GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited)

September 30, 2025

GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102– Continuous Disclosure Obligations released by the Canadian Securities Administrators, the Company Gamma Resources Ltd. discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the period ended September 30, 2025.

NOTICE TO READER OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The management of Gamma Resources Ltd. is responsible for the preparation of the accompanying condensed consolidated interim financial statements for the period ended September 30, 2025.

These condensed interim financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of the Company, Davidson & Company LLP.

The condensed consolidated interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	Note	September 30, 2025 (Unaudited)	March 31, 2025 (Audited)
ASSETS			
Current			
Cash		$ 104,859	$ 240,392
Other receivables		9,498	12,335
Prepaid expenses	5	58,750	14,374
Investments	8	286,572	193,774
		459,679	460,875
Non-current			
Exploration and evaluation assets	4	257,011	-
		257,011	-
		$ 716,690	$ 460,875
LIABILITIES			
Current			
Accounts payable and accrued liabilities		$ 105,383	$ 104,259
Promissory notes	9	1,192,537	2,055,077
Due to related parties	6	147,595	45,974
		1,445,515	2,205,310
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	7	$ 24,555,670	$ 24,208,387
Reserves	7	5,740,684	5,442,667
Deficit		(31,025,179)	(31,395,489)
		(728,825)	(1,744,435)
		$ 716,690	$ 460,875

Corporate information and nature of operations (Note 1)
Subsequent events (Note 12)

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on December 1, 2025.

Approved on behalf of the Board:

/s/ Mark Saxon	***/s/ Gabriel Alonso-Mendoza***
Mark Saxon – Director	Gabriel Alonso-Mendoza – Director

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

GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Note	Three months ended September 30 2025	Three months ended September 30 2024	For the six months ended September 30 2025	For the six months ended September 30 2024
Expenses					
Consulting fees	6	169,155	96,645	227,611	160,356
Director fees	6	18,000	18,000	32,750	36,000
Investor relations		33,588	105	34,899	241
Office and general		(29,521)	16,694	(21,490)	24,000
Professional fees	6	27,816	62,062	81,424	86,562
Transfer agent and filing fees		8,007	25,241	12,811	30,982
Travel and accommodation		606	-	606	693
Share-based compensation		7,890	$ -	7,890	-
		(235,541)	(218,747)	(376,501)	(338,834)
Interest and accretion expense	9	(45,711)	(80,327)	(45,948)	(163,267)
Modification of debt	9	327,103	-	327,103	94,277
Extinguishment of debt	9	282,226	-	282,226	-
Foreign exchange gain (loss)		(6,198)	25,762	90,632	2,677
Fair value gain on investments	8	88,978	35,886	92,798	18,289
		646,398	(18,679)	746,811	(48,024)
Net gain (loss) and comprehensive gain (loss) for the year		$ 410,857	$ (237,426)	$ 370,310	$ (386,858)
Basic and diluted loss per share		$ 0.02	$ (0.01)	$ 0.02	$ (0.02)
Weighted average number of common shares outstanding - basic and diluted		23,252,102	20,727,781	22,518,970	15,757,836

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

GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Expressed in Canadian dollars)

