.83**	**17,554,164**
Granted (iv)	$	0.61	10,150,000
Exercised	$	0.47	(598,333)
Expired (v)	$	1.45	(998,457)
As at June 30, 2026	**$**	**0.73**	**26,107,374**
Vested and exercisable as at June 30, 2026	**$**	**0.75**	**19,340,700**

(Unaudited - E*xpressed in Canadian Dollars, unless otherwise noted*)

(i) On June 2, 2025 the Company granted a total of 9,448,750 stock options including 4,513,750 and 3,310,000 stock options granted to key management ("KMP") and employees of the Company respectively. The remaining 1,625,000 stock options were granted to consultants of the Company for corporate advisory services. Each option entitles the holder to acquire one common share of the Company at a price of $0.47 per common share until June 2, 2030. All the stock options granted have the same vesting terms: 1/3 of the options vest immediately on grant date, 1/3 vest six months from grant date, and the remaining 1/3 vest twelve months from grant date. The options granted to KMP, employees, and consultants of the Company during the year ended December 31, 2025 were fair-valued using the Black-Scholes option pricing model. The weighted average inputs used in the Black-Scholes model were as follows:

		December 31, 2025
Share price on grant date	$	0.46
Exercise price	$	0.47
Expected life of options (years)		5.00
Expected annualized share volatility		64.28%
Expected dividend yield		0%
Risk-free interest rate		2.82%
Fair value of stock option	**$**	**0.25**

(ii) During the year ended December 31, 2025, 5,707,596 stock options expired unexercised:

a. 4,174,263 stock options from the LUR acquisition, with exercise prices of $0.62, $1.02, $1.09, $1.27, and $2.53, expired unexercised.
b. 33,333 stock options, previously granted on June 2, 2025 and with an exercise price of $0.47
c. 1,500,000 stock options previously granted in prior years to consultants of the Company with exercise prices of $1.01 (450,000 options), $1.34 (50,000 options) and $1.44 (1,000,000 options). The options were fully-vested and share-based payments related to the options had been fully recognized in prior fiscal years.

(iii) During the year ended December 31, 2025, 99,167 stock options from the June 2, 2025 stock option grant with an exercise price of $0.47, were forfeited.

(iv) On January 2, 2026 the Company granted a total of 10,150,000 stock options including 6,500,000 and 3,400,000 stock options granted to key management ("KMP") and employees of the Company respectively. The remaining 250,000 stock options were granted to consultants of the Company for corporate advisory services. Each option entitles the holder to acquire one common share of the Company at a price of $0.61 per common share until January 2, 2031. All the stock options granted have the same vesting terms: 1/3 of the options vest immediately on grant date, 1/3 vest six months from grant date, and the remaining 1/3 vest twelve months from grant date.

The options granted to KMP, employees, and consultants of the Company during the six months ended June 30, 2026 were fair-valued using the Black-Scholes option pricing model. The weighted average inputs used in the Black-Scholes model were as follows:

(Unaudited - E*xpressed in Canadian Dollars, unless otherwise noted*)

		June 30, 2026
Share price on grant date	$	0.67
Exercise price	$	0.61
Expected life of options (years)		5.00
Expected annualized share volatility		66.89%
Expected dividend yield		0%
Risk-free interest rate		3.00%
Fair value of stock option	**$**	**0.40**

(v) During the six months ended June 30, 2026, 998,457 stock options expired unexercised.

(a) 998,457 stock options previously granted in prior years to consultants of the Company with exercise prices of $1.27 (27,690 options), $1.34 (50,000 options), $1.44 (900,000 options) and $2.53 (20,767 options). The options were fully-vested and share-based payments related to the options had been fully recognized in prior fiscal years.

Stock options outstanding as at June 30, 2026 and December 31, 2025 have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	Stock Options at June 30, 2026	Stock Options at December 31, 2025
August 29, 2022	August 29, 2027	$0.50	687,500	687,500
April 20, 2023	April 20, 2033	$1.44	2,800,000	3,700,000
June 30, 2023	June 30, 2033	$1.34	1,500,000	1,550,000
December 6, 2023	December 6, 2033	$1.01	1,150,000	1,150,000
March 7, 2024	November 28, 2028	$0.62	304,590	304,590
March 7, 2024	June 19, 2028	$1.02	553,800	553,800
March 7, 2024	January 6, 2028	$1.27	138,450	166,140
March 7, 2024	February 22, 2027	$2.53	138,450	159,217
June 2, 2025	June 2, 2030	$0.47	8,684,584	9,282,917
January 2, 2026	January 2, 2031	$0.61	10,150,000	-
Total outstanding			**26,107,374**	**17,554,164**
Total exercisable and outstanding			**19,340,700**	**14,137,081**
WA remaining contractual life of stock options o/s (in years):			**4.63**	**5.28**

b. Restricted share units

The Company has implemented a restricted share unit plan (the "RSU Plan") whereby the board of directors may, from time to time, grant RSUs to employees, consultants, officers or directors of the Company. The board of directors may determine the time during which the RSUs shall vest and the method of vesting, or that no vesting restriction shall exist. The following is a summary of changes in RSUs:

