

FOX TUNGSTEN LTD.

Condensed Financial Statements

For the six months ended July 31, 2026 and 2025

(Unaudited - Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW
OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

FOX TUNGSTEN LTD.
Condensed Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	July 31, 2026	January 31, 2026
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 12,813,075	\$ 1,780,591
Amounts receivable		157,870	136,891
Other receivable - current portion	7	810,874	964,915
Prepaid expenses		30,373	48,474
Marketable securities	6	1,462,047	1,971,719
		15,274,239	4,902,590
Non-current Assets			
Other receivable - non-current portion	7	3,874,027	3,663,260
Reclamation deposits	5	95,500	95,500
Exploration and evaluation properties	6,10	13,214,812	11,060,617
TOTAL ASSETS		\$ 32,458,578	\$ 19,721,967
LIABILITIES			
Current Liabilities			
Trade and other accounts payable	9,10	\$ 1,097,858	\$ 127,576
Flow-through premium liability	11	3,754,788	201,241
		4,852,646	328,817
Non-Current Liabilities			
Deferred tax liability	15	627,472	627,472
TOTAL LIABILITIES		5,480,118	956,289
SHAREHOLDERS' EQUITY			
Share capital	8	35,511,258	27,509,544
Reserves	8	5,294,160	4,671,382
Deficit		(15,098,629)	(15,268,196)
Accumulated other comprehensive income		1,271,671	1,852,948
Total shareholders' equity		26,978,460	18,765,678
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 32,458,578	\$ 19,721,967

Going Concern Note 2
Commitments Note 15
Subsequent Events Note 16

These financial statements are authorized for issue by the Board of Directors on September 25, 2026

Approved by the Board of Directors:

"Stephen Gray" Director "Rodger Gray" Director

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

FOX TUNGSTEN LTD.**Condensed Statements of Income (Loss) and Comprehensive Income (Loss)***(Unaudited - Expressed in Canadian dollars)*

	Note	Three Months Ended		Six Months Ended	
		July 31, 2026	July 31, 2025	July 31, 2026	July 31, 2025
Operating expenses					
Advertising and promotion		\$ 161,112	\$ 19,231	\$ 218,220	\$ 50,156
Conferences and travel		17,874	7,717	20,103	7,717
Management fees and salaries	10	72,936	64,000	127,608	123,225
Office and administration		45,716	10,421	81,773	21,862
Professional fees		47,762	5,780	56,746	-
Share-based payments	10	-	-	150,218	12,341
Loss before other items		(345,400)	(107,149)	(654,668)	(215,301)
Other items					
Accretion	7	124,391	152,797	244,726	300,611
Flow-through premium recovery		-	-	116,453	-
Interest income		16	-	16	-
Realized gain on sale of marketable securities		463,040	-	463,040	-
Net income (loss) for the period		(221,009)	45,648	169,567	85,310
Market value adjustment on marketable securities		(497,833)	-	(581,277)	-
Comprehensive income (loss) for the year		(718,842)	45,648	(411,710)	85,310
Income (loss) per share, basic and diluted		\$ (0.00)	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding		231,307,253	147,602,479	231,307,253	147,602,479

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

FOX TUNGSTEN LTD.
Condensed Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Six Months Ended	
	July 31, 2026	July 31, 2025
OPERATING ACTIVITIES:		
Net income (loss)	\$ 169,567	\$ 85,310
Items not affecting cash:		
Accretion	(244,726)	(300,611)
Flow-through premium recovery	(116,453)	-
Share-based payments	150,218	-
Realized gain on sale of marketable securities	(463,040)	-
Net changes in non-cash working capital items:		
Amounts receivable	(20,979)	6,152
Prepaid expenses	18,101	17,365
Trade and other accounts payable	979,378	(45,430)
Cash used in operating activities	472,066	(237,214)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(2,154,195)	(38,198)
Proceeds from sale of marketable securities	570,338	-
Increase in reclamation deposits	-	4,000
Cash used in investing activities	(1,583,857)	(34,198)
FINANCING ACTIVITIES		
Proceeds from private placement	11,787,525	3,000
Proceeds from warrant exercise	148,000	-
Proceeds from option exercise	208,750	-
Shares subscribed	-	25,000
Cash provided by financing activities	12,144,275	28,000
Change in cash and cash equivalents	11,032,484	(243,412)
Cash and cash equivalents, beginning of period	1,780,591	267,603
Cash and cash equivalents, end of period	\$ 12,813,075	\$ 24,191