	Note	Number of shares	Share capital	Shares subscription	Reserves	Deficit	Total shareholders' equity (deficiency)
Balance as at March 31, 2024 (Audited)		**10,027,781**	**$ 23,563,179**	**$ -**	**$ 4,803,809**	**$ (30,500,922)**	**$ (2,133,934)**
Net loss and comprehensive loss		-	-	-	-	(386,858)	(386,858)
Shares subscribed on financing		-	-	65,000	-	-	65,000
Shares issued on financing		10,700,000	1,070,000	-	-	-	1,070,000
Warrant issued on financing		-	(466,890)	-	466,890	-	-
Balance as at September 30, 2024 (Unaudited)		**20,727,781**	**$ 24,166,289**	**$ 65,000**	**$ 5,270,699**	**$ (30,887,780)**	**$ (1,385,792)**
Net loss and comprehensive loss		-	-	-	-	(507,709)	(507,709)
Shares subscribed on financing		-	65,000	(65,000)	-	-	-
Shares issued on financing	8	1,050,000	40,000	-	-	-	40,000
Share issuance costs	8	-	(17,428)	-	-	-	(17,428)
Warrant issued on financing	8	-	(45,474)	-	45,474	-	-
Share-based compensation	8	-	-	-	126,494	-	126,494
Balance as at March 31, 2025 (Audited)		**21,777,781**	**$ 24,208,387**	**$ -**	**$ 5,442,667**	**$ (31,395,489)**	**$ (1,744,435)**
Net loss and comprehensive loss		-	-	-	-	370,310	370,310
Shares issued on financing		5,425,500	651,060	-	-	-	651,060
Share issuance costs		-	(13,650)	-	-	-	(13,650)
Warrant issued on financing		-	(290,127)	-	290,127	-	-
Share-based compensation		-		-	7,890	-	7,890
Balance as at September 30, 2025 (Unaudited)		**27,203,281**	**$ 24,555,670**	**$ -**	**$ 5,740,684**	**$ (31,025,179)**	**$ (728,825)**

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

GAMMA RESOURCES LTD. (formerly GABO MINING LTD.)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	Note	For the six months ended September 30 2025	2024
Cash provided by (used for):			
Operating activities			
Net loss		$ 370,310	$ (386,858)
Items not involving cash:			
Share-based compensation		7,890	-
Fair value loss (gain) on investments	8	(92,798)	(18,289)
Foreign exchange loss (gain)		(90,970)	(2,677)
Interest and accretion expense	9	45,711	162,267
Modification of debt	9	(327,103)	(94,277)
Extinguishment of debt	9	(282,226)	-
Changes in non-cash working capital items:			
Other receivables		2,837	7,265
Prepaid expenses		(44,376)	(40,751)
Accounts payable and accrued liabilities		(6,829)	15,458
Due to related parties		101,621	(130,654)
Cash used in operating activities		(315,932)	(488,516)
Investing activities			
Expenditures on exploration and evaluation assets		(257,011)	-
Cash used in investing activities		(257,011)	-
Financing activities			
Units issued for cash	7	651,060	1,070,000
Share issuance costs		(13,650)	-
Share subscribed for cash		-	65,000
Repayment of loan		(200,000)	(269)
Cash provided (used) by financing activities		437,410	1,134,731
Effect of exchange rate changes on cash		-	(5,053)
Net increase (decrease) in cash		(135,533)	641,162
Cash - beginning of the period		$ 240,392	$ 2,003
Cash - end of the period		$ 104,859	$ 643,165

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

NOTE 1 – CORPORATE INFORMATION AND NATURE OF OPERATIONS

Gamma Resources Ltd. (formerly Gabo Mining Ltd.) (the "Company") was incorporated on December 8, 1989, under the Business Corporations Act (British Columbia).

Effective June 16, 2025, the Company was renamed as "GAMMA RESOURCES LTD." and started trading on the TSX Venture Exchange under the symbol "GAMA".

The Company's mission is to develop U.S.-based uranium resources and supply critical raw materials essential to both national security and global clean energy objectives.

The Company's registered office is Suite 410 – 325 Howe Street, Vancouver, British Columbia, V6C 1Z7.

NOTE 2 – BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as financial instruments at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of Measurement

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company and its subsidiaries.

Principles of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiaries Gamma Resources USA Inc., Medallion Research USA, Inc. and Medallion Innovations UK Limited. All intercompany transactions and balances have been eliminated on consolidation.

Continuance of Operations

These condensed consolidated interim financial statements are prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future and do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company has not generated revenue from operations. The Company incurred a net gain of $370,310 for the six months ended September 30, 2025, and as at that date the Company's accumulated deficit was $31,025,179. The Company does not generate any cash flow from operations to fund its future activities and has relied principally upon the issuance of securities to fund its operating and administrative expenditures.

