FOX TUNGSTEN LTD. (FORMERLY HAPPY CREEK MINERALS LTD.)

Financial Statements

For the years ended January 31, 2026 and 2025

(Expressed in Canadian Dollars)

DeVISSER GRAY LLP
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Fox Tungsten Ltd. (formerly Happy Creek Minerals Ltd.)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fox Tungsten Ltd. (formerly Happy Creek Minerals Ltd.) (the "Company"), which comprise the statements of financial position as at January 31, 2026 and 2025, and the statements of income (loss) and comprehensive income (loss), cash flows and changes in equity for the years then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2026 and 2025 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company's ability to continue as a going concern is dependent upon the continued financial support of its shareholders and on securing additional financing. These matters, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are the following key audit matters to communicate in our auditor's report.

Key audit matter:	**How our audit addressed the key audit matter:**
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
Refer to Note 3.3(ii) – Significant judgments, estimates and assumptions: Exploration and evaluation properties and impairment; Note 4.2 – Accounting policy: Exploration and evaluation properties; and Note 6 – Exploration and evaluation properties. Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation properties may not be recoverable. Management applies significant judgment in assessing	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following: • Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment. • Assessed the completeness of the factors that could be considered indicators of impairment, including

whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (I) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment. We considered this a key audit matter due to (i) the significance of the exploration and evaluation properties balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.	consideration of evidence obtained in other areas of the audit. • Confirmed that the Company's right to explore the property had not expired. • Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets. • Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is William Nichols.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
June 1, 2026

FOX TUNGSTEN LTD. (FORMERLY HAPPY CREEK MINERALS LTD.)Condensed Statements of Financial Position
(Expressed in Canadian dollars)

		As at January 31,	
	Note	**2026**	**2025**
ASSETS			
Current Assets			
Cash and cash equivalents		$ 1,780,591	$ 267,603
Amounts receivable		136,891	49,362
Other receivable - current portion	7	964,915	899,940
Prepaid expenses		48,474	27,218
Marketable securities	6	1,971,719	234,789
		4,902,590	1,478,912
Non-current Assets			
Other receivable - non-current portion	7	3,663,260	3,282,597
Reclamation deposits	5	95,500	99,500
Exploration and evaluation properties	6,10	11,060,617	9,350,767
TOTAL ASSETS		**$ 19,721,967**	**$ 14,211,776**
LIABILITIES			
Current Liabilities			
Trade and other accounts payable	9,10	$ 127,576	$ 120,715
Flow-through premium liability	11	201,241	-
Non-Current Liabilities			
Deferred tax liability	15	627,472	133,913
TOTAL LIABILITIES		956,289	254,628
SHAREHOLDERS' EQUITY			
Share capital	8	27,509,544	24,697,247
Reserves	8	4,671,382	3,520,150
Deficit		(15,268,196)	(14,376,267)
Accumulated other comprehensive income		1,852,948	116,018
Total shareholders' equity		18,765,678	13,957,148
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 19,721,967**	**$ 14,211,776**

Going Concern Note 2, 3.3(i)
Commitments Note 14
Subsequent Events Note 16

These financial statements are authorized for issue by the Board of Directors on June 1, 2026

Approved by the Board of Directors:

"Stephen Gray" Director *"Rodger sGray"* Director

The accompanying notes are an integral part of these financial statements

FOX TUNGSTEN LTD. (FORMERLY HAPPY CREEK MINERALS LTD.)
Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian dollars)

	Note	Years Ended January 31, 2026	2025
Operating expenses			
Advertising and promotion		$ 165,218	$ 53,827
Conferences and travel		15,693	10,609
Management fees and salaries	10	313,461	186,771
Office and administration		82,723	49,501
Professional fees		59,629	64,130
Share-based payments	10,8	748,379	110,100
Loss before other items		(1,385,103)	(474,938)
Other items			
Accretion	7	445,638	141,171
Flow through recovery	11	488,759	-
Other income		52,335	-
Loss on sale of assets		-	(4,498,451)
Gain on settlement of accounts payable		-	36,750
Loss before income taxes		(398,371)	(4,795,468)
Provision for income taxes			
Deferred income tax (expense)/recovery	15	(493,558)	777,217
Net loss for the year		(891,929)	(4,018,251)
Market value adjustment on marketable securities	6	1,736,930	(487)
Comprehensive income (loss) for the year		845,001	(4,018,738)
Loss per share, basic and diluted		$ (0.00)	$ (0.03)
Weighted average number of common shares outstanding		**179,689,192**	**141,386,910**

The accompanying notes are an integral part of these financial statements

FOX TUNGSTEN LTD. (FORMERLY HAPPY CREEK MINERALS LTD.)
Statements of Cash Flows
(Expressed in Canadian dollars)

