VELOX ENERGY MATERIALS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2026, AND 2025

(expressed in Canadian dollars)

MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED INTERIM FINANCIAL REPORTING

The accompanying unaudited condensed consolidated interim financial statements of Velox Energy Materials Inc. (formerly Currie Rose Resources Inc.) ("Velox" or the "Company") as at and for the three months ended March 31, 2026 (the "March 2026 Financial Statements") are the responsibility of the management and Board of Directors of the Company.

The March 2026 Financial Statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in Note 3 to the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2025. In preparing the March 2026 Financial Statements, management has made informed judgments and estimates in accounting for transactions which were not complete at the date of the statement of financial position. In the opinion of management, the March 2026 Financial Statements of the Company have been prepared within acceptable limits of materiality and are in compliance with International Accounting Standard 34, "Interim Financial Reporting".

Management has established processes which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the March 2026 Financial Statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as at the date of, and for the periods presented by, the March 2026 Financial Statements; and (ii) the March 2026 Financial Statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as at the date of and for the periods presented by the March 2026 Financial Statements.

The Board of Directors is responsible for reviewing and approving the March 2026 Financial Statements, together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibility.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"*Nicole Morcombe*"
Nicole Morcombe
Interim Chief Executive Officer

"*Kyle Nazareth*"
Kyle Nazareth
Chief Financial Officer

May 29, 2026

Velox Energy Materials Inc.
Unaudited Condensed Consolidated Interim Statements of Financial Position
As at March 31, 2026 and December 31, 2025
(Expressed in Canadian Dollars)

	Note		2026		2025
ASSETS					
Current Assets					
Cash and cash equivalents		$	3,011,948	$	199,946
Accounts receivable	4		14,561		4,009
Prepaid expenses			4,141		7,563
Security deposit			18,747		17,881
Marketable securities	5		10,000		10,000
		$	3,059,397	$	239,399
Non-current Assets					
Resource property	6		2,325,477		2,216,029
Property, plant and equipment			4,577		4,973
Intangible assets			626,634		627,857
Total Assets		$	6,016,085	$	3,088,258
LIABILITIES					
Current Liabilities					
Accounts and other payables	7	$	157,882	$	175,793
Total Liabilities		$	157,882	$	175,793
SHAREHOLDERS' EQUITY					
Share capital	8	$	25,578,822	$	24,094,595
Contributed surplus			3,856,707		3,856,707
Warrants reserve	9		2,031,435		577,762
Accumulated deficit			(25,739,542)		(25,657,284)
Accumulated other comprehensive income			130,781		40,685
Total Shareholders' Equity		$	5,858,203	$	2,912,465
Total Liabilities and Shareholders' Equity		$	6,016,085	$	3,088,258

Basis of presentation and going concern (Note 2)
Commitments (Note 12)
Subsequent events (Note 16)

Approved on behalf of the Board of Directors:

"Nicole Morcombe"
Nicole Morcombe, Director

"Mike Griffiths"
Mike Griffiths, Director

Velox Energy Materials Inc.
Unaudited Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss
For the three months ended March 31, 2026 and 2025
(Expressed in Canadian Dollars)

	Note		2026		2025
Expenses					
Management fees	11	**$**	**13,500**	$	(17,754)
Listing fees and shareholder information			**33,083**		10,252
Professional fees			**13,243**		6,119
General and administration			**23,213**		41,250
Total Expenses			**83,039**		39,867
Loss from operations before undernoted items			**(83,039)**		(39,867)
Interest income			**781**		717
Research and development tax refund			**-**		409
Increase in fair value of marketable securities	5		**-**		3,750
Net Loss for the year			**(82,258)**		(34,991)
Other comprehensive income					
Foreign exchange gain / (loss) on translating foreign operations			**90,096**		10,279
Other comprehensive income / (loss) for the period			**90,096**		10,279
Comprehensive loss for the period			**7,838**		(24,712)
Weighted average shares outstanding					
- Basic and diluted	8		**98,225,926**		88,376,816
Income / (Loss) per share - basic and diluted		**$**	**(0.001)**	$	(0.000)