If management is unable to obtain new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these consolidated financial statements. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statements for the year ended March 31, 2025.

These unaudited condensed consolidated interim financial statements do not include all note disclosures required by IFRS for annual financial statements, and therefore should be read in conjunction with the annual financial statements for the year ended March 31, 2025. In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the six-month period ended September 30, 2025 are not necessarily indicative of the results that may be expected for the current fiscal year ending March 31, 2026.

NOTE 4 – EXPLORATION AND EVALUATION ASSETS

The Company has entered into a lease agreement dated April 14, 2025 with C Bar B Properties Corporation, pursuant to which the Company has been granted a four-year lease, with exclusive option to purchase, two advanced-stage uranium exploration projects located in Utah and New Mexico, United States. The lease agreement will be assigned to the Company's wholly owned subsidiary, GAMMA Resources USA Inc.

Key terms of the lease agreement

- Initial consideration:
    - US$50,000 upon signing (paid on April 28, 2025).
    - US$200,000 payable within 120 days of execution, and amended to US$100,000 paid on September 8, 2025, US$33,000 paid on October 31, 2025, and US$33,000 to be paid on November 30, 2025, and US$34,000 to be paid on December 31, 2025.
- Annual lease payments:
    - US$250,000 on each of the first, second and third anniversaries.
- Exclusive option to acquire a 100% interest in both project areas for a cash payment of US$1,800,000.
- The initial consideration and all annual lease payments are creditable toward the purchase price.
- Option exercisable at any time during the four-year lease term.
- No royalty or minimum work obligation:
    - No production royalty payable to the vendor.
    - No exploration or development spending commitments.

Green River Project – Utah

The Green River Project is in Emery County's San Rafael Mining District and comprises 41 unpatented lode mining claims targeting uranium mineralization in the Salt Wash member of the Morrison Formation.

By September 30, 2025, the Company has incurred exploration and evaluation expenditures totaling $171,934 (March 31, 2025 - $Nil) on the Green River Project.

Mesa Arc Project – New Mexico

The Mesa Arc Project includes 41 lode mining claims in northern New Mexico.

By September 30, 2025, the Company has incurred exploration and evaluation expenditures totaling $85,077 (March 31, 2025 - $Nil) on the Mesa Arc Project.

(Expressed in Canadian dollars, unaudited)

The following are details of the Company's exploration and evaluation assets:

	Green River	Mesa Arc	Total
Balance at March 31, 2025	$ -	$ -	$ -
Exploration costs:			
Claim Staking	15,349	30,602	45,951
Mining claim lease	156,585	52,195	208,780
Travel and accomodation	-	2,280	2,280
	171,934	85,077	257,011
Balance at September 30, 2025	$ 171,934	$ 85,077	$ 257,011

NOTE 5 – PREPAID EXPENSES

	September 30, 2025	March 31, 2025
Consulting and other	$ 58,750	$ 14,374
	$ 58,750	$ 14,374

NOTE 6 – RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in these condensed consolidated interim financial statements are as follows:

a) During the six months ended September 30, 2025, the Company incurred $32,500 (2024 - $44,850) of accounting and consulting fees to a company of which the Company's CFO, Mr. Doyle is a shareholder. At September 30, 2025, $30,505 (March 31, 2025 - $32,658) was owed to this company, $5,460 (March 31, 2025 – $32) was owed to Mr. Doyle for expense reimbursement.

b) During the six months ended September 30, 2025, $174,987 (2024 - $118,797) was charged by a private company controlled by a director of the Company, Gabriel Alonso-Mendoza, for marketing and consulting fees. At September 30, 2025, $92,092 (March 31, 2025 - $ Nil) was owed to this company.

c) During the six months ended September 30, 2025, $29,500 (2024 - $36,000) was incurred to directors for director fees. At September 30, 2025, $19,538 (March 31, 2025 - $13,284) was owed to directors and $3,186 (March 31, 2025 – $16,569) was owed to former directors.

NOTE 7 – SHARE CAPITAL

Authorized share capital

Authorized share capital consists of an unlimited number of common shares without par value.