	Years Ended	
	January 31, 2026	**January 31, 2025**
OPERATING ACTIVITIES:		
Net loss	$ (891,929)	$ (4,018,251)
Items not affecting cash:		
Accretion	(445,638)	(141,171)
Flow through recovery premium	(448,759)	-
Share-based payments	748,379	110,100
Loss on sale of assets	-	4,498,451
Deferred income tax expense	493,559	(777,217)
Gain on settlement of accounts payable	-	(36,750)
Net changes in non-cash working capital items:		
Amounts receivable	(87,529)	586
Prepaid expenses	(21,256)	(26,229)
Trade and other accounts payable	(7,689)	(27,250)
Cash used in operating activities	(700,862)	(417,731)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(1,695,300)	(183,473)
Increase (decrease) in reclamation deposits	4,000	(8,500)
Proceeds from sale of mineral properties	-	300,000
Cash used in investing activities	(1,691,300)	108,027
FINANCING ACTIVITIES		
Proceeds from private placement	3,750,000	485,300
Proceeds from warrant exercise	148,000	-
Proceeds from option exercise	208,750	-
Share issuance costs	(201,600)	-
Cash provided by financing activities	3,905,150	485,300
Change in cash and cash equivalents	1,512,988	175,596
Cash and cash equivalents, beginning of year	267,603	92,007
Cash and cash equivalents, end of year	**$ 1,780,591**	**$ 267,603**

The accompanying notes are an integral part of these financial statements

FOX TUNGSTEN LTD. (FORMERLY HAPPY CREEK MINERALS LTD.)
Statement of Changes in Equity
(Expressed in Canadian dollars)

		Share Capital					
	Note	**Number**	**Amount**	**Reserves**	**Accumulated Other Comprehensive Income (Loss)**	**Deficit**	**Total**
			$	**$**	**$**	**$**	**$**
Balance, January 31, 2024		**137,517,000**	**24,222,237**	**3,399,760**	**116,505**	**(10,358,016)**	**17,380,486**
Shares issued for private placement	**8**	10,000,000	485,300	-	-	-	485,300
Share issuance costs	**8**	-	(10,290)	10,290	-	-	-
Share-based payments	**8**	-	-	110,100	-	-	110,100
Other comprehensive loss	**8**	-	-	-	(487)	-	(487)
Net loss	**8**	-	-	-	-	(4,018,251)	(4,018,251)
Balance, January 31, 2025		**147,517,000**	**24,697,247**	**3,520,150**	**116,018**	**(14,376,267)**	**13,957,148**
Shares issued for private placement	**8**	61,150,000	3,060,000	-	-	-	3,060,000
Shares issued on exercise of stock options	**8**	3,050,000	337,832	(129,082)	-	-	208,750
Shares issued on exercise of warrants	**8**	2,060,000	150,172	(2,172)	-	-	148,000
Share issuance costs	**8**	-	(735,707)	534,107	-	-	(201,600)
Share-based payments	**8**	-	-	748,379	-	-	748,379
Other comprehensive income		-	-	-	1,736,930	-	1,736,930
Net loss		-	-	-	-	(891,929)	(891,929)
Balance, January 31, 2026		**213,777,000**	**27,509,544**	**4,671,382**	**1,852,948**	**(15,268,196)**	**18,765,678**

The number of shares issued at January 31, 2026 and 2025 is comprised as follows:

	2026	**2025**
Shares considered previously issued (Note 8.2)	213,936,500	147,676,500
Issued and held by the Company	(159,500)	(159,500)
Issued and outstanding with other shareholders	213,777,000	147,517,000

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS

Fox Tungsten Ltd. (formerly Happy Creek Minerals Ltd.) ("Fox Tungsten" or the "Company") was incorporated under the laws of British Columbia on November 17, 2004 and is in the exploration stage of the development of its mineral property interests. The Company's registered office is Suite 1200 – 750 West Pender Street, Vancouver, British Columbia, V6C 2T8.

The Company's principal business activity is the exploration and development of mineral properties. At the date of these financial statements (the "financial statements"), the Company has not been able to identify a known body of commercial grade ore on any of its properties and the ability of the Company to recover the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration and development costs and to resolve any environmental, regulatory, or other constraints which may hinder the successful development of the property. The Company is in the development stage with no source of operating revenue and is dependent upon equity financing on terms that are acceptable to the Company, to maintain its current operations. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "FOXT.V".

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties (as described in Note 1) related to events or conditions that cast significant doubt upon the Company's ability to continue as a going concern.

The Company's ability to continue to meet its obligations and carry out its planned exploration activities is uncertain and dependent upon the continued financial support of its shareholders and on securing additional financing. There is, however, no assurance that any such initiatives will be sufficient and, as a result, there is significant doubt regarding the going concern assumption and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications 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 for the foreseeable future. These adjustments could be material.

3. BASIS OF PRESENTATION

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies below have been applied to all periods presented in these financial statements and are based on IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretation Committee ("IFRIC").

The policies applied in these financial statements are based on IFRS issued and outstanding as of January 31, 2026.

3.1. Basis of measurement

These financial statements have been prepared using the measurement basis specified by IFRS for each type of asset, liability, revenue and expense. Certain items are stated at fair value.