Basis of presentation (Note 2g)

Velox Energy Materials Inc.
Unaudited Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the three months ended March 31, 2026 and 2025
(Expressed in Canadian Dollars)

	Share Capital		Reserves					
	Number of shares	Dollar amount	Contributed Surplus	Warrants	Share based payments	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance, December 31, 2024	**88,376,816**	**$ 24,057,816**	**$ 2,295,156**	**$ 1,193,164**	**$ 946,149**	**$ (24,970,867)**	**$ 78,598**	**$ 3,600,016**
Other comprehensive loss	-	-	-	-	-	-	10,279	10,279
Net loss for the period	-	-	-	-	-	(34,991)	-	(34,991)
Balance, March 31, 2025	**88,376,816**	**$ 24,057,816**	**$ 2,295,156**	**$ 1,193,164**	**$ 946,149**	**$ (25,005,858)**	**$ 88,877**	**$ 3,575,304**
Balance, December 31, 2025	**89,296,299**	**24,094,595**	**3,856,707**	**577,762**	**-**	**(25,657,284)**	**40,685**	**2,912,465**
Proceeds from private placement (Note 8)	89,296,272	1,684,075	-	1,441,295	-	-	-	3,125,370
Cash issuance costs (Note 8)	-	(101,016)	-	(86,454)	-	-	-	(187,470)
Share issuance costs - broker warrants issued (Notes 8, 9)	-	(98,832)	-	98,832	-	-	-	-
Other comprehensive loss	-	-	-	-	-	-	90,096	90,096
Net income for the period	-	-	-	-	-	(82,258)	-	(82,258)
Balance, March 31, 2026	**178,592,571**	**$ 25,578,822**	**$ 3,856,707**	**$ 2,031,435**	**$ -**	**$ (25,739,542)**	**$ 130,781**	**$ 5,858,203**

Velox Energy Materials Inc.
Unaudited Condensed Consolidated Interim Statements of Cash Flows
For the three months ended March 31, 2026 and 2025
(Expressed in Canadian Dollars)

	2026	2025
Cash Flows from Operating Activities		
Net loss for the period	**$ (82,258)**	$ (34,991)
Non-cash items:		
(Decrease)/Increase in fair value of marketable securities	**-**	(3,750)
Amortization of Right of Use Assets	**-**	(46)
	(82,258)	(38,787)
Net change in non-cash working capital items:		
Accounts receivable	**(10,552)**	3,878
Net assets held for sale	**-**	(40,423)
Prepaid expense	**3,422**	3,606
Security deposit	**-**	(180)
Deposits received	**-**	
Accounts payable and accrued liabilities	**(34,960)**	(104,700)
Cash Flows used in Operating Activities	**(124,348)**	(176,606)
Cash Flows from Investing Activities		
Resource property expenditures	**(1,550)**	(22,112)
Property, plant & equipment	**-**	(33)
Cash Flows used in Investing Activities	**(1,550)**	(22,145)
Cash Flows from Financing Activities		
Proceeds from private placement	**3,125,370**	-
Share issuance costs	**(187,470)**	-
Lease payment	**-**	56
Cash Flows used in Financing Activities	**2,937,900**	56
Effect of exchange rates on cash	**-**	10,280
Increase / (Decrease) in cash	**2,812,002**	(188,415)
Cash, beginning of the period	199,946	577,761
Cash, end of the period	**3,011,948**	389,346
Supplemental disclosure of cash flow information		
Interest received	781	716

1. Nature of Operations and Going Concern

Velox Energy Materials Inc. ("Velox" or the "Company") was incorporated under the Canada Business Corporations Act on August 24, 1973. Velox is a mineral explorer focused on identifying high value assets and delivering responsible exploration outcomes that meet shareholder expectations and provide community opportunities.