Fiscal 2026

On September 5, 2025, the Company closed the first tranche of the non-brokered private placement. The first tranche resulted in the issue of 5,425,500 units at a price of $0.12 per unit for gross proceeds of $651,060. Each unit is comprised of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one common share until September 5, 2028 at an exercise price of $0.18 per warrant share. The warrants were ascribed a value of $290,127 with $360,933 being allocated to share capital. In accordance with the Company's accounting policy in regard to unit bifurcation, the Company calculated the relative fair value of the unit warrants with the use of the Black-Scholes option pricing model with the following assumptions: term of 3 years, dividend yield of 0%, expected volatility of 149.62% and a risk-free interest rate of 2.5%.

Finders' fees of $13,650 in cash and 113,750 finders' warrants were paid. The finders' warrants are non-transferable, have an exercise price of 12 cents and may be exercised for a period of 24 months from the close of the private placement.

Fiscal 2025

On June 24, 2024, the Company closed the first tranche of the non-brokered private placement. The first tranche resulted in the issue of 10,700,000 units at a price of $0.10 per unit for gross proceeds of $1,070,000. Each unit is comprised of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one common share until June 24, 2027 at an exercise price of $0.15 per warrant share. The warrants were ascribed a value of $466,890 with $603,110 being allocated to share capital. In accordance with the Company's accounting policy in regard to unit bifurcation, the Company calculated the relative fair value of the unit warrants with the use of the Black-Scholes option pricing model with the following assumptions: term of 3 years, dividend yield of 0%, expected volatility of 146.27% and a risk-free interest rate of 3.88%.

On October 8, 2024, the Company closed the second tranche of the non-brokered private placement. The second tranche resulted in the issue of 1,050,000 units at a price of $0.10 per unit for gross proceeds of $105,000. Each unit is comprised of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one common share until October 8, 2027 at an exercise price of $0.15 per warrant share. The warrants were ascribed a value of $45,474 with $59,526 being allocated to share capital. In accordance with the Company's accounting policy in regard to unit bifurcation, the Company calculated the relative fair value of the unit warrants with the use of the Black-Scholes option pricing model with the following assumptions: term of 3 years, dividend yield of 0%, expected volatility of 148.59% and a risk-free interest rate of 3.18%

(Expressed in Canadian dollars, unaudited)

NOTE 7 – SHARE CAPITAL (cont'd)

Warrants

A summary of the changes in the Company's warrants is presented below:

	Number of Warrants		Weighted Average Exercise Price
Balance - March 31, 2024	-	$	-
Addition	10,700,000		0.15
Balance - September 30, 2024	10,700,000	$	0.15
Addition	1,050,000		0.15
Balance - March 31, 2025	11,750,000	$	0.15
Addition	113,750		0.12
Addition	5,425,500		0.18
Balance - September 30, 2025	17,289,250	$	0.16

As of September 30, 2025, the following warrants were outstanding:

Expiry Date	Number of warrants outstanding and exercisable		Exercise Price
June 24, 2027	10,700,000		0.15
October 8, 2027	1,050,000		0.15
September 5, 2027	113,750		0.12
September 5, 2028	5,425,500		0.18
	17,289,250	$	0.16

As at September 30, 2025, the weighted average remaining life of the outstanding warrants is 2.13 years (March 31, 2025 – 2.26 years).

Stock Options

The Board of Directors is authorized, pursuant to the Company's Stock Option Plan, to grant options to directors, officers, consultants, or employees to acquire up to 10% of the issued and outstanding common shares at the time of grant. The exercise price for a stock option must not be less than the market price of the Company's common shares at the time the option is granted, less applicable discounts permitted by the TSX Venture Exchange. Stock options granted under this plan are exercisable over a period not exceeding five years.