3.2. Functional and Presentation Currency

The functional currency of a company is the currency of the primary economic environment in which a company operates. The presentation currency for a company is the currency in which a company chooses to present its financial statements.

These financial statements are presented in Canadian dollars, which is the Company's presentation and functional currency. The functional currencies of the Company's subsidiaries do not differ from that of the parent company.

Transactions in foreign currencies are translated into the functional currency at exchange rates as at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss. Foreign currency monetary assets and liabilities are translated at the functional currency exchange rate at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the date of the initial transaction. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

3.3. Significant judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(i) Going concern
The assessment of the Company's ongoing viability as an operating entity and determination of the related disclosures requires significant judgment.

(ii) Exploration and evaluation properties and impairment
The Company is required to make significant judgments regarding the capitalization of the costs incurred in respect to its exploration and evaluation properties. The Company is also required to make significant judgments on the ongoing feasibility of mineral exploration, and whether there are indicators that the development of a specific area is unlikely and exploration and evaluation properties should be impaired. Management has assessed impairment indicators on the Company's exploration and evaluation properties and has concluded that no impairment indicators existed as of January 31, 2026.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash within ninety days of purchase.

4.2 Exploration and Evaluation Properties

(i) Pre-license costs
Costs incurred before the Company has obtained the legal right to explore are expensed as incurred.

(ii) Exploration and evaluation costs

Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized as incurred, unless future economic benefit is not expected to be realized. The Company capitalizes, on a property-by-property basis, the costs of acquiring, maintaining its interest in, and exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold or considered impaired in value. Indirect administrative costs are expensed as incurred. Exploration and evaluation properties are not depreciated during the exploration and evaluation stage.

Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers, non-compliance with regulatory requirements or title may be affected by undetected defects.

4.3 Decommissioning and Restoration

The Company is subject to various governmental laws and regulations relating to the protection of the environment. The environmental regulations are continually changing and are generally becoming more restrictive.

Decommissioning and restoration obligations encompass legal, statutory, contractual or constructive obligations associated with the retirement of a long-lived tangible asset (for example, mine reclamation costs) that results from the acquisition, construction, development and/or normal operation of a long-lived asset. The retirement of a long-lived asset is reflected by an other-than-temporary removal from service, including sale of the asset, abandonment or disposal in some other manner.

The fair value of a liability for decommissioning and restoration is recorded in the period in which the obligation first arises. The Company records the estimated present value of future cash flows associated with site closure and reclamation as a long-term liability and increases the carrying value of the related assets for that amount. Over time, the liability is increased to reflect an interest element in the estimated future cash flows (accretion expense) considered in the initial measurement of fair value. The capitalized cost is depreciated on either the unit-of-production basis or the straight-line basis, as appropriate. The Company's estimates of its provision for decommissioning and restoration obligations could change as a result of changes in regulations, changes to the current market-based discount rate, the extent of environmental remediation required, and the means of reclamation or cost estimates. Changes in estimates are accounted for in the period in which these estimates are revised.

As at January 31, 2026, the Company has determined that it does not have any decommissioning and restoration obligations related to current or former operations in excess of the reclamation bonds held by the British Columbia Ministry of Energy and Mines.

4.4 Impairment of Non-Financial Assets

For the purposes of assessing impairment, the recoverable amount of an asset, which is the higher of its fair value less costs to sell and its value in use, is estimated.

4.5 Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

4.6 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable profit or accounting profit. Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures are not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Changes in deferred tax assets or liabilities are recognized as a component of income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4.7 Flow-through Shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures can be claimed by the investors rather than the company.

A flow-through common share comprises both the transfer of income tax deductions equal to the proceeds received on issue, and a common share with a deemed cost for tax purposes of nil. The issuer of these shares allocates the proceeds to their liability and equity components according to the respective fair values of each at the date of issuance, with the tax attribute considered a liability to the extent that a premium to market is obtained for the shares. Upon satisfaction of the spending requirements associated with the flow-through share agreements, a proportionate amount of the related flow-through liability recognized in previous periods in the statement of financial position will be reversed and the related deferred tax liability will be recognized. Any difference between the liability settled and the deferred tax liability recognized is accounted for as other income or income tax expense.

4.8 Share-based Payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received is not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing Model) for all share options granted to directors, employees and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share-based payments is charged either to profit or loss or exploration and evaluation properties, with the offsetting credit to share option reserve. For directors, employees and consultants, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in share option reserve are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in share option reserve.

4.9 Related Party Transactions

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. Parties are also considered to be related if they are subject to common control or common significant influence. 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. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

4.10 Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing net income (loss) (the numerator) by the weighted average number of outstanding common shares for the period (denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore, basic and diluted loss per share are the same. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company’s common shares for the period will be dilutive.

4.11 Share Issuance Costs

Share issuance costs, which include commissions, facilitation payments, professional fees and regulatory fees, are charged directly to share capital. Share issue costs incurred from the issuance of flow-through shares are charged directly to share capital and expense in proportion to the value of the Company’s shares at time of issue and any flow-through share premium.