The Company's common shares are listed on the TSX Venture Exchange under the symbol "VLX". Velox formerly traded under Currie Rose Resources Inc and announced on the TSX Venture Exchange, that effective October 18, 2023 the Company changed its name to Velox Energy Materials Inc. The head office and principal address of the Company is located at 15th floor, 1111 West Hastings Street, Vancouver, BC V6E 2J3, Canada.

The Company is in the exploration stage and has not yet determined whether its mineral properties contain economically recoverable reserves. The continued operation of the Company and the recoverability of amounts shown or expended for exploration and evaluation ("E&E") assets are dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral properties, and if they are proven successful, the existence of economically recoverable reserves and future profitable production, or upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain.

For the three months ended March 31, 2026, the Company incurred a net loss of $82,258 (March 31, 2025 – $34,991) and had negative cash flow from operations of $124,348 (March 31, 2025 – $176,606), and as at March 31, 2026, the Company had an accumulated deficit of $25,739,542 (December 31, 2025 – $25,657,284). The Company's ability to continue as a going concern is dependent upon the Company achieving profitable operations to generate sufficient cash flows to fund continuing operations, or, in the absence of adequate cash flows from operations, obtaining additional financing to support operations for the foreseeable future. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable operations.

These financial statements have been prepared on the basis that the Company will continue as a going concern and do not reflect the adjustments to the carrying values of assets and liabilities, reported revenues and expenses, and any classifications of statements of financial position that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. Basis of Presentation

(a) Statement of Compliance

These unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). These unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – Interim Financial Reporting. Accordingly, they do not include all of the information and disclosures required by IFRS for annual financial statements. The accounting policies set out below were consistently applied to all periods presented unless otherwise noted.

These financial statements were approved by the Board of Directors (the "Board") of the Company on May 29, 2026.

(b) Basis of Measurement

These unaudited Condensed Consolidated Interim Financial Statements have been prepared in accordance with IFRS, on the historical cost basis except for financial instruments which are measured at fair value, as explained in the material accounting policies set out in Note 3. In addition, these unaudited Condensed Consolidated Interim Financial Statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Basis of Presentation (continued)

(c) Basis of Presentation and Consolidation

These unaudited Condensed Consolidated Interim Financial Statements include accounts of the Company and its wholly owned subsidiaries, Currie Rose Vanadium Pty Ltd. and WA Hydrogen Pty Ltd. incorporated in Australia. Subsidiaries are entities the Company controls when it has the power, directly or indirectly to govern the financial and operating policies of an entity, and it is exposed, or has rights, to variable returns from its involvement with the entity.

(d) Functional and Presentation Currency

These unaudited Condensed Consolidated Interim Financial Statements are presented in Canadian dollars ("$" or "CAD"), which is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The functional currency of the wholly owned subsidiary Currie Rose Vanadium Pty Ltd. and WA Hydrogen Pty Ltd. is the Australian dollar.

Foreign currency transactions are translated into the functional currency of the related entity at the exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the related entity at the foreign exchange rate applicable at the unaudited Condensed Consolidated Interim Financial Statement date. Non-monetary assets and liabilities are not remeasured unless they are recognized at fair value, in which case they are translated using the exchange rate at the date when the fair value was measured. Any translation gains or losses on these items are recognized in net loss, except for gains or losses noted on intercompany loan balance, which are recognized in other comprehensive loss.

Revenue and expenses are translated from its functional currency of the Australian dollar to the presentation currency of the Canadian dollar at the average foreign exchange rate for the period. Any translation gains or losses on these items are recognized other comprehensive loss.

(e) Critical Accounting Judgments, Estimates and Assumptions

The preparation of these unaudited Condensed Consolidated Interim Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. These estimates are reviewed periodically, and adjustments are made as appropriate in the period they become known.

Items for which actual results may differ materially from these estimates are described as follows:

i. Going concern

At each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends. Management believes there is sufficient capital to meet the Company's business obligations for at least the next 12 months, after taking into account expected cash flows, capital commitments, future financings and the cash position at year-end.

