

AMERICAN COPPER DEVELOPMENT CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025 and 2024

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR’S REPORT

To the Shareholders of American Copper Development Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of American Copper Development Corporation (the “Company”), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders’ equity (deficiency) and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards (“IFRS”).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has no source of operating revenue and expects to incur further losses in the development of its operations and is therefore dependent upon the future receipt of financing to maintain its operations. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

<i>Key audit matter:</i>	<i>How our audit addressed the key audit matter:</i>
Assessment of impairment indicators of Exploration and evaluation assets	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 2 – Material accounting policy information – Exploration and evaluation assets and Impairment, note 2 - Significant accounting estimates and judgments – Economic recoverability and probability of future economic benefits of exploration and evaluation assets and note 3 - Exploration and evaluation assets</i>	Evaluated the reasonableness of management’s assessment of impairment indicators, which included the following: <ul style="list-style-type: none"> • Assessed the Company’s market capitalization in comparison to the Company’s net assets, which may be an indication of impairment.

Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgment in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.

- Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.
- Confirmed that the Company's legal rights to explore the properties had not expired.
- Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.
- Assessed the reasonability of the Company's overall financial statement disclosures in respect to business activities and its exploration and evaluation assets.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and

maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is James D. Gray.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC, Canada
April 17, 2026

AMERICAN COPPER DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at	December 31, 2025	December 31, 2024
ASSETS		
Current		
Cash	\$ 594,489	\$ 100,428
Prepays (Note 4)	24,942	1,756
Receivables (Note 6)	10,307	18,211
	<u>629,738</u>	<u>120,395</u>
Reclamation bond (Note 5)	103,839	103,839
Exploration and evaluation assets (Note 3)	<u>326,323</u>	<u>1</u>
	<u>\$ 1,059,900</u>	<u>\$ 224,235</u>
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current liabilities		
Accounts payable and accrued liabilities (Notes 3, 7 and 8)	<u>\$ 447,599</u>	<u>\$ 555,876</u>
Shareholders' equity (deficiency)		
Share capital (Note 9)	20,719,981	19,515,324
Contributed surplus (Note 9)	683,273	683,273
Deficit	<u>(20,790,953)</u>	<u>(20,530,238)</u>
	<u>612,301</u>	<u>(331,641)</u>
	<u>\$ 1,059,900</u>	<u>\$ 224,235</u>

Nature and Continuance of Operations (Note 1)
Subsequent events (Notes 9 and 14)

On behalf of the Board:

"Anthony Paterson" Director _____
"Ali Pickett" Director

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

AMERICAN COPPER DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	For the Years Ended	
	December 31, 2025	December 31, 2024
EXPENSES		
Consulting fees (Note 8)	\$ 80,067	\$ 298,274
Shareholder relations	2,853	4,807
Office	29,834	47,767
Professional fees	71,977	69,811
Rent	18,000	24,000
Regulatory and transfer agent	57,313	43,297
	(260,044)	(487,956)
OTHER ITEMS		
Foreign exchange gain (loss)	(8,347)	8,629
Impairment of exploration and evaluation assets (Note 3)	-	(17,114,259)
Other income	2,498	-
Interest income	5,178	23,980
	(260,715)	\$ (17,569,606)
Loss and comprehensive loss for the year		
	\$ (260,715)	\$ (17,569,606)
Loss per common share		
-Basic and diluted	\$ (0.01)	\$ (0.95)
Weighted average number of common shares outstanding		
-Basic and diluted	20,639,085	18,462,665