4.12 Comprehensive Income (Loss)

Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income includes gains and losses on re-measuring marketable securities.

4.13 Valuation of Equity Units Issued in Private Placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement is determined to be the more easily measurable component and are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

4.14 Mining exploration tax recoveries

The Company recognizes mining exploration tax recoveries in the period in which there is reasonable expectation, based on management's estimate, of receiving a refund. The amount of tax credit receivable is subject to review and approval by the taxation authorities and is adjusted for in the period when such approval is confirmed.

4.15 Financial Instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Cash and cash equivalents are classified as subsequently measured at amortized cost.

Amounts receivable, exclusive of GST, are non-interest bearing and are recognized at the face amount, except when fair value is materially different, and are subsequently measured at amortized cost. Amounts receivable recorded are net of lifetime expected credit losses. The Company applies the simplified approach to determining expected credit losses, which requires expected credit losses to be recognized upon initial recognition of the receivables.

Investments in marketable equity securities are classified, at the Company's election, as subsequently measured at fair value through other comprehensive income. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the statement of financial position date.

Other receivables and Reclamation deposits are classified as subsequently measured at amortized cost.

(ii) Financial liabilities

Trade and other accounts payable are non-interest bearing if paid when due and are recognized at face amount, except when fair value is materially different. Trade payables and lease liability are subsequently measured at amortized cost.

4.16 New accounting standards and recent pronouncements

There are no new accounting standards or recent pronouncements that the Company anticipates will have a material impact on the financial statements.

5. RECLAMATION DEPOSITS

As at January 31, 2026, the Company had reclamation deposits held in trust by the Province of British Columbia totalling $95,500 (January 31, 2025 - $99,500) with regards to its exploration of properties in British Columbia ("B.C.").

(Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION PROPERTIES

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation properties:

	Cariboo properties British Columbia	Highland Valley properties British Columbia	Total
Balance, January 31, 2024	$ 9,304,845	$ 8,936,117	$ 18,240,962
Acquisition Costs			
Option and acquisition costs	906	-	906
Exploration Costs			
Administration fees	321	37	358
Assaying and petrography	7,554	-	7,554
Geological and consulting	66,324	37,758	104,082
Geophysics	-	97,088	97,088
Field supplies	717	345	1,062
Permitting	8,225	-	8,225
Travel and accommodation	5,185	3,193	8,378
METC recovery	(43,310)	-	(43,310)
Adjustment for property sale	-	(9,074,538)	(9,074,538)
Balance, January 31, 2025	9,350,767	-	9,350,767
Acquisition Costs			
Option and acquisition costs	(25,000)	-	(25,000)
Exploration Costs			
Administration fees	39,173	-	39,173
Assaying and petrography	33,561	-	33,561
Geological and consulting	616,761	-	616,761
Field supplies	162,345	-	162,345
Field support and drilling	861,493	-	861,493
Insurance	12,063	-	12,063
Permitting	3,458	-	3,458
Travel and accommodation	5,996	-	5,996
Balance, January 31, 2026	$ 11,060,617	$ -	$ 11,060,617

As at January 31, 2026, cumulative METC rebates offset against deferred exploration and evaluation property costs totalled $1,284,147 (January 31, 2025 - $1,284,147). The Company is required by the Government of British Columbia to incur a minimum amount of expenditures to maintain concessions. The minimum expenditure amount is based on the number of tenures and the length of time that the right to each concession has been held. Expenditures in excess of the required annual minimum may be carried over to future years and, subject to certain conditions, to other mineral tenures located in B.C.

6.1 Highland Valley Mineral Property

The Highland Valley property is located northwest of Merritt and southwest of Logan Lake in south central B.C. In prior years, the Highland Valley Properties were presented as Rateria, West Valley, Abbott Lake Property and Tyner Lake Property. In 2018, Abbott Lake Property was grouped with West Valley and Tyner Lake Property was grouped with Rateria. Together Rateria and West Valley surround the south-east, south and southwest sides of Teck Resources' Highland Valley copper mine property.

On November 7, 2024 the Company sold 100% of its interests in the Highland Valley Mineral Properties to Metal Energy Corporation (TSX:V MERG) for the following consideration:

-$300,000 cash (received)
-2,347,220 common shares of MERG valued at $234,722 (received)
-$1,000,000 of MERG common shares due not later than October 2, 2025
-$1,000,000 of MERG common shares due not later than October 2, 2026
-$1,500,000 of MERG common shares due not later than October 2, 2027
-$2,500,000 of MERG common shares due not later than October 2, 2028

The Company agreed with MERG to amend the terms of the asset purchase agreement for the sale of the Highland Valley Project (the "Amendment").The Amendment, dated August 27, 2025, provides a nine-month extension to milestone payments and financing obligations included in the underlying asset purchase agreements (see Happy Creek news releases dated October 4, 2024, for details).