A summary of the changes in the Company's stock options is presented below:

	Number of Stock Options	Weighted Average Exercise Price
Balance – March 31, 2024	495,526	$1.39
Expired/cancelled	(35,356)	1.30
Balance – September 30, 2024	460,170	$1.40
Granted	1,800,000	0.08
Expired/cancelled	(200,886)	1.77
Balance – March 31, 2025	2,059,284	$0.20
Granted	100,000	$0.11
Expired/cancelled	(259,284)	$1.04
Balance – September 30, 2025 – Outstanding and exercisible	1,900,000	$0.08

(Expressed in Canadian dollars, unaudited)

NOTE 7 – SHARE CAPITAL (cont'd)

Stock Options (cont'd)

As of September 30, 2025, the following stock options were outstanding:

Expiry Date	Number of Stock Options Outstanding	Exercise Price
February 3, 2030	1,800,000	0.08
July 15, 2030	100,000	0.11
	1,900,000	$ 0.08

As at September 30, 2025, the weighted average remaining life of the outstanding and exercisable options is 4.37 years (March 31, 2025 – 4.29 years).

The assumptions used in the Black Scholes Option Pricing Model to estimate the fair value of options were:

	2026	2025
Risk-free interest rate	2.46%	2.26%
Expected stock price volatility	135.48%	135.90%
Expected option life in years	5 years	5 years
Expected dividend yield	Nil	Nil
Forfeiture rate	Nil	Nil

The total share-based payment expense for the six months ended September 30, 2025, was $7,890 (2024 - $Nil).

Subsequently the Company granted additional stock options to directors, officers and consultants to purchase up to an aggregate of 1,375,000 (see Subsequent Events).

NOTE 8 – INVESTMENTS

In a letter of intent dated July 22, 2021 ("Letter of Intent"), the Company and ACDC Metals Ltd (formerly ACDC Metals Pty Ltd) (“ACDC”), an Australian private company, set out non-binding terms by which Medallion proposed to grant to ACDC a single use, non-transferable, and geographically constrained license to the Medallion Monazite Process (“MMP”), and an option to sublicense the LAD Process, and ACDC agreed to issue to Medallion 4,500,000 founder shares of ACDC, which were issued on November 1, 2021 at AU$0.001 per share. On October 17, 2023, the Company’s rights to the LAD Process were terminated and therefore the ACDC option to sublicense the LAD Process no longer applies.

On December 8, 2021 the Company purchased an additional 300,000 shares of ACDC at AU$0.10 per share.

On October 2, 2022 the Company entered into a definitive agreement with ACDC, replacing the Letter of Intent, whereby ACDC has the exclusive right to MMP to extract rare earth elements (REEs) from monazite sourced as a byproduct of heavy mineral sand production in the states of Victoria, New South Wales, South Australia, and in the Northern Territory, Australia.

In addition to the initial founder shares, ACDC issued 2,500,000 Class C performance rights convertible into the same number of ACDC’s common shares upon completion of a pilot plant using the MMP, and 750,000 Class D performance rights convertible into the same number of ACDC’s common shares upon commercial production of REEs from a MMP facility, and ACDC will pay the Company a royalty of 2% on the sale of mixed REE compounds and other minerals produced by ACDC and processed using the MMP.

On November 9, 2022 ACDC lodged a prospectus with the Australian Securities & Investment Commission whereby ACDC offered 40,000,000 shares at AU$0.20 per share in an initial public offering (IPO).

On December 9, 2022 the Company and ACDC entered into a Restriction Deed whereby the Company agreed that 4,650,000 of the ACDC common shares (the “Restricted Shares”), 2,500,000 Class C performance rights, 750,000 Class D performance rights, or any common shares issued upon conversion of performance rights, shall be escrowed for 24 months from the first trading day of the ordinary shares.

The cost base of Medallion’s 4,800,000 common shares of ACDC is $31,746.

As at September 30, 2025, all the 4,800,000 shares of ACDC are free trading within 12 months (the “Trading Shares”) with a fair value of $286,572 (AUD$0.065 per share) (2025-$193,774 (AUD$0.04 per share)).

Subsequently the Company sold 1,425,573 ACDC shares for proceeds of US$109,357.73 (see Subsequent Events).