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

AMERICAN COPPER DEVELOPMENT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	For the Years Ended	
	December 31, 2025	December 31, 2024
CASH FLOWS TO OPERATING ACTIVITIES		
Loss for the year	\$ (260,715)	\$ (17,569,606)
Items not involving cash:		
Impairment of exploration and evaluation assets	-	17,114,259
Changes in non-cash working capital items:		
Decrease in receivables	7,904	24,090
Decrease (Increase) in prepaids	(23,186)	32,301
Increase (Decrease) in accounts payable and accrued liabilities	(107,666)	17,957
Net cash used in operating activities	<u>(383,663)</u>	<u>(380,999)</u>
CASH FLOWS TO INVESTING ACTIVITY		
Exploration and evaluation assets	<u>(326,933)</u>	<u>(1,041,618)</u>
Net cash used in investing activity	<u>(326,933)</u>	<u>(1,041,618)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from the issuance of shares, net of share issue costs	<u>1,204,657</u>	<u>-</u>
Net cash provided by financing activity	<u>1,204,657</u>	<u>-</u>
Net increase (decrease) in cash during the year	494,061	(1,422,617)
Cash, beginning of the year	<u>100,428</u>	<u>1,523,045</u>
Cash, end of the year	<u>\$ 594,489</u>	<u>\$ 100,428</u>

Supplemental disclosure with respect to cash flows (Note 10)

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

AMERICAN COPPER DEVELOPMENT CORPORATION
CONSOLIDATION STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICENCY)
(Expressed in Canadian Dollars)

	Share Capital		Contributed Surplus	Deficit	Total
	Number of shares *	Amount			
Balance, December 31, 2023	18,217,486	\$ 19,394,861	\$ 683,273	\$ (2,960,632)	\$ 17,117,502
Property acquisition costs (Note 3 and 9)	362,966	120,463	-	-	120,463
Loss for the year	-	-	-	(17,569,606)	(17,569,606)
Balance, December 31, 2024	18,580,452	\$ 19,515,324	\$ 683,273	\$ (20,530,238)	\$ (331,641)
Private placement (Note 9)	5,405,763	1,216,297	-	-	1,216,297
Share issue costs (Note 9)	-	(11,640)	-	-	(11,640)
Return to treasury (Note 9)	(3)	-	-	-	-
Loss for the year	-	-	-	(260,715)	(260,715)
Balance, December 31, 2025	23,986,212	\$ 20,719,981	\$ 683,273	\$ (20,790,953)	\$ 612,301

**On February 24, 2026, the Company completed a share consolidation on the basis of 1 new common share to 5 old common shares (Note 9). For accounting purposes, recognition of the share consolidation has been made retrospectively such that all share and per share numbers have been adjusted to reflect the share consolidation.*

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

1. NATURE AND CONTINUANCE OF OPERATIONS

American Copper Development Corporation (the “Company”) was incorporated on February 5, 2020, under the laws of British Columbia. The Company’s head office is located at 705 – 1030 West Georgia Street, Vancouver, BC, and its registered and records office is located at 2501-550 Burrard Street, Vancouver, B.C. To date, the Company has not earned operating revenue. The Company trades on the Canadian Securities Exchange (“CSE”) under the trading symbol “ACDX” and the OTCQB under the symbol “ACDXF”.

The Company is in the process of acquiring and exploring exploration and evaluation assets and has not yet determined whether such properties contain reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These consolidated financial statements are presented on a going concern basis, when contemplating the Company’s continuing capacity to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2025, the Company has no source of operating revenue and has a working capital of \$182,139 (December 31, 2024 – deficit of \$435,481). The Company expects to incur further losses in the development of its operations. The Company’s ability to continue its operations and to realize its assets at their carrying values will likely be dependent upon obtaining additional equity financing on terms which are acceptable to the Company or generating sufficient revenues to cover its operating costs. These factors are indicative of the existence of material uncertainties that may cast significant doubt as to the Company’s ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. Those differences would likely be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with IAS 1 *Presentation of Financial Statements* (“IAS 1”) using accounting policies consistent with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were authorized for issue by the Board of Directors on April 17, 2026.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value, as explained in the accounting policies set out below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements of the Company include the balances of its wholly-owned subsidiary, American Copper NMX, Inc.

The Company consolidates its subsidiaries on the basis that it controls the subsidiaries through its ability to govern its financial and operating policies. All intercompany transactions and balances are eliminated on consolidation.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Exploration and evaluation assets

All costs related to the acquisition, exploration and development of mineral properties are capitalized pursuant to the standards of IFRS 6 (*Exploration for and Evaluation of Mineral Resources*). Upon commencement of commercial production at a future date, all related costs of this nature would be amortized against projected income using the units-of-production method over estimated recoverable reserves.