The updated terms under the Amendment include:

1) Extension of $6 million of milestone equity payments as follows (based on a closing date of November 6, 2024):

a. August 6, 2026, MERG to issue $1,000,000 in shares to Fox Tungsten
b. August 6, 2027, MERG to issue $1,000,000 in shares to Fox Tungsten
c. August 6, 2028, MERG to issue $1,500,000 in shares to Fox Tungsten
d. August 6, 2029, MERG to issue $2,500,000 in shares to Fox Tungsten

2) Extension of financing obligations (based on a closing date of November 6, 2024):

a. Metal Energy must complete an equity financing, raising a minimum of $1,500,000, by August 6, 2026 (completed).

In consideration for entering in the Amendment, Metal Energy will make a cash payment of $25,000 (received) to Fox Tungsten within 5 days of Metals Energy completing its next financing and will issue Fox Tungsten with 200,000 common shares (received subsequently), subject to TSX Venture Exchange ("TSX.V") approval.

The Company retains a 2.5% Net Smelter Royalty ("NSR") and Metal Energy may purchase up to 1.5% of the NSR for $5,000,000.

The Company retains the following additional NSR royalties:

6.1.1 Rateria

NSR royalties on the Rateria property are as follows:

Rateria claims – 7 claims are subject to a 2.5% NSR royalty, payable to a maximum of $3,000,000. The Company has the exclusive right to purchase 1% of the NSR for $2,000,000.

Masco Claims – 2 claims are subject to a 2% NSR royalty, with the Company having the exclusive right to purchase 1% NSR royalty at any time for $1,000,000.

Sho claims – 1 claim is subject to a 2% NSR royalty, with the Company having the exclusive right to purchase the NSR royalty at any time for $3,000,000.

Tyner claims – 18 mineral claims are subject to a 2% NSR royalty, with the Company having the exclusive right to purchase the NSR royalty for $2,000,000.

6.1.2 West Valley

The NSR royalty on the West Valley property is as follows:

Abbott claims - 8 claims are subject to a 0.5% NSR royalty, with the Company having the exclusive right to purchase the NSR royalty for $1,000,000.

6.2 Cariboo Mineral Property

The Company has a 100% interest in a group of mineral properties located northeast of 100 Mile House, in south central B.C. The Silverboss property surrounds the former past-producing Boss Mountain molybdenum mine.

6.2.1 Silver Boss, Hen-Art-DL, Fox and Black Riders Property

The Silver Boss property consists of 38 mineral tenures totalling approximately 12,082 hectares. The Hen-Art-DL property consists of 19 mineral tenures totalling approximately 8,989 hectares and the Fox property consists of 36 mineral tenures totalling approximately 17,245 hectares. The Black Riders property consists of 6 mineral tenures totaling approximately 2,564 hectares and adjoins to the east and is considered part of the Fox property.

The Silver Boss, Hen-Art-DL, Fox and Black Riders property mineral tenures all adjoin and are contiguous and together total 40,880 hectares.

Three of the Silver Boss mineral claims (previously the Gus Property) are subject to a 1.5% NSR royalty which the Company can buy back for $1,500,000.

(Expressed in Canadian dollars)

6.2.2 NSR Royalties

The Silver Boss (38 claims), Fox (36 claims), Hen and Art-DL (19 claims) and Hawk (23 claims) are subject to a 2.5% NSR royalty of which the Company can buy back 1% for $2,000,000 (the "Buyback Option"). On July 18, 2025, the Company and the royalty holders amended the NSR such that the Company agreed to terminate the Buyback Option for $25,000 payable by the royalty holders (received). See 6.2.1.

6.3 Marketable Securities

In January 2020, RFG completed a transaction with an unrelated entity pursuant to which the Company received, in consideration for its shares of RFG, 442,000 common shares of Origen Resources Inc. ('Origen'), a Canadian public company, and 34,069 newly-issued shares of RFG (sold in fiscal 2021). In May 2021, Origen completed a transaction with an unrelated entity pursuant to which the Company received, in consideration for its shares of Origen, 2,520 (post-consolidated) common shares of Forty Pillars Mining Corp. ('Forty Pillars'), a Canadian public company, and 42,000 newly-issued shares of Origen (sold in fiscal 2023).

At January 31, 2026, the Company owned 840 shares of Forty Pillars (January 31, 2025 – 840 shares of Forty Pillars), the shares of which are traded on the CSE. The Company also owned 2,347,220 common shares of MERG (January 31, 2025 – 2,347,220 shares of MERG), the shares of which are traded on the TSX Venture.

	January 31, 2026	January 31, 2025
Marketable securities – fair value	$ 1,971,719	$ 234,789
Marketable securities – cost	$ 234,789	$ -

7. Other receivables

Under the terms of the agreement with MERG (see Note 6.1), the Company was owed $300,000 in cash and total shares of MERG worth $6,234,722.

On the date of the agreement, the Company assessed the likelihood of receiving each consideration payment amount and as a result estimated total consideration to be received by the Company would be $6,534,722. The Company recorded this amount at its present value of $4,576,088, using a discount rate of 15%.