2. Basis of Presentation (continued)

ii. Business Combinations

Classification of an acquisition as a business combination or an asset acquisition depends on whether the assets acquired constitute a business, which can be a complex judgment. Whether an acquisition is classified as a business combination or asset acquisition can have a significant impact on the entries made on and after acquisition.

In determining the fair value of all identifiable assets and liabilities acquired, the most significant estimates relate to recognition of fair value of the exploration permits acquired for shares of the Company. For any Resource property asset identified, depending on the type of asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on the fair value of the consideration paid for such resource assets.

iii. Fair value of financial assets and financial liabilities

Fair value of financial assets and financial liabilities on the Condensed Consolidated Interim Statements of Financial Position that cannot be derived from active markets, are determined using a variety of techniques including the use of valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include, but are not limited to, consideration of model inputs such as volatility, estimated life and discount rates.

iv. Shares issued for non-cash consideration

The Company measures equity-settled share-based payment transactions based on an estimate of the fair value of goods or services received, unless that fair value cannot be estimated reliably, in which case the Company measures the fair value of the goods or services received based on the fair value of the equity instruments granted.

v. Warrants and options

Warrants and options are initially recognized at fair value, based on the application of the Black-Scholes valuation model ("Black-Scholes"). This pricing model requires management to make various assumptions and estimates which are susceptible to uncertainty, including the expected volatility of the share price, expected forfeitures, expected dividend yield, expected term of the warrants or options, and expected risk-free interest rate.

vi. Impairment assessment of non-current assets

Long-lived assets, including E&E assets, are reviewed for indicators of impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is defined as the higher of: (i) value-in-use; or (ii) fair value less cost to sell. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount.

These are determined through the exercise of judgments and are dependent upon estimates that take into account factors such as economic and market conditions, frequency of use, anticipated changes in laws, and technological improvements.

vii. Expected credit losses on financial assets

Determining an allowance for expected credit losses for amounts receivable and all debt financial assets not held at FVTPL requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest.

2. Basis of Presentation (continued)

viii. Income taxes

The Company applies judgment in determining the tax rates applicable to the temporary differences to determine the provision for income taxes. Deferred taxes relate to temporary differences between accounting and tax asset values. They are measured using tax rates that are expected to apply in the year when the asset is realized, or the liability is settled. Temporary differences are differences between accounting and tax asset values expected to be deductible or taxable in the future.

The recognition of deferred tax assets is based on likelihood of future taxable income. The measurement of future taxable income for the purposes of determining whether or not to recognize deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes in the measurement of deferred tax assets.

(g) Comparative figures

Certain comparative figures for the three months ended March 31, 2025 have been reclassified to conform to the presentation adopted for the three months ended March 31, 2026. These reclassifications had no effect on previously reported net loss or total shareholders' equity.

3. Material Accounting Policies

These unaudited Condensed Consolidated Interim Financial Statements have been prepared following the same accounting policies used in the preparation of the audited consolidated financial statements of the Company for the year ended December 31, 2025.

4. Accounts receivable

The accounts receivable represents the refundable Research and Development tax claims, and HST and GST ITC claims for the three months ended March 31, 2026 and 2025.

5. Marketable securities

As of March 31, 2026, the Company had 125,000 common shares of MacDonald Mines Exploration Ltd. valued at $10,000 (December 31, 2025 – 125,000 common shares valued at $10,000). During the three months ended March 31, 2026, the Company recorded $nil in changes to the fair value of marketable securities (2025 - an increase in the fair value of marketable securities of $3,750).