Management annually assesses carrying values of non-producing properties and properties for which events and circumstances may indicate possible impairment. Impairment of a property is generally considered to have occurred if the property has been abandoned, there are unfavourable changes in the property economics, there are restrictions on development, or when there has been an undue delay in development, which exceeds three years. If estimated discounted cash flows expected from its use or eventual disposition is determined by management to be insufficient to recover the carrying value of the property, the carrying value is written down to the estimated recoverable amount. Typically, insufficient data exists to support an alternative carrying amount, in which case a full charge against costs incurred is taken when the impairment facts described above persist on a non-temporary basis.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When options are granted on mineral properties, or properties are sold, proceeds are credited to the capitalized cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Impairment

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the year. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Under the general standard of IAS 36 (*Impairment of Assets*), where an impairment subsequently reverses the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, as long as that figure does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Impairment charges taken under IFRS 6 are not, in general, subsequently recovered if the impairment indicators under that standard reverse, unless a robust estimate of a recoverable carrying amount can be independently established. However, as long as the Company continues to account for any subsequent expenditures on the property in question under IFRS 6, such expenditures would themselves remain subject to deferral.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Flow-through shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. Any premium obtained on the issue of the flow-through shares, being the difference in price over a common share with no tax attributes, is recognized as a liability. As expenditures are incurred, the liability associated with the renounced tax deductions is recognized through profit and loss with a pro-rata portion of the deferred premium.

To the extent that the Company has deferred tax assets in the form of tax loss carryforwards and other unused tax credits as at the reporting date, the Company may use them to reduce its deferred tax liability relating to tax benefits transferred through flow-through shares.

Foreign currency

The functional and presentation currency of the Company and its subsidiary is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rate of the exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

Income tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the financial statements date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects. The fair value of common shares issued is measured with reference to the value associated with cash financings involving arm's-length parties.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

The fair value of the warrants issued as part of the unit financing is determined by using the residual method. The fair value of shares is determined with reference to their market value on the unit issue date, and the residual amount, calculated by subtracting the fair value of the common shares included in the unit from the total consideration received for the unit, is allocated to the warrants.

Share-based compensation

The fair value of options or compensatory warrants granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services like those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from contributed surplus to share capital.

The fair value of options granted is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value is measured using the Black-Scholes option pricing model considering the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based compensation to non-employees, who are not providing similar services to employees, are measured at the grant date by using the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services received cannot be reliably measured and are recorded at the date the goods or services are received.

Related party transactions

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

Provisions

Rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the year in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with rehabilitation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. Subsequently, these rehabilitation costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time and changes in the estimated future cash flows underlying any initial estimates.

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had no rehabilitation obligations for the periods presented.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is not presented as the effect on loss per share is anti-dilutive.

Financial instruments

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL or if the Company has opted to measure them at FVTPL.

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company’s accounts payable and accrued liabilities are carried at amortized cost.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of operations. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of operations in the period in which they arise. The Company’s cash is classified as FVTPL.

iii) Impairment of financial assets at amortized cost

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of operations. The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of operations, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of operations.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been impacted.

For all financial assets objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount does not exceed what the amortized cost would have been had the impairment not been recognized.

Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amount of revenues and expenses during the reporting year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include evaluating the potential impairment of exploration and evaluation assets and share-based payments.

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefits, including geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd...)

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Future changes in accounting policy

The following new standards and amendments are not yet effective and have not been applied in preparing these financial statements.

The International Accounting Standards Board issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures with the intention to clarify the date of recognition and derecognition of some financial assets and liabilities. The amendments are effective January 1, 2026 with early adoption permitted. The Company is currently evaluating the impact of this standard on the financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

- Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
- Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
- Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of the above amendments on its financial statements.