The carrying value of the other receivable as at January 31, 2026 consists of the following:

Present value of the consideration on the date of the agreement with MERG	$	4,576,088
Received- cash	$	(300,000)
Received- shares	$	(234,722)
Accretion	$	586,809
Balance, January 31, 2026	$	4,628,175

(Expressed in Canadian dollars)

Amounts outstanding are classified as current in respect to the values applicable to the period ending one year from the balance sheet date; all residual balances are classified as non-current. At January 31, 2026 the current and non-current amounts receivable are as follows:

		January 31, 2026
Current portion	$	964,915
Non-Current portion	$	3,663,260
Balance, January 31, 2026	$	4,628,175

8. EQUITY

8.1 Authorized Share Capital

Unlimited number of common shares with no par value

8.2 Shares Issued

Shares issued and outstanding as at January 31, 2026 are 213,777,000 (January 31, 2025 – 147,517,000).

During the year ended January 31, 2026, 2,060,000 share purchase warrants were exercised at an average price of $0.072 per warrant for proceeds of $148,000.

During the year ended January 31, 2026, 3,050,000 stock options were exercised at an average price of $0.068 per warrant for proceeds of $208,750.

The Company completed a private placement on August 18, 2025. The private placement consisted of 34,625,000 flow-through units at a price of $0.07 for proceeds of $2,423,750 and 26,525,000 non-flow-through units at a price of $0.05 for gross proceeds of $1,326,250. Each flow-through unit was comprised of one flow-through common share and one-half of one common share purchase warrant and each non-flow-through unit was comprised of one common share and one half of one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.07 for a period of 60 months from the date of issue. The Company paid cash finders' fees of $201,600 and issued 4,032,000 broker warrants. Each broker warrant is exercisable at a price of $0.05 into one Finders Commission Unit. The broker's warrants were valued at $534,107 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 3.01%; volatility – 150.75%; expected dividend yield – 0.0%; expected option life in years – 5.

During the year ended January 31, 2025, the Company granted 3,850,000 share purchase options to certain directors, officers and employees exercisable at $0.055 per share until May 1, 2029. The options vest immediately.

Also, during the year ended January 31, 2025, the Company completed a non-brokered private placement, issuing 9,000,000 units at a price of $0.05 per unit for gross proceeds of $450,000 and 1,000,000 units at a price of $0.05 per unit for gross proceeds of $50,000. Each unit consists of one common share and one non-transferable share purchase warrant. Each warrant is exercisable into one common share at a price of $0.075 expiring September 18, 2026 and December 2, 2026 respectively.

(Expressed in Canadian dollars)

A cash finder's fee of $14,700 was paid as well as the issuance of 294,000 broker warrants exercisable into common shares at $0.075 expiring September 18, 2026.

8.3 Warrants

The following warrants were outstanding:

	Share Purchase Warrants		
	Number		Weighted average exercise price
Outstanding and exercisable, January 31, 2024	4,360,000	**$**	0.100
Issued	10,294,000		0.075
Expired	(12,000)		0.100
Outstanding and exercisable, January 31, 2025	14,642,000	**$**	0.080
Issued	34,607,000		0.068
Expired	(4,288,000)		0.097
Exercised	(2,060,000)		0.072
Outstanding and exercisable, January 31, 2026	42,901,000	**$**	0.069

Expiry date	**Warrants**		**Exercise Price**
September 18, 2026	8,294,000	**$**	0.075
December 2, 2026	1,000,000		0.075
August 18, 2030	29,575,000		0.070
August 18, 2030	4,032,000		0.050
	42,901,000	**$**	0.069

At January 31, 2026, the weighted-average remaining life of the outstanding warrants was 3.70 years (2025 – 1.18 years).

8.4 Share-based Compensation

The Company has adopted an incentive share option plan for the benefit of directors, officers and employees, which options, to acquire up to 10% of the issued share capital at the award date, may be granted to eligible optionees from time to time. Additional shares have also been issued to consultants of the Company, as part of their compensation arrangement. Share options granted have a term of between one and five years, vest immediately or over time and have an exercise price determined by the directors. The Company's policy is that the exercise price may not be less than the closing quoted price of the Company's common shares traded through the facilities of the exchange on which the Company's common shares are listed.

Total share options granted during the year ended January 31, 2026 was 4,470,000 (2025 – 3,850,000). Total share-based payments recognized for the fair value of share options granted, vested and approved by the shareholders during the year ended January 31, 2026 was $748,379 (2025 - $110,100).

(Expressed in Canadian dollars)

The fair value of the share options granted during the years ended January 31, 2026 and 2025 was estimated on the date of grant using the Black-Scholes Pricing Model with the following weighted average assumptions:

	Years ended January 31,	
	2026	**2025**
Strike price	$0.20	$0.050 – 0.055
Risk free interest rate	2.98%	3.65% - 3.81%
Expected option life (years)	5.00 years	5.00 years
Expected stock price volatility	153.26%	144.09% - 144.75%
Dividend payments during life of option	Nil	Nil
Expected forfeiture rate	Nil	Nil

Option pricing models require the input of highly speculative assumptions, including the expected future price volatility of a company's shares. Expected volatility has been estimated based on historical volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, existing models do not necessarily provide a reliable single measure of the fair value of the Company's share options.