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

FOX TUNGSTEN LTD.
Condensed Statement of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Note	Share Capital		Reserves	Share Subscriptions	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
		Number	Amount					
			\$	\$	\$	\$	\$	\$
Balance, January 31, 2025		147,517,000	24,697,247	3,520,150	-	116,018	(14,376,267)	13,957,148
Shares issued on exercise of warrants		60,000	3,000	-	-	-	-	3,000
Shares subscribed		-	-	-	25,000	-	-	25,000
Net income		-	-	-	-	-	85,310	85,310
Balance, July 31, 2025		147,577,000	24,700,247	3,520,150	25,000	116,018	(14,290,957)	14,070,458
Balance, January 31, 2026		213,936,500	27,509,544	4,671,382	-	1,852,948	(15,268,196)	18,765,678
Shares issued for private placement	8	54,975,000	9,066,500	-	-	-	-	9,066,500
Shares issued on exercise of stock options	8	4,800,000	360,000	-	-	-	-	360,000
Shares issued on exercise of warrants	8	1,175,000	87,250	-	-	-	-	87,250
Share issuance costs	8	-	(1,512,036)	472,560	-	-	-	(1,039,476)
Share-based payments	8	-	-	150,218	-	-	-	150,218
Other comprehensive loss		-	-	-	-	(581,277)	-	(581,277)
Net loss		-	-	-	-	-	169,567	169,567
Balance, July 31, 2026		274,886,500	35,511,258	5,294,160	-	1,271,671	(15,098,629)	26,978,460

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

	<u>July 31, 2026</u>	<u>January 31, 2026</u>
Shares considered previously issued (Note 8.2)	275,046,500	213,936,500
Issued and held by the Company	(159,500)	(159,500)
Issued and outstanding with other shareholders	<u>274,886,500</u>	<u>213,777,000</u>

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

FOX TUNGSTEN LTD.
Notes to the Condensed Financial Statements
For the six months ended July 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

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 condensed 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 in accordance with IAS 34, Interim Financial Reporting and follow the same accounting policies and methods of application as the Company’s most recent annual financial statements. These financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at the year ended January 31, 2026, prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These financial statements were authorized by the Company’s Board of Directors on September 25, 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.

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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 July 31, 2026.

4. MATERIAL ACCOUNTING POLICY INFORMATION

In the preparation of these financial statements, the Company used the same accounting policies as those applied and disclosed in the Annual Financial Statements.

5. RECLAMATION DEPOSITS

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

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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
Balance, January 31, 2025	\$	9,350,767
Acquisition Costs		
Option and acquisition costs		(25,000)
Exploration Costs		
Administration fees		39,173
Assaying and petrography		33,561
Geological and consulting		616,761
Field supplies		162,345
Field support and drilling		861,493
Insurance		12,063
Permitting		3,458
Travel and accommodation		5,996
Balance, January 31, 2026		11,060,617
Exploration Costs		
Geological and consulting		1,120,970
Field supplies		20,103
Field support and drilling		1,076,685
Travel and accommodation		5,605
BCMETS recovery		(69,168)
Balance, July 31, 2026	\$	13,214,812

As at July 31, 2026, cumulative METC rebates offset against deferred exploration and evaluation property costs totalled \$1,284,147 (January 31, 2026 - \$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.

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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 (subsequently received)
- 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.

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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.

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 July 31, 2026, the Company owned 840 shares of Forty Pillars (January 31, 2026 – 840 shares of Forty Pillars), the shares of which are traded on the CSE. The Company also owned 1,874,420 common shares of MERG (January 31, 2026 – 2,347,220 shares of MERG), the shares of which are traded on the TSX Venture.

	July 31, 2026	January 31, 2026
Marketable securities – fair value	\$ 1,462,047	\$ 1,971,719
Marketable securities – cost	\$ 422,722	\$ 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.

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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 July 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	\$	(422,722)
Accretion	\$	831,535
Balance, July 31, 2026	\$	4,684,901

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 July 31, 2026 the current and non-current amounts receivable are as follows:

		July 31, 2026
Current portion	\$	810,874
Non-Current portion	\$	3,874,027
Balance, July 31, 2026	\$	4,684,901

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 July 31, 2026 are 274,886,500 (January 31, 2026 – 213,777,000).

Six Months Ended July 31, 2026

During the six months ended July 31, 2026, 1,175,000 share purchase warrants were exercised at an average price of \$0.0743 per warrant for proceeds of \$87,250.