AMERICAN COPPER DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

	Chuchi (\$)	Lordsburg (\$)	Total (\$)
Acquisition costs			
Balance, December 31, 2023	2,206,844	13,657,184	15,864,028
Cash	-	715,000	715,000
Common shares	18,750	101,713	120,463
Claim maintenance	-	263,347	263,347
Annual surface rental	-	27,627	27,627
Property acquisition obligation reduction	-	(5,000,000)	(5,000,000)
Acquisition obligation	-	350,000	350,000
	18,750	(3,542,313)	(3,523,563)
Impairment	(2,225,594)	(10,114,870)	(12,340,464)
Balance, December 31, 2024	-	1	1
Claim maintenance	-	284,879	284,879
Advanced royalty	-	6,853	6,853
	-	291,732	291,732
Balance, December 31, 2025	-	291,733	291,733
Deferred exploration costs			
Balance, December 31, 2023	197,305	4,561,317	4,758,622
Consulting	-	1,151	1,151
Field	-	3,662	3,662
Geological	-	10,360	10,360
	-	15,173	15,173
Impairment	(197,305)	(4,576,490)	(4,773,795)
Balance, December 31, 2024	-	-	-
Field	-	7,623	7,623
Geological	-	26,967	26,967
	-	34,590	34,590
Balance, December 31, 2025	-	34,590	34,590
Total exploration and evaluation assets:			
December 31, 2024	-	1	1
December 31, 2025	-	326,323	326,323

3. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Lordsburg Property- Acquisition

On August 9, 2022, the Company completed an asset purchase agreement (the “APA”) to acquire certain mineral property interests located in the State of New Mexico (the “Lordsburg Property”) from Pyramid Peak Mining, LLC (“PPM”), a wholly owned subsidiary of Waterton Precious Metals Fund II Cayman, LP, and Mason Resources (US) Inc. (“Mason”) for the following consideration:

- i. issuance to Mason of 1,979,318 common shares of the Company (valued at \$2,474,148) and the granting of a 0.5% net smelter return (“NSR”) royalty on all minerals produced from the lands purchased from PPM (except for certain excluded claims subject to a pre-existing NSR of 2%) and a 1.5% NSR royalty on all minerals produced from the lands purchased from Mason; and
- ii. issuance to PPM or its designee of 3,256,000 common shares (valued at \$4,070,000), a cash payment of \$500,000, the granting of a 0.5% NSR royalty on all minerals produced from the lands purchased from Mason and the granting of a 1.5% NSR royalty on all minerals produced from the lands purchased from PPM (except for certain excluded claims subject to pre-existing NSRs between 2% and 5% and a production lease payment of \$0.50 for each ton of rock or gravel or a 0.5% NSR.). The Company also entered into a milestone payment rights agreement with PPM (the “Milestone Agreement”) whereby the Company will provide PPM with the transferable right to receive cash (or subject to the terms of the original Milestone Agreement, common shares). The original Milestone Agreement was amended on August 5, 2023, to extend the due date of the First Milestone Payment of \$1,000,000 to May 5, 2024 in consideration for the payment of monthly \$10,000 payments (paid) until the earlier of i) the completion by the Company of a minimum \$2,000,000 equity financing, and ii) May 5, 2024. The amount of the First Milestone Payment, and the dates and amounts of the subsequent Milestone payments, remained unchanged, those being \$1,500,000 on August 5, 2024, and \$2,500,000 on August 5, 2025. On May 7, 2024, the Company entered into an Amendment and Termination Agreement resulting in a \$4,600,000 reduction of the Milestone Payments. As consideration, the Company will pay \$625,000 (paid), issue 312,966 common shares (issued), and then pay revised future Milestone Payments of \$50,000 in August 2024 (paid) and \$350,000 in August 2026 (see Note 14). At December 31, 2023 and 2022, the milestone payments were accrued at their aggregate undiscounted amounts, as additional property acquisition costs, and divided into current and non-current components. The negotiated changes to the Milestone Payments were accounted for prospectively and as adjustments to property acquisition payments. The amounts incurred to renegotiate the payments were recorded as property acquisition payments.

The Lordsburg property was pledged as security against the property Milestone Payments due (payments completed subsequent to December 31, 2025 by issuing shares – see note 14).