The following stock options issued under the employee stock option plan were outstanding:

	Stock Options		
	Number		Weighted average exercise price
Outstanding, January 31, 2024	12,850,000	$	0.10
Granted	3,850,000		0.05
Cancelled/expired	(6,250,000)		0.17
Outstanding and exercisable, January 31, 2025	10,450,000	$	0.07
Granted	4,470,000		0.02
Exercised	(3,050,000)		0.07
Outstanding and exercisable, January 31, 2026	11,870,000	$	0.12

Expiry date	**Options**		**Exercise Price**
March 23, 2026	2,300,000	**$**	0.10
April 25, 2028	2,000,000		0.05
February 9, 2029	2,100,000		0.05
May 1, 2029	1,000,000		0.05
December 22, 2030	4,470,000		0.20
	11,870,000	**$**	0.12

(Expressed in Canadian dollars)

At January 31, 2026, the weighted average remaining life of the outstanding options was 2.79 years (2025 – 2.87 years).

9. TRADE AND OTHER ACCOUNTS PAYABLE

	January 31, 2026	January 31, 2025
Trade payables	$ 102,576	$ 99,708
Payroll accruals	-	1,007
Accrued liabilities	25,000	20,000
	$ 127,576	$ 120,715

All amounts are short term. The carrying value of trade payables, payroll accruals and accrued liabilities is considered a reasonable approximation of fair value.

10. RELATED PARTY TRANSACTIONS AND BALANCES

Relationships	**Nature of the relationship**
Standard Metals Exploration Ltd. (“Standard”)	Standard is a private company controlled by a former director of the Company (resigned January 20, 2026). Standard provides geological and exploration services to the Company.
Key management	Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, Corporate Secretary and Directors.

		Geological, Permitting, and Consulting Services		Management Services
Services provided for the year ended January 31, 2026				
Chief Executive Officer	$	-	$	48,724
Former Chief Executive Officer		-		170,024
Chief Financial Officer		-		27,500
Former Chief Financial officer		-		24,000
Former Director - Standard		54,521		-
	$	54,521	$	270,248

		Geological, Permitting, and Consulting Services		Management Services
Services provided for the year ended January 31, 2025				
Chief Executive Officer	$	-	$	107,125
Chief Financial Officer		-		36,000
Former Chief Executive Officer		-		30,000
Directors		21,987		-
Standard		70,427		-
	$	92,414	$	173,125

Key management compensation includes:

		Years ended January 31,		
		2026		2025
Management fees and salaries	$	270,248	$	173,125
Share - based payments		726,800		110,100
	$	997,048	$	283,225

As at January 31, 2026, there was $18,605 (2025 - $34,397) payable to directors and officers of the Company.

These transactions were in the normal course of operations and measured at their exchange amounts, being the amounts agreed to by the parties to the transactions.

(Expressed in Canadian dollars)

11. FLOW THROUGH SHARE PREMIUM LIABILITY

The Company periodically issues flow through shares, to fund Canadian exploration programs, with any resulting flow through premium recorded as a flow through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of flow through premium is recorded as income. Based on Canadian tax law, the Company is required to spend the amounts raised on eligible exploration expenditures by the end of the year subsequent to the date the expenditures were renounced.

The following is a continuity schedule of the liability portion of the flow-through share issuances:

	Issued on August 15, 2026
Balance February 1, 2025	$ -
Premium liability incurred on flow-through shares issued	690,000
Reduction of flow-through share liability on incurring qualifying expenditures	(488,759)
Balance January 31, 2026	$ 201,241

12. MANAGEMENT OF CAPITAL

The Company defines capital that it manages as its cash and cash equivalents and share capital. The Company’s objective when managing capital is to maintain corporate and administrative functions necessary to support the Company’s operations and corporate functions; to perform mineral exploration activities on the Company’s exploration projects; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company does not pay dividends and has no bank credit facility. The Company is not subject to any externally imposed capital requirements.

There have not been any changes to the Company’s capital management policy during the period.

13. RISK MANAGEMENT

13.1 Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company’s risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a. Capital Risk
The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain title to and explore its mineral properties. The capital structure of the Company consists of cash and cash equivalents and share capital.

b. Credit Risk
Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk is low.

c. Liquidity Risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at January 31, 2026, the Company had working capital surplus of $4,573,773 (2025 - $1,358,197). The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2026, the Company had cash and cash equivalents of $1,780,591 to settle trade and other accounts payable of $127,576.

d. Market Risk
Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is exposed to these risks as the ability of the Company to develop or market its properties and the future profitability of the Company is related to the market price of certain minerals such as copper, molybdenum, tungsten, gold and silver.