As at September 30, 2025, no value was attributed to the performance rights as management of the Company has determined that there is insufficient support for whether ACDC will achieve either of the performance milestones. The Company will continue to reassess the likelihood of ACDC achieving the milestones on a periodic basis and record the fair value of the performance rights if and when supporting indicators are present.

(Expressed in Canadian dollars, unaudited)

NOTE 8 – INVESTMENTS (cont'd)

	Current Asset ($)	Total ($)
Cost		
March 31, 2024 (Audited)	31,746	31,746
September 30, 2024 (Unaudited)	**31,746**	**31,746**
March 31, 2025 (Audited)	**31,746**	**31,746**
September 30, 2025 (Unaudited)	**31,746**	**31,746**
Fair value		
March 31, 2024 (Audited)	241,124	241,124
Unrealized gain (loss)	18,289	18,289
September 30, 2024 (Unaudited)	**259,413**	**259,413**
Unrealized gain (loss)	(65,639)	(65,639)
March 31, 2025 (Audited)	**193,774**	**193,774**
Unrealized gain (loss)	92,798	92,798
September 30, 2025 (Unaudited)	**286,572**	**286,572**

NOTE 9 – CONVERTIBLE DEBENTURES/PROMISSORY NOTES

On August 2, 2022, the Company executed Securities Purchase Agreements (collectively, the "SPAs") with two creditors (the "Holders") whereby the Company issued convertible debentures for net proceeds of US$975,000 ($1,285,400). The convertible debentures had a term of one year, maturing on August 1, 2023 (the "Maturity Date"), and bore interest at the rate of 5.0% per annum.

The principal value of the convertible debentures was US$1,150,000 of which US$150,000 ($192,811) was initially recognized as a financing charge and was recorded as interest and accretion expense as the balance is amortized over the term of the convertible debentures. The convertible debentures were unsecured but included negative covenants that restricted the Company's ability to incur indebtedness other than capital lease obligations and other indebtedness incurred in connection with the acquisition of machinery and equipment, and trade accounts and insurance premium financing incurred in the ordinary course, unless the proceeds of such indebtedness were used to pay amounts due under the convertible debentures.

Under the SPA's, if the Company were to complete an Initial Public Offering on the Nasdaq Capital Market or equivalent exchange in the United States, and delist from the TSX-V (collectively, the Qualified Public Offering, or "QPO"), the convertible debentures would have been convertible at the option of the Holders (principal plus accrued interest) into the same common shares or units offered in the QPO at a price that is equal to 75% of the offering price. The Company did not complete a QPO on or before August 1, 2023 and therefore the convertibility is no longer valid and thus, the convertible debentures (principal plus accrued interest) are repayable in cash as a promissory note. Further, if the Company had completed a QPO on or before August 1, 2023, the Company was committed to issue to the Holders such number of share purchase warrants equal to dividing 50% of the initial principal amount (US$1,150,000) by 75% of the QPO price.

The exercise price of the warrants would have been equal to the QPO price on issuance. As the warrants have not been issued and will not be issued, no value was attributed to the warrants for purposes of the accounting for the convertible debentures.

NOTE 9 – CONVERTIBLE DEBENTURES/PROMISSORY NOTES (cont'd)

As the SPAs are denominated in the United States dollar and the functional currency of the Company is the Canadian dollar, the conversion feature was considered an embedded derivative and, collectively, the convertible debentures and conversion feature was considered a hybrid instrument. The embedded derivative was recorded at fair value, adjusted by a probability factor of the Company completing a QPO on or before the Maturity Date, and was to be re-measured each period with movements being recorded as a gain or loss on the condensed consolidated interim statements of comprehensive loss. The difference between the fair value of the derivative and the face value of the debt was allocated to the convertible debentures.

As a result, the recorded liability to repay the convertible debentures was lower than its face value. Using the effective interest rate method, the convertible debentures were accreted up to their face value over the term of the convertible debentures. The Company recorded accretion and interest expense (net of amortization of the deferred financing charge (liability)) totaling $274,861 (2023 - $174,945) and a foreign exchange adjustment of $(4,006) for the year ended March 31, 2024 (2023 - $67,571).