3. EXPLORATION AND EVALUATION ASSETS (cont'd...)

In conjunction with the Lordsburg acquisition, the Company also assumed all obligations under an agreement dated October 7, 2020, between Soloro Copper and Gold Corporation (“Soloro”) and PPM, whereby PPM obtained the option to acquire a 100% undivided interest in the Soloro claims located contiguous to the claims comprising the Lordsburg property. The agreement dated October 7, 2020, was amended on August 21, 2022, March 27, 2023, August 23, 2023, October 1, 2024 and November 7, 2025. To exercise the option, the Company must pay Soloro US\$165,000 in advance royalties over a six-year period (US\$40,000 paid by PPM and US\$75,000 paid by the Company). On November 7, 2025, the Company and Soloro agreed to extend the due date of the remaining advance royalty payment of US\$50,000 to October 7, 2026 for a consideration payment of US\$5,000 (paid). The option period can be extended for an additional five years subject to an annual US\$100,000 advance royalty. The Company will also be responsible for all claim maintenance fees and must incur US\$250,000 in property exploration expenditures by April 30, 2023 (incurred), and an additional US\$1,750,000 by October 7, 2026. If the option period is extended the property exploration expenditures must be made by October 7, 2030.

In connection with the Lordsburg Property acquisition, the Company incurred \$270,426 of costs to complete the property acquisition, consisting of legal fees and a technical report, and paid a finder’s fee on the property by issuing 344,000 common shares valued at \$430,000, all of which are recorded within exploration and evaluation assets as transaction costs.

Lordsburg Property- Comstock Project

Pursuant to a mining lease with option to purchase agreement dated December 1, 2022 (“Lease Agreement”), the Company was granted a mining lease on the Comstock Project located contiguous to the Lordsburg property described above. The mining lease has a five-year exploration period and a further five-year development period. To maintain the mining lease, the Company will be responsible for property exploration expenditures, which will be at the discretion of the Company, pay US\$50,000 in Lease Payments over a five-year exploration period (US\$40,000 paid) and pay US\$110,000 in advance royalties over a five-year development period once the Company elects to enter the defined development period.

Pursuant to the mining lease, the optionor will receive a 4.0% NSR royalty and the Company will have the right, at any time prior to commercial production, to purchase 2.0% of the NSR royalty for an aggregate of US\$1,000,000. To exercise the option, the Company must pay US\$3,000,000 in cash or cash equivalents, as mutually agreed upon, less advance royalties or NSR royalty amounts paid.

During the year ended December 31, 2024, the Company determined that the carrying value of its interest in the Lordsburg property was impaired because no additional expenditures were planned for the property at that time. The Company accordingly wrote off costs on the property of \$14,691,360 as an impairment of exploration and evaluation assets.

The Company began to again to capitalize current costs when active and material exploration programs were commenced on the property in 2025.

Chuchi Project

Pursuant to an option agreement dated February 10, 2020, the Company was granted an option to acquire a 100% undivided interest in the Chuchi South Project, located in the Omineca Mining Division, British Columbia. The Company amended and restated its agreement with the optionor, whereby the Company and Pacific Ridge Exploration (‘PEX’) could jointly acquire a 100% undivided interest in the Chuchi South property.

3. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Pursuant to a purchase agreement dated March 3, 2023, the Company acquired a 100% undivided interest in the Chuchi West property, located contiguous to the Company's pre-existing Chuchi South property by issuing 8,000,000 common shares to a third-party vendor. The Company has granted PEX the option to also acquire a 51% interest in the Chuchi West Property if it satisfies the requirements in the amended agreement in respect to the Chuchi South property. In addition, PEX had the option to increase its interest in both the Chuchi West and Chuchi South properties (collectively, 'the Properties').

On January 25, 2025, the Company and PEX terminated the Amended Agreement dated March 3, 2023, between the Company and the PEX. The Company and PEX also terminated the Chuchi South Project. The Company has no interest in the Chuchi South and West Project. The Company accordingly wrote off acquisition and exploration expenditures on the property of \$2,422,899 as impairment of exploration and evaluation assets during the year ended December 31, 2024.