13.2 Fair Values

The carrying values of cash and cash equivalents, amounts receivable (excluding GST), reclamation deposits, and trade and other accounts payable approximate fair values due to their short-term to maturity nature or the ability to readily convert to cash. Marketable securities are carried at fair value.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. All financial instruments (excluding lease liability) are classified as Level 1 items. Lease liability is classified as a Level 3 item.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

(Expressed in Canadian dollars)

14. COMMITMENTS

On May 1, 2024 the Company entered into an independent consulting agreement with Velocity North Management Ltd., a company controlled by Mr. Jason Bahnsen, whereby Velocity will be paid $120,000 per annum for Mr. Bahnsen to act as President and Chief Executive Officer. Should the Company complete a future capital raise or asset sale with the minimum gross proceeds exceeding $1,000,000 the annual fee will be immediately raised to $180,000. In the event the Company terminates this agreement without cause, it must provided 30 days' written notice and make a lump sum payment of three months consulting fees. The consultant may terminate the agreement by providing 30 days' notice. The annual fee was increased to $180,000, effective November 7, 2024, as a result of the sale of the Highland Valley Property sale. On November 6, 2025, the consulting agreement with Velocity North Management Ltd. was terminated following the resignation of Jason Bhansen.

On September 1, 2025, the Company entered into an independent consultant agreement with the Chief Financial Officer ("CFO") of the Company for the provision of financial consulting services to the Company. The agreement provides for the payment of $5,500 per month plus the goods and services tax and will continue indefinitely unless terminated. The CFO will be entitled to a severance payment of 2 months of consulting fees in the event of early termination of the agreement without cause.

15. DEFERRED INCOME TAXES

The income tax provision differs from the amount computed by applying the statutory rates to pre-tax income as a result of the following:

For the year ended January 31,	**2026**	**2025**
Expected tax recovery at a rate of 27%	$ 107,560	$ 1,294,777
Increase (decrease) resulting from:		
Non-deductible expenses, net	(192,000)	(521,529)
Temporary differences, net	54,433	3,969
Deferred taxes applicable to flow-through expenditures	(463,551)	-
Deferred income tax expense	$ (493,558)	$ 777,217

The deferred tax liability is comprised of the following tax affected temporary differences:

As at January 31,	**2026**	**2025**
Exploration and evaluation properties	$ (2,932,449)	$ (2,524,707)
Non-capital losses carried forward	2,475,036	2,367,660
Marketable securities	(234,496)	(10)
Equipment	15,623	15,624
Capital Losses	359	359
Share issuance costs	48,454	7,160
Net recognized deferred tax liability	$ (627,472)	$ (133,914)

(Expressed in Canadian dollars)

The Company has Canadian non-capital losses of approximately $10,452,000 for income tax purposes which expire as follows:

Year of origin	Non-capital loss	Year of expiry
2006	$ 34,000	2026
2007	348,000	2027
2008	647,000	2028
2009	609,000	2029
2010	574,000	2030
2011	772,000	2031
2012	639,000	2032
2013	666,000	2033
2014	633,000	2034
2015	613,000	2035
2016	394,000	2036
2017	493,000	2037
2018	463,000	2038
2019	659,000	2039
2020	514,000	2040
2021	404,000	2041
2022	558,000	2042
2023	459,000	2043
2024	332,000	2044
2025	-	2045
2026	641,000	2046
	$ 10,452,000	

16. SUBSEQUENT EVENTS

Subsequent to January 31, 2026, the Company:

i. Completed a bought deal private placement offering consisting of an aggregate of (i) 6,100,000 hard dollar units of the Company (the “Hard Dollar Units”) at a price of $0.165 per Hard Dollar Unit and, (ii) 48,875,000 charity flow-through units of the Company (the “Charity FT Units”) at a price of $0.24 per Charity FT Unit, including partial exercise of the underwriter’s over-allotment option of 6,875,000 Charity FT Units, for aggregate gross proceeds of $12,736,500 (the “Offering”). The Hard Dollar Units and the Charity FT Units will be referred to as the “Offered Securities”. The Company paid an aggregate cash commission of $968,432. The Company also issued an aggregate of 3,566,128 broker warrants (the “Broker Warrants”). Each Broker Warrant is exercisable into one common share of the Company at a price of $0.165 per share until April 23, 2029.

   Each Hard Dollar Unit will consist of one common share of the Company (a “Share”) plus one-half of one common share purchase warrant (each whole common share purchase warrant, a “Warrant”). Each Charity FT Unit will consist of one Share of the Company plus one-half of one Warrant, each of which will qualify as a “flow-through share” within the meaning of the Income Tax Act (Canada). Each Warrant will entitle the holder thereof to purchase one Share (a “Warrant Share”) at an exercise price of $0.22 until April 23, 2029.

ii. During the period from February to May 2026, the Company issued a total of 5,975,000 common shares pursuant to the exercise of stock options and warrants at exercise prices ranging from $0.05 to $0.10 per commons share.