Upon initial recognition and prior to the allocation of transaction costs (US$25,000 ($32,136)), the fair value of the derivative was determined to be $nil using the Black-Scholes option pricing model with the following assumptions: share price of $0.07, exercise price of $0.053, risk-free rate of 3.10%, expected volatility of 113%, expected life of 1.00 year, no dividend yield, and a probability adjustment factor of 0%. As at June 30, 2024, given the Company has determined that under current market conditions it will not be able to complete a QPO on or before August 31, 2024, the fair value remained $Nil.

On July 31, 2023, the Company entered into amendments with the holders of the unsecured convertible debentures whereby the term was extended from August 2, 2023 to October 31, 2023, the convertibility features and any obligation for the Company to issue warrants to purchase shares of the Company associated with the unsecured convertible debentures were cancelled, in exchange for which the Company accrued to the Holders a loan bonus of $133,350 (US$100,000). On July 31, 2023 the convertible debentures were extinguished, and the new "promissory notes" were added as a replacement of the convertible debentures with an interest rate of 5% to October 31, 2023. The new promissory notes were valued using an estimated market interest rate of 15% resulting in a gain on extinguishment of $37,914.

On December 14, 2023, the Company entered into the second amendments with the Holders to extend the term to June 30, 2024. The Company also accrued a mandatory default premium of $367,017 (US$264,556) (20% of outstanding principal and interest as at October 31, 2023). From October 31, 2023 to December 14, 2023, interest accrued to the Holders on the aggregate outstanding principal amount of the promissory note at the rate of 15% per annum and thereafter an interest free period that begins on December 15, 2023 and ends on June 30, 2024. The amendment resulted in a modification gain of $147,326 using the original effective interest rate of 15% per annum.

On June 14, 2024, the Company entered into the third amendments with the Holders to extend the term and interest-free period to September 30, 2024, for no consideration. The amendment resulted in a modification gain of $94,277 using the original effective interest rate of 15% per annum.

During the year ended March 31, 2025, the Company repaid US$180,731 ($250,269) of the promissory notes.

On July 11, 2025, the Company entered into the fourth amendments with the Holders of the promissory notes to extend the term and interest-free period to October 15, 2025. The principal sum of US$1,250,000 will be paid as follows:

a. US$750,000 on or before August 15, 2025, which has not been paid, however the Company is in discussion with respect to further extension.
b. US$250,000 on or before September 15, 2025.
c. Either
    i. US$200,000 on or before September 15, 2025 (US$50,000 reduction for early payment) or
    ii. US$250,000 on or before October 15, 2025.

(Expressed in Canadian dollars, unaudited)

NOTE 9 – CONVERTIBLE DEBENTURES/PROMISSORY NOTES (cont'd)

On September 15, 2025, the Company entered into an Addendum to the fourth Amendment with the Holders of the promissory notes to extend the term and interest-free period to September 30, 2026. The principal sum of CA$1,500,000 will be paid as follows:

a. Immediate Good-Faith Payments
    i. On closing of the first tranche of the non-brokered private placement, the Company will make a C$200,000 cash payment (paid).
    ii. On closing of the second tranche, the Company will make an additional C$100,000 cash payment (paid).

b. The remaining balance be resolved through four staged payments:
    i. Payment 1: C$250,000 by December 31, 2025.
    ii. Payment 2: C$250,000 by March 31, 2026.
    iii. Payment 3: C$350,000 by June 30, 2026.
    iv. Payment 4: C$350,000 by September 30, 2026.