During the six months ended July 31, 2026, 4,800,000 stock options were exercised at an average price of \$0.075 per warrant for proceeds of \$360,000.

During the six months ended July 31, 2026, the Company 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 \$1,039,476 and issued 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. The broker’s warrants were valued at \$472,561 using the Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate – 2.25%; volatility – 100%; expected dividend yield – 0.0%; expected option life in years – 3.

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

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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.

Year Ended January 31, 2026

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.

8.3 Warrants

The following warrants were outstanding:

Share Purchase Warrants		
	Number	Weighted average exercise price
Outstanding, January 31, 2025	14,642,000	0.080
Issued	34,607,000	0.070
Expired	(4,288,000)	0.100
Exercised	(2,060,000)	0.070
Outstanding, January 31, 2026	42,901,000	0.133
Issued	31,053,628	0.220
Exercised	(1,175,000)	0.070
Exercisable, July 31, 2026	72,779,628	\$ 0.104

Expiry date	Warrants	Exercise Price
September 18, 2026	8,294,000	\$ 0.075
April 23, 2029	31,053,628	0.220
August 18, 2030	29,400,000	0.070
August 18, 2030	4,032,000	0.050
	72,779,628	\$ 0.133

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At July 31, 2026, the weighted-average remaining life of the outstanding warrants was 3.04 years (2026 – 3.70 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 six months ended July 31, 2026 was 1,000,000 (January 31, 2026 – 4,470,000). Total share-based payments recognized for the fair value of share options granted, vested and approved by the shareholders during the six months ended July 31, 2026 was \$150,218 (January 31, 2026 - \$748,379).

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

	July 31, 2026	January 31, 2026
Strike price	\$0.20	\$0.20
Risk free interest rate	2.25%	2.98%
Expected option life (years)	5.00 years	5.00 years
Expected stock price volatility	100.00%	153.26%
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, 2025	10,450,000	\$ 0.10
Granted	4,470,000	0.02
Exercised	(3,050,000)	0.07
Outstanding, January 31, 2026	11,870,000	0.12
Granted	1,000,000	0.20
Exercised	(5,150,000)	0.08
Outstanding, July 31, 2026	7,720,000	0.15
Exercisable, July 31, 2026	7,720,000	\$ 0.15

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Expiry date	Options	Exercise Price
April 25, 2028	1,500,000	0.05
February 9, 2029	1,100,000	0.05
December 22, 2030	4,470,000	0.20
April 13, 2031	1,000,000	0.20
	8,070,000	\$ 0.15

At July 31, 2026, the weighted average remaining life of the outstanding options was 3.65 years (2026 – 2.79 years).

9. TRADE AND OTHER ACCOUNTS PAYABLE

	July 31, 2026	January 31, 2026
Trade payables	\$ 1,072,858	\$ 102,576
Accrued liabilities	25,000	25,000
	\$ 1,097,858	\$ 127,576

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

Standard Metals Exploration Ltd.
(“Standard”)

Nature of the relationship

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.

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	Geological, Permitting, and Consulting Services	Management Services
Services provided for the period ended July 31, 2026		
Chief Executive Officer	\$ -	\$ 90,000
Chief Financial Officer	-	33,000
	\$ -	\$ 123,000

	Geological, Permitting, and Consulting Services	Management Services
Services provided for the period ended July 31, 2025		
Former Chief Executive Officer	\$ -	\$ 90,000
Former Chief Financial Officer	-	18,000
Former Director	35,545	-
	\$ 35,545	\$ 108,000

Key management compensation includes:

	Six Months Ended July 31,	
	2026	2025
Management fees and salaries	\$ 123,000	\$ 108,000
Share-based payments	-	-
	\$ 123,000	\$ 108,000

As at July 31, 2026, there was \$10,153 (2026 - \$18,605) 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.

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.

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

	Flow-Through Premium Liability
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
Premium liability incurred on flow-through shares issued	3,670,000
Reduction of flow-through share liability on incurring qualifying expenditures	(116,453)
Balance July 31, 2026	\$ 3,754,788

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.

FOX TUNGSTEN LTD.

Notes to the Condensed Financial Statements

For the six months ended July 31, 2026 and 2025

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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 July 31, 2026, the Company had working capital of \$10,421,593 (2026 - \$4,573,773). 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 July 31, 2026, the Company had cash and cash equivalents of \$12,813,075 to settle trade and other accounts payable of \$1,097,858.

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).

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 provide 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 Bahnsen.