6. Resource property

	Opening $	Geological and technical $	Travel and admin costs $	FX movement $	Closing $
Balance, December 31, 2024	**1,684,892**	**264,755**	**214,906**	**(24,087)**	**2,140,466**
Queensland, Australia	2,140,466	19,589	-	55,974	2,216,029
Balance, December 31, 2025	**2,140,466**	**19,589**	**-**	**55,974**	**2,216,029**
Queensland, Australia	2,216,029	1,550	-	107,898	2,325,477
Balance, March 31, 2026	**2,216,029**	**1,550**	**-**	**107,898**	**2,325,477**

6. Resource property (continued)

Queensland, Australia

On August 5, 2022, the Company closed on the acquisition of 100% interest in two brown field Vanadium (Battery Metal) Projects (the "Project") located in North Queensland, Australia. The Project includes the historic Cambridge Vanadium deposit which is an easterly continuation of the Lilyvale Vanadium deposit that contains an indicated and inferred resource of 560Mt at 0.48 V205%. The Project also includes a package 1,240 km2 close to infrastructure and enroute to Townsville Port.

The Company issued 25,000,000 common shares to Liontown Resources Limited and Chalice Mining Limited at a fair value of $0.03 or $750,000 representing the fair value of the shares on the date of closing. In addition, the Company issued 8,000,000 share purchase warrants at $0.10 with a 2-year expiry. The fair value of the warrants issued using the Black Scholes fair value model, the Company ascribed a fair value of $118,441 to the share purchase warrants. In addition, on closing the Company provided a security deposit of AUD$10,000 as a surety bond on the Project which will be refunded at the end of the Project life.

The Company has granted a 2% Net Gross Revenue Royalty to both vendors over their respective tenure with the Company, holding the right to purchase 50% of either or both Royalties by making a cash payment of $1,000,000 to the Royalty Holder

7. Accounts payable and accrued liabilities

	March 31, 2026	**December 31, 2025**
	$	$
Accounts payable	**122,882**	83,764
Accrued liabilities	**35,000**	92,029
	157,882	175,793

8. Share capital

The Company is authorized to issue an unlimited number of common shares without par value. Continuity schedules for each component of the Company's share capital and other equity instruments are disclosed in the unaudited Condensed Consolidated Interim Statements of Changes in Shareholders' Equity for the three months ended March 31, 2026 and 2025. Descriptions of the significant changes in each component are as follows:

a) Private placement

On March 23, 2026, the Company completed a non-brokered private placement financing of 89,296,272 units at a price of $0.035 per unit, for aggregate gross proceeds of $3,125,370. Each unit consisted of one common share and one common share purchase warrant, entitling the holder to purchase one common share at an exercise price of $0.05 for a period of 24 months from the date of issuance. The fair value of these warrants was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.04; expected dividend yield of 0%; risk-free interest rate of 2.95%; volatility of 212.52% and an expected life of 2 years. The Company recorded $1,684,075 for the issuance of shares and $1,441,295 for the issuance of warrants based on a relative fair value calculation.

The Company incurred an aggregate of $187,470 in finders' fees and issued an aggregate of 5,357,776 finder warrants to certain finders. Each finder warrant entitles the holder to purchase one common share at an exercise price of $0.05 for a period of 24 months from the date of issuance. The fair value of these warrants was estimated to be $183,416 on the date of grant using the Black-Scholes option pricing model with the following assumptions: share price of $0.04; expected dividend yield of 0%; risk-free interest rate of 2.95%; volatility of 212.52% and an expected life of 2 years. The Company allocated $101,016 of cash issuance costs and $98,832 of warrant issuance costs for the issuance of shares and $86,454 of cash issuance costs and $84,584 of warrant issuance costs for the issuance of warrants based on a residual fair value calculation.

8. Share capital

b) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding. The weighted average number of common shares outstanding for the three months ended March 31, 2026 was 98,225,926 (March 31, 2025 – 88,376,816).