A reconciliation of the promissory note liability is as follows:

Promissory Notes I		
Balance, March 31, 2024 (Audited)	**$**	**2,113,899**
Interest expense and accretion		162,267
Modification of debt		(94,277)
Repayment of Promissory notes		(269)
Foreign exchange adjustment		(7,730)
Balance, September 30, 2024 (Unaudited)	**$**	**2,173,890**
Repayment of Promissory notes		(250,000)
Foreign exchange adjustment		131,187
Balance, March 31, 2025 (Audited)	**$**	**2,055,077**
Foreign exchange adjustment		(98,922)
Extinguishment		(1,956,155)
Balance, July 11, 2025 (Unaudited)	**$**	**-**

Promissory Notes II		
Balance, July 11, 2025 (Unaudited)	**$**	**-**
Transferred from Promissory Notes I		1,673,929
Interest expense and accretion		45,711
Modification of debt		(327,103)
Repayment of Promissory notes		(200,000)
Balance, September 30, 2025 (Unaudited)	**$**	**1,192,537**

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

NOTE 10 – FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

The following table sets forth the levels in the fair value hierarchy in which the Company's financial assets and liabilities are measured and recognized in the condensed consolidated interim statement of financial position. Assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance September 30, 2025
Investments - trading shares	$ 286,572	$ -	$ -	$ 286,572

The fair value of the Company's cash, accounts payable and accrued liabilities, due to related parties and convertible debentures approximates their carrying values due to the short-term nature of these instruments. The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk, and commodity-price risk.

a) Credit risk
The Company's cash is held in a major Canadian financial institution. The Company does not have any significant exposure to credit risk.

b) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable, accrued liabilities, convertible debentures, promissory notes, and due to related parties are due within the current operating period.

c) Commodity price risk
The ability of the Company to develop its business and the future profitability of the Company are directly related to the market price of several commodities. The Company has not hedged any potential future commodity sales. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

d) Sensitivity analysis
The Company has, for accounting purposes, designated its investment as FVTPL. Cash, accounts payable, accrued liabilities, amounts due to related parties, convertible debts, and promissory notes are measured at amortized cost.

Based on management's knowledge and experience of the financial markets and the fact that there are no interest charges, management does not believe that the Company's current financial instruments will be affected significantly by interest rate risk. The promissory notes are denominated in US dollars and therefore the Company's current financial instruments do result in a foreign currency risk, which the Company seeks to mitigate by holding cash in US dollars. Commodity price risk could, however, affect the Company. In particular, the Company's future profitability and viability of development depends upon world markets for natural resources. As of September 30, 2025, the Company was not a producing entity. As a result, commodity price risk could affect the completion of future financing transactions such as equity offerings, exercise of stock options and warrants, and debt or convertible debt to finance project development. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken.

NOTE 11 – MANAGEMENT OF CAPITAL

The Company manages its cash, common shares, stock options and warrants as capital (Note 8). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral business and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may look to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing business development efforts, the Company does not currently pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments issued by a major Canadian chartered bank. The Company is not subject to externally imposed capital requirements.

There has been no change in the Company's management of capital risk during the six months ended September 30, 2025.

NOTE 12 – SUBSEQUENT EVENTS

On October 7, 2025, the Company closed the second tranche of the non-brokered private placement. The second tranche resulted in the issue of 5,574,500 units at a price of $0.12 per unit for gross proceeds of $668,940. Each unit is comprised of one common share and one non-transferable warrant. Each warrant entitles the holder to purchase one common share until October 7, 2028 at an exercise price of $0.18 per warrant share.

On October 21, 2025, the Company announced that it has approved the grant of stock options to directors, officers and consultants to purchase up to an aggregate of 1,375,000 common shares at an exercise price of 20 cents per common share, subject to the policies of the TSX Venture Exchange and the company's stock option plan. The options have a five-year term, expiring on Oct. 21, 2030. All options vest immediately, except for 450,000 options granted to Momentum IR Corp., which will vest in four equal tranches over 12 months from the date of grant.

On October 30, 2025, the Company sold 1,425,573 ACDC shares for proceeds of US$109,357.73.

On October 31, 2025, the Company paid US$33,000 to C Bar B Properties Corporation, see Note 4.

On Nov 13, 2025, the Company announced the commencement of work programs in Utah and New Mexico with respect to the uranium exploration projects described in Note 4.