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.

FOX TUNGSTEN LTD.
Notes to the Condensed Financial Statements
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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	<u>\$ (493,558)</u>	<u>\$ 777,217</u>

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	<u>\$ (627,472)</u>	<u>\$ (133,914)</u>

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
	<u>\$ 10,452,000</u>	

FOX TUNGSTEN LTD.
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16. SUBSEQUENT EVENTS

Subsequent to July 31, 2026, the Company:

- i. Issued 6,294,000 commons shares upon the exercise of 6,294,000 share purchase warrants for gross proceeds of \$472,050; and
- ii. Received the final permit for construction of an exploration trail. As part of the permit, the Company agreed to pay up to \$328,750 over a 5-year period on a caribou monitoring study.

FOX TUNGSTEN LTD.
MANAGEMENT'S DISCUSSION and ANALYSIS
For the six months ended July 31, 2026 and 2025

Overview

This Management's Discussion and Analysis ("MD&A") provides relevant information on the operations and financial condition of Fox Tungsten Ltd. ("Fox Tungsten" or the "Company") for the six months ended July 31, 2026 and 2025. This MD&A has been prepared by management as of September 25, 2026 and includes information up to that date.

The MD&A supplements, but does not form part of, the financial statements of the Company for the six months ended July 31, 2026 and 2025. The following MD&A should be read in conjunction with the financial statements for the six months ended July 31, 2026 and 2025. The financial statements and the notes therein have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars unless otherwise stated. Additional information may be found on SEDAR at www.sedar.com, and www.foxtungsten.com.

The MD&A may contain "forward-looking information" within the meaning of applicable securities laws, including statements that address capital costs, recovery, grade, and timing of work or plans at the Company's mineral projects. Forward-looking information may be, but not always, identified by the use of words such as "seek", "anticipate", "plan", "planned", "continue", "expect", "thought to", "project", "predict", "potential", "targeting", "intends", "believe", "opportunity", "further" and others, or which describes a goal or action, event or result such as "may", "should", "could", "would", "might" or "will" be undertaken, occur or achieved. Statements also include those that address future mineral production, reserve potential, potential size or scale of a mineralized zone, potential expansion of mineralization, potential type(s) of mining, potential grades as well as to the Company's ability to fund ongoing expenditure, or assumptions about future metal or mineral prices, currency exchange rates, metallurgical recoveries and grades, favourable operating conditions, access, political stability, obtaining or renewal of existing or required mineral titles, licenses and permits, labour stability, market conditions, availability of equipment, accuracy of any mineral resources, anticipated costs and expenditures. Assumptions may be based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct. Such forward-looking information involves known and unknown risks, which may cause the actual results to materially differ, and/or any future results expressed or implied by such forward-looking information. Additional information on risks and uncertainties can be found within Financial Statements, Prospectus and other materials found on the Company's SEDAR profile at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company withholds any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by law.

Under NI43-101, the reader is cautioned that results or information from an adjacent property does not infer or indicate similar results or information will or does occur on the subject property. Historical information from the subject or adjacent property cannot not be relied upon as the Company's Qualified Person ("QP"), a term which was created and defined under NI43-101 has not prepared nor verified the historical information.

Overall Performance

The Company is engaged in the business of exploration and development of mineral properties in British Columbia, Canada, in particular the Fox Tungsten project. The Company has a 100% interest in mineral properties totalling approximately 409 square kilometres of mineral tenure located in British Columbia, Canada. It also holds several royalties on properties it has sold or optioned to other parties. The Silver Boss, Hen-Art-DL, Fox and Black Riders property mineral tenures all adjoin and are contiguous and together total 40,880 hectares.

Please refer to the Company's website, news releases and filings on SEDAR for additional details, maps, photos and other information.

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Fox property

The Fox property is located 75 Km northeast of 100 Mile House in south-central B.C. The property contains a tungsten mineral system that is overall, 12 km by 5 km in dimensions, with high grade deposits in a near-surface setting. In February 2018, the Company announced an updated NI 43-101 resource estimate for the Fox property of 582,400 tonnes grading 0.826% WO₃ (Indicated) and 565,000 tonnes grading 1.231% WO₃ (Inferred). This amounts to 4.8 million Kg (Indicated) and 6.96 million Kg (Inferred) of WO₃. These resources are among the highest grade in the western world and are open for expansion. A large-scale mineral system, globally significant resource grade and proximity to infrastructure are thought to make the Fox a rare and exceptional tungsten project. Plans include increasing the resource base and performing a preliminary economic assessment.