	Number of RSUs
Balance, December 31, 2024	**3,950,000**
Granted (i)	1,175,000
Exercised	(1,250,000)
Balance, December 31, 2025	**3,875,000**
Granted (ii)	1,300,000
Exercised	(2,800,000)
Balance, June 30, 2026	**2,375,000**

(Unaudited - E*xpressed in Canadian Dollars, unless otherwise noted*)

(i) On June 2, 2025 the Company granted a total of 1,175,000 RSUs including 625,000 and 450,000 RSUs granted to key management and employees of the Company respectively. The remaining 100,000 RSUs were granted to a consultant of the Company for corporate advisory services. All the RSUs granted will vest on June 2, 2026. At the time of grant, the RSUs had a fair-value of $0.46 per RSU, equal to the market share price of the Company on the date of grant.

(ii) On January 2, 2026 the Company granted a total of 1,300,000 RSUs including 850,000 and 450,000 RSUs granted to key management and employees of the Company respectively. All the RSUs granted will vest on January 2, 2027. At the time of grant, the RSUs had a fair-value of $0.67 per RSU, equal to the market share price of the Company on the date of grant.

c. Warrants

The following is a summary of changes in warrants during the six months ended June 30, 2026:

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2024	**9,245,663**	**$**	**1.45**
Special Warrants issued on private placement (Note 12)	17,126,138		0.00
Exercise of Special Warrants (Note 12)	(17,126,138)		0.00
Share warrants issued on exercise of Special Warrants	17,126,138		0.65
Broker warrants issued on private placement	957,805		0.65
Expired	(4,229,018)		1.08
Balance, December 31, 2025	**23,100,588**	**$**	**0.89**
Exercised	(1,029,145)		0.65
Expired	(5,016,645)		1.76
Balance, June 30, 2026	**17,054,798**	**$**	**0.65**

Warrants outstanding as at June 30, 2026 have the following expiry dates and exercise prices:

Number of Warrants Outstanding	Number of Warrants Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
17,054,798	17,054,798	$0.65	September 18, 2028	2.22

14. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

(Unaudited - E*xpressed in Canadian Dollars, unless otherwise noted*)

The remuneration of directors and other members of key management personnel during the three and six months ended June 30, 2026 and 2025 are as follows:

	Three months ended		Six months ended	
Nature	**June 30, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Exploration and evaluation expenditures (i)	$ 38,030	$ 423,283	$ 209,580	$ 439,583
Consulting fees (ii)	52,500	30,000	82,500	75,000
Director fees (iii)	70,595	63,930	134,720	129,477
Salaries and wages (iv)	134,499	120,750	268,998	241,500
Share-based payments (v)	912,077	512,600	2,753,110	512,600
Total	**$ 1,207,701**	**$ 1,150,563**	**$ 3,448,908**	**$ 1,398,160**

(i) Exploration and evaluation expenditures paid to the legal entity controlled by a director of the Company.
(ii) Consulting fees paid to the legal entity controlled by an officer of the Company.
(iii) Director fees paid to legal entities controlled by officers or directors of the Company, and director fees paid to the members of the Board of Directors.
(iv) Salaries paid to officers of the Company.
(v) Non-cash expense related to graded vesting of stock options and RSUs granted to directors and officers of the Company.

As at June 30, 2026, the following balances were owed to related parties:

- $1,050 (December 31, 2025 - $1,050) due to Mike Castanho (Chairman of the Board) for expense reimbursement;
- $13,500 (December 31, 2025 - $7,500) of accounts payable owed to Doug Engdahl (Director) for director fees;
- $nil (December 31, 2025 - $8,707) due to Axis Capital Ventures Corp. (entity controlled by Mike Castanho) for expense reimbursement;
- $25,500 (December 31, 2025 - $11,250) of accounts payable owed to Erinn Broshko (Director) for director fees; and
- $18,900 (December 31, 2025 - $7,500) of accounts payable owed to Suraj Ahuja (Director) for director fees.

15. MANAGEMENT OF CAPITAL

The Company defines capital as consisting of shareholders' equity (comprised of issued share capital, share-based payment reserves, deficit, contributed surplus and AOCI). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company manages its capital structure to maximize its financial flexibility and by making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at June 30, 2026, the Company is not subject to any externally imposed capital requirements or debt covenants. There were no changes in management's approach to capital management during the six months ended June 30, 2026.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Market Risk
Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk
The functional currency of the Company is the Canadian dollar. The Company is affected by currency transaction risk and currency translation risk. Consequently, fluctuations of the Canadian dollar in relation to other currencies impact the fair value of financial assets, liabilities and operating results. Financial assets and liabilities subject to currency translation risk primarily include US dollar denominated cash and US dollar accounts payable and accrued liabilities and the Debentures. The Company maintains Canadian and US dollar bank accounts in Canada.