9. Warrants reserve

The following table summarizes the warrant activity for the three months ended March 31, 2026 and the year ended December 31, 2025:

	Number of warrants	Weighted average exercise price	Fair value
	#	$	$
Balance outstanding, January 1, 2025	**24,444,448**	**0.180**	**1,193,164**
Expired	(10,729,167)	0.216	(615,402)
Balance outstanding, December 31, 2025	**13,715,281**	**0.086**	**577,762**
Granted	94,654,048	0.050	**1,453,673**
Balance outstanding, March 31, 2026	**108,369,329**	**0.055**	**2,031,435**

The following summarizes information of warrants outstanding as of March 31, 2026:

	Number of warrants outstanding	Exercise price	Weighted average remaining contractual life
	#	$	Years
October 14, 2027	**13,715,281**	**0.086**	**1.54**
March 23, 2028	**94,654,048**	**0.050**	**1.98**
	108,369,329	**0.055**	**1.92**

On June 13, 2025, the Company announced that the TSX Venture Exchange approved an amendment to the terms of 13,715,281 post-consolidation common share purchase warrants. The warrants were originally exercisable at $0.144 per share and were scheduled to expire on September 30, 2025. Pursuant to the amendment, the exercise price was reduced to $0.086 per share, and the expiry date was extended to October 14, 2027.

On December 5, 2025, 10,729,167 warrants expired unexercised.

10. Stock options

The Company grants stock options under its Long-Term Incentive Plan ("LTIP"), which has a 10% rolling security-based compensation plan. Stock options may be granted to directors, officers, employees, consultants, investor relations service providers and eligible charitable organizations. The exercise price of stock options is determined by the Board on the grant date and may not be less than the market price of the Company's common shares in accordance with applicable stock exchange requirements, and stock options have a maximum term of 10 years. Vesting conditions, including any performance or service conditions, are established by the Board at the time of grant and are subject to minimum vesting requirements for stock options granted to investor relations service providers, which must vest in stages over a period of not less than 12 months. On a change of control, stock options generally become fully vested and exercisable, subject to the terms of the applicable grant and any stock exchange requirements, and stock options are also subject to standard forfeiture and post-termination exercise provisions in the event of resignation, termination, death or disability.

10. Stock options

The following table summarizes the stock option activity for the three months ended March 31, 2026 and the year ended December 31, 2025:

	Number of options	Weighted average exercise price
	#	$
Balance outstanding, January 1, 2025	**7,034,722**	**0.151**
Expired	(7,034,722)	0.151
Balance outstanding, December 31, 2025	**-**	**-**
Balance outstanding, March 31, 2026	**-**	**-**

During the year ended December 31, 2025, 4,687,500 stock options expired as a result of the holder's departure from the Company. On November 12, 2025, the Company announced that its Board has approved the cancellation of an aggregate of 2,347,222 stock options previously granted to directors of the Company.

11. Key management compensation, related party transactions and balances

During the three months ended March 31, 2026, and 2025, the Company had the following related party transactions with key management personnel and directors, and entities related to them, as follows:

	2026	2025
	$	$
Management fees	**-**	67,302
Director fees	**-**	(20,249)
Consulting fees	**13,500**	(64,807)
	13,500	(17,754)

For the three months ended March 31, 2026, the consulting fees included fees charged by the CFO of the Company.

For the three months ended March 31, 2025, the Management fees related to Simon Coyle's salary and superannuation and CFO consulting fees for the three months ending March 31, 2025. Director fees related to Mark Connelly's remuneration as Chairman for the same period, along with fees waived by Nicole Morcombe and Michael Griffiths. The consulting fees also included amounts that were waived.

Accounts payable and accrued liabilities as at March 31, 2026 include $5,085 (December 31, 2025 - $5,085) with respect to balances owing to related parties for the transactions disclosed above.

A director of the Company participated in the March 23, 2026 non-brokered private placement for 3,796,272 units.

12. Commitments

The Company committed to contribute AUD$350,000 over the five years life of the Kotai Project ITTC grant, and has one remaining cash payment, as well as in-kind contributions. The cash payment is as follows.

2026: AUD$70,000

Other than the commitments noted above the Company has no outstanding commitments.

13. Segmented information

The Company conducts its business in a single operating segment as its exploration resource property in Australia is not considered a cash generating unit as it is not cashflow independent.