A 20,000 meter drill program is currently underway at Fox, focused on expanding the existing resource and exploring for new zones. The company plans to initiate a resource update and preliminary economic assessment following the drill program.

Silver Boss and Hen-Art-DL 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 Silverboss property surrounds the former past-producing Boss Mountain molybdenum mine.

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

Highland Valley property

The 237 square km Highland Valley property adjoin and surround the southern side of the 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)
- 11,736,100 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 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 agreed with Metal Energy Corp. 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 the Company's news releases dated October 4, 2024, for details).

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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, Metal Energy to issue \$1.0 million in shares to Fox Tungsten (subsequently received)
- b) August 6, 2027, Metal Energy to issue \$1.0 million in shares to Fox Tungsten
- c) August 6, 2028, Metal Energy to issue \$1.5 million in shares to Fox Tungsten
- d) August 6, 2029, Metal Energy to issue \$2.5 million 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 \$1.5 million, by August 6, 2026.

In consideration for entering in the Amendment, Metal Energy made a cash payment of \$25,000 (received) to Fox Tungsten within 5 days of Metals Energy completing its next financing and issued Fox Tungsten with 1,000,000 common shares, subject to TSX Venture Exchange ("TSX.V") approval. Share counts have not been adjusted to reflect the 5:1 share consolidation completed by Metal Energy on October 17, 2025.

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.

Silver Dollar property

This property was purchased by Explorex Resources Inc. (now Origen Resources Inc.). The Company holds a 1% net smelter return royalty on the property which contains several zones with high-grade gold-silver with lead, zinc and copper in outcrop, historical mining and drilling.

Financial Results of Operations

The following is a summary of selected financial data for the Company for the three most recently completed years, accompanied by a discussion of those factors affecting the comparability of the data, including, where applicable, discontinued operations, changes in accounting policies, significant acquisitions or disposals and major changes in the direction of the Company's business.

	Prepared in accordance with IFRS		
As at and for the year ended	January 31, 2026	January 31, 2025	January 31, 2024
Interest revenue	\$ -	\$ -	\$ -
Comprehensive income (loss)	\$ 845,001	\$ (4,018,738)	\$ (637,297)
Basic net loss per share	\$ (0.00)	\$ (0.03)	\$ (0.00)
Total assets	\$ 19,721,967	\$ 14,211,776	\$ 18,475,460
Basic weighted average number of shares outstanding	179,689,192	141,386,910	132,723,939

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MANAGEMENT’S DISCUSSION and ANALYSIS
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The following is a summary of selected financial data for the Company for the eight most recently completed quarters.

	July 31, 2026	January 31, 2026	January 31, 2026	October 31, 2025
For the three months ended:	\$	\$	\$	\$
Interest income	-	-	-	-
Administrative expenses	(345,400)	(980,533)	(980,533)	(189,269)
Net income (loss)	(221,009)	(1,820,727)	(1,820,727)	843,668
Basic net loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)

	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024
For the three months ended:	\$	\$	\$	\$
Interest income	-	-	-	-
Administrative expenses	(107,149)	(108,152)	(149,016)	(85,487)
Net income (loss)	45,468	39,662	(3,729,079)	(48,737)
Basic net loss per share	\$ (0.00)	\$ (0.03)	\$ (0.03)	\$ (0.00)

The Company has no dividend policy and has no intention of developing a dividend policy in the foreseeable future. The Company has paid no dividends and has no retained earnings from which it might pay dividends.

Results of Operations

Six Months Ended July 31, 2026

During the six months ended July 31, 2026, 1,175,000 share purchase warrants were exercised at an average price of \$0.0743 per warrant for proceeds of \$87,250.

During the six months ended July 31, 2026, 4,800,000 stock options were exercised at an average price of \$0.075 per warrant for proceeds of \$360,000.

During the six months ended July 31, 2026, the Company 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 \$1,039,476 and issued 3,566,128 broker warrants.

The Company had net income of \$169,567 for the six months ended July 31, 2026, compared with income of \$85,310 for 2025. The primary reason for the increase during the period is a result of an increase in the realized gain on sale of marketable securities to \$463,040 (July 31, 2025 - \$Nil) and an increase in flow-through premium recovery to \$116,453 (July 31, 2025 - \$Nil).