The Company is exposed to foreign exchange risk on its US dollar denominated Debentures. At maturity the US$25 million principal amount of the Debentures is due in full, and prior to then at a premium upon the occurrence of certain events, including a change of control. The Company holds sufficient US dollars to make all cash interest payments due under the Debentures until maturity but not to pay the principal amount. Accordingly, the Company is subject to risks associated with fluctuations in the Canadian/US dollar exchange rate that may make the Debentures more costly to repay.

A 5% change in the US dollar could increase or decrease the Company's US dollar-based debt by $1,811,775 that would flow through the statement of loss.

(ii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's sensitivity to interest rates relative to its cash balances is currently insignificant. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk
The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Should shares held as marketable securities fluctuate in market price by 10% up or down, the related value recognized on the statement of financial position would change by $43,232 in the same direction.

Credit Risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, restricted cash, marketable securities, and sales tax credit receivable. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. The Company's maximum exposure to credit risk is equal to the carrying amount of cash, restricted cash, marketable securities, and sales tax credit receivable. Management believes that the credit risk related to its liquid financial assets is negligible.

(Unaudited - E*xpressed in Canadian Dollars, unless otherwise noted*)

Liquidity Risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At June 30, 2026, the Company has no sources of revenue (other than interest income) and has a cash and cash equivalents balance of $47,647,717 to settle current liabilities of $5,367,420.

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

Fair value hierarchy

The Company applied the following fair value hierarchy for financial instruments that are carried at fair value. The hierarchy prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at June 30, 2026, the Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, marketable securities and accounts payable, accrued liabilities, and convertible debentures. These financial instruments are classified as amortized cost other than convertible debentures (which is classified as FVTPL and measured using level 2 inputs) and marketable securities, which is classified as a financial asset at FVOCI, and measured using level 1 inputs. The fair value of financial instruments other than marketable securities approximate their carrying values because of their short-term nature.

17. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions for the six months ended June 30, 2026 and 2025 are as follows:

		June 30, 2026		June 30, 2025
Exercise of share warrants	$	10,291	$	-
Exercise of stock options	$	150,541	$	-
Exploration and evaluation assets included in accounts payable	$	962,014	$	-
Common shares issued to settle interest payable	$	323,119	$	-
Exercise of RSUs	$	2,966,500	$	-
Common shares issued as establishment fees on convertible debenture	$	1,025,700	$	-
Unrealized loss on marketable securities	$	101,550	$	118,910
Expiry of stock options	$	1,245,943	$	1,016,970
Flow-through shares premium liability	$	5,073,570	$	2,105,819
Flow-through premium recovery	$	2,802,373	$	1,153,696
Initial recognition of ROU assets		-		143,442

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

18. INCOME TAX

The deferred income tax expense (recovery) for the six months ended June 30, 2026 and 2025 is as follows:

	Three months ended				Six months ended:			
		June 30, 2026		June 30, 2025		June 30, 2026		June 30, 2025
Deferred income tax								
Income tax expense – origination, revaluation and/or reversal of temporary differences	$	1,976,706	$	1,310,507	$	2,271,207	$	1,277,379
Total deferred income tax expense	**$**	**1,976,706**	**$**	**1,310,507**	**$**	**2,271,207**	**$**	**1,277,379**

During the three and six months ended June 30, 2026, the Company recognized a deferred income tax expense of $1,976,706 and $2,271,207 (June 30, 2025 – deferred income tax expense of $1,310,507 and $1,277,379).

19. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of mineral properties. All of the Company's non-current assets are located in Canada.

20. EVENTS AFTER THE REPORTING PERIOD

- On July 13, 2026, the Company issued a total of 2,850,000 stock options to key management, employees, and consultants of the Company. All the options have an exercise price of $1.11 and expire on July 13, 2031. The options will vest as follows:
    - 1/3 immediately on grant date;
    - 1/3 vesting six months from grant date; and
    - 1/3 vesting twelve months from grant date
- On July 13, 2026, the Company issued a total of 2,200,000 RSUs to key management and employees of the Company. All the RSUs will be fully vested and exercisable on July 13, 2027.
- The Company issued 1,075,000 common shares on the exercise of restricted share units.
- On July 16, 2026, the Company issued 1,000,000 common shares and issued 1,000,000 warrants priced at $1.05 to the NSS pursuant to the Second Amending Agreement.
- On August 10, 2026, the Company issued 340,136 common shares to QRC to settle $350,350 of interest expense on the Convertible Debenture.