14. Financial instruments and risk factors

a) Fair value of financial instruments

The carrying values of cash, accounts receivable, marketable securities, accounts payable and accrued liabilities, and security deposits approximate their fair values due to the short-term or demand nature of these balances.

Fair value hierarchy

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2026 and December 31, 2025, the Company's financial instruments consisted of the following:

	2026	2025
	$	$
Level 1		
Cash and cash equivalents	**3,011,948**	199,946
Marketable securities	**10,000**	10,000
Level 3		
Accounts receivable	**14,561**	4,009
Security deposit	**18,747**	17,881
Accounts and other payables	**157,882**	175,793

Classification of financial instruments

		2026		**2025**	
Assets / Liabilities	**Measurement**	**Cost**	**Fair value**	**Cost**	**Fair value**
Cash and cash equivalents	Fair value	3,011,948	3,011,948	199,946	199,946
Accounts receivable	Amortized cost	14,561	14,561	4,009	4,009
Security deposit	Amortized cost	18,747	18,747	17,881	17,881
Marketable securities	Fair value	10,000	10,000	10,000	10,000
Accounts and other payables	Amortized cost	157,882	157,882	175,793	175,793

14. Financial instruments and risk factors (continued)

b) Credit risk

The Company's credit risk is attributable to accounts receivable, which are comprised of refundable Research and Development tax claims, and HST and GST ITC claims. The Company has no material concentration of credit risk arising from operations. Cash consists of bank deposits, which have been invested with a Canadian chartered bank, from which management believes the risk of loss to be remote. Management believes that credit risk with respect to accounts receivable is minimal. There has been no change in this risk exposure or how it is managed since the prior reporting period.

c) Liquidity risk

The business of the Company necessitates the management of liquidity risk. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due in the short-term due to a shortfall of working capital and in the long-term due to lack of sufficient capital.

The Company's objective is to mitigate short-term liquidity risk by maintaining adequate working capital reserves and its long-term liquidity risk by stipulating in certain option agreements that payments may be made in common shares at the Company's election and through good relations with external capital markets. The Company achieves these objectives by obtaining financing through private placements and issuing shares as payment for resource property costs. There has been no change in this risk exposure or how it is managed since the prior reporting period.

d) Market risk

The Company is exposed to market risk on its marketable securities due to normal stock market fluctuations. Management also regularly monitors market activities to assess the recoverability of this investment.

e) Foreign currency risk

As at March 31, 2026, the Company's holds foreign currency of AUD$394,714 (December 31, 2025 - AUD$126,590). The Company objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting with third parties in Australian dollars. The Company does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as management has determined that this risk is not sufficient at this point in time.

15. Capital disclosures

The Company's objectives when managing capital are to ensure that there are adequate resources to sustain operations and to continue as a going concern, to maintain adequate funding to support acquisition obligations and exploration of mineral claims, and to maintain investor confidence, all with a view to providing a return on shareholders' investment. Funds are primarily obtained through the issuance of common shares as equity capital. Such issuance of common shares is usually done as private placements.

The Company considers the items included in the Condensed Consolidated Interim Statements of Shareholders' Equity to be capital and it manages the capital structure and adjusts it with an awareness of changes in economic conditions, the risk nature of the underlying assets and the future capital requirements to maintain those assets. The Company is not subject to any externally imposed capital requirements.

16. Subsequent events

On May 7, 2026, the Company granted an aggregate of 4,000,000 deferred share units ("DSUs") to Vincent Algar, a director of the Company, pursuant to the Company's long-term incentive plan. Each DSU represents a right to receive one common share of the Company. The DSUs will vest in accordance with the terms of the Plan and the applicable award agreement. In accordance with the Plan, the DSUs will be settled in common shares of the Company upon the holder ceasing to be an eligible participant, or such earlier vesting date as may be determined by the Board of Directors, and in all cases in accordance with applicable policies of the TSX Venture Exchange.