Other material variances include the following:

- Advertising and promotion increased to \$218,220 (July 31, 2025 - \$50,156).
- Office and administration increased to \$81,773 (July 31, 2025 - \$21,862).
- Share-based payments increased to \$150,218 (July 31, 2025 - \$12,341).

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For the six months ended July 31, 2026 and 2025

Deferred Income Taxes

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 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 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 tax 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.

The Company has financed a portion of its exploration activities through the issue of flow-through shares. Canadian tax legislation permits a company to issue flow-through instruments whereby the deduction for tax purposes relating to qualified resource expenditures could be claimed by the investors rather than the company.

A flow-through instrument comprises transfer of income tax deductions and common shares. Proceeds from an issuance of a flow-through instrument are allocated to liability and equity components in proportion, according to their respective fair values at the date of issuance. Upon renunciation of the flow-through expenditures for Canadian income tax purposes, 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 expense in profit and loss.

Liquidity and Capital Resources

The ability of the Company to continue to operate as a going concern is dependent upon its ability to obtain necessary financing to meet the Company's obligations and liabilities as they become due. As of July 31, 2026, the Company had cash and cash equivalents of \$12,813,075 (2025 - \$1,780,591). The Company's working capital as of July 31, 2026 was \$10,421,593 (2025 - \$4,573,773).

The Company is a mining exploration and development company with no producing resource properties, and consequently, does not generate operating income or cash flow of a significant nature. To date the Company has relied primarily upon the sale of Common Shares to provide working capital for exploration activities and to fund the administration of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon the sale of Common Shares to raise capital. There can be no assurance that financing will be available to the Company when required. The Company has no debt instruments. The Company has no externally imposed capital requirements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

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MANAGEMENT'S DISCUSSION and ANALYSIS
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Related Party Transactions and Balances

Relationships

Key management

Nature of the relationship

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 period ended July 31, 2026		
Chief Executive Officer	\$ -	\$ 90,000
Chief Financial Officer	-	33,000
	\$ -	\$ 123,000

	Geological, Permitting, and Consulting Services	Management Services
Services provided for the period ended July 31, 2025		
Former Chief Executive Officer	\$ -	\$ 90,000
Former Chief Financial Officer	-	18,000
Former Director	35,545	-
	\$ 35,545	\$ 108,000

	Six Months Ended July 31,	
	2026	2025
Management fees and salaries	\$ 123,000	\$ 108,000
Share-based payments	-	-
	\$ 123,000	\$ 108,000

As at July 31, 2026, there was \$10,153 (2026 - \$18,605) 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.

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Subsequent Events

Subsequent to July 31, 2026, the Company:

- i. Issued 6,294,000 commons shares upon the exercise of 6,294,000 share purchase warrants for gross proceeds of \$472,050; and
- ii. Received the final permit for construction of an exploration trail. As part of the permit, the Company agreed to pay up to \$328,750 over a 5-year period on a caribou monitoring study.

Risk Factors

The Company's success depends upon a number of factors, many of which are beyond the Company's control. Typical risk factors and uncertainties include the ability to raise financing, mineral title matters, exploration permitting or weather delays, skilled labour shortage, operating cost inflation, metal price and currency rate fluctuations, and changing legislation, regulations or the administration thereof. There is uncertainty in judging future potential value of a mineral property or claims that are deemed unnecessary and allowed to lapse or returned to a vendor. Risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Financial Instruments

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 July 31, 2026, the Company had working capital of \$10,421,593 (2026 - \$4,573,773). 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 July 31, 2026, the Company had cash and cash equivalents of \$12,813,075 to settle trade and other accounts payable of \$1,097,858.

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.

FOX TUNGSTEN LTD.
MANAGEMENT'S DISCUSSION and ANALYSIS
For the six months ended July 31, 2026 and 2025

Significant judgements, 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 require 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 July 31, 2026.

Share Capital

Common shares, stock options, warrants, and agent's warrants as at September 25, 2026 are as follows:

	September 25, 2026
Common shares	281,180,500
Stock Options	7,720,000
Warrants	66,485,628

Future Outlook

Management and its consultants monitor the financial markets, governments and legislation that may pertain to commodities, resources and the Company's business on the land. It evaluates and adjusts budgets and work performed based on results, market conditions and financial resources available. The Company is seeking various ways to fund further exploration and development of its projects with the goal to increase their market value for shareholders.

John Simms, P.Geol. is a Qualified Person as defined by National Instrument 43-101 and is responsible for the preparation and approval of the geological and technical information disclosed above. All monetary amounts are in Canadian currency unless otherwise indicated.