4. PREPAIDS

	December 31, 2025	December 31, 2024
Prepaid expenses	\$ 24,942	\$ 1,756
Total	\$ 24,942	\$ 1,756

5. RECLAMATION BOND

The Company has a refundable reclamation bond related to its Lordsburg property in the state of New Mexico, USA for \$103,839 (US\$79,283) (2024 - \$103,839).

6. RECEIVABLES

The Company's receivable primarily arises from refundable sales tax from government taxation authorities in Canada.

	December 31, 2025	December 31, 2024
GST receivables	\$ 10,307	\$ 18,211
Total receivables	\$ 10,307	\$ 18,211

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2025	December 31, 2024
Current Liabilities:		
Trade payables	\$ 63,002	\$ 160,110
Accrued liabilities (1)	384,597	395,766
	\$ 447,599	\$ 555,876

(1) The Company entered into an Amendment and Termination Agreement on the Lordsburg Property, resulting in a reduction of the Milestone Payments (Note 3). The final payment of \$350,000 pursuant to this amendment and termination agreement was settled by a debt settlement agreement (Note 14).

8. RELATED PARTY TRANSACTIONS

Key management personnel include those people who have authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Key management personnel compensation for the years ended December 31, 2025 and 2024 were:

	2025	2024
Short-term benefits paid or accrued:		
Consulting fees	\$ 49,000	\$ 232,774
Total remuneration	\$ 49,000	\$ 232,774

Included in accounts payable and accrued liabilities as at December 31, 2025, was \$Nil (December 31, 2024–\$16,281) owed to the officers of the Company. Amounts owing to related parties are non-interest bearing, unsecured and due on demand.

9. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value.

During the year ended December 31, 2025, the Company had the following share capital transactions:

- (1) On February 24, 2025, the Company consolidated its common shares on the basis of five pre-consolidated common shares for one post-consolidated common shares of the Company. On March 20, 2025, the Company had 3 common shares returned to treasury due to the fractional rounding in connection with the consolidation of common shares of the Company.
- (2) On August 14, 2025, the Company closed a non-brokered private placement of 5,405,763 units (a "Unit") at a price of \$0.225 per Unit for gross proceeds of \$1,216,297. Each Unit is composed of one common share of the company and one transferable share purchase warrant (a "Warrant"). Each Warrant entitles the holder to acquire one additional common share at an exercise price of \$0.30 per common share expiring February 14, 2027. The Company utilized the residual method, and no value was assigned to the share purchase warrants. Share issue costs of \$11,640 were incurred in connection with the private placement and were recorded as an offset to share capital.

During the year ended December 31, 2024, the Company had the following share capital transactions:

- (1) The Company issued 50,000 common shares for the acquisition of exploration and evaluation assets (Chuchi South Property) at a fair value of \$18,750 (Note 3).
- (2) The Company issued 312,966 common shares for the acquisition of exploration and evaluation assets (Lordsburg Property) at a fair value of \$101,713 (Note 3).

Escrow Shares

There are 5,405,763 common shares and 5,405,763 transferable share purchase warrants that are subject to a voluntary lock up ("lock up shares"). 1/3rd of the lock up shares will be released on February 14, 2026, and 1/3rd of the lock up shares released every six months thereafter until all lock up shares have been released.

9. SHARE CAPITAL AND RESERVES (cont'd...)

As at December 31, 2025, there were Nil (December 31, 2024 – 3,598,978) shares held in escrow with the Company’s registrar and transfer agent. The common shares were subject to timed releases as follows:

- 10% released upon the date of a fundamental change (August 30, 2022)
- 15% released every six months thereafter until all escrow shares have been released (released in August 2025).

Stock Options

The Company has adopted an incentive stock option plan (the “Plan”), which provides that the Board of Directors of the Company may from time-to-time, at its discretion grant to directors, officers, employees and technical consultants of the Company, non-transferable stock options (“Options”) to purchase common shares, provided that the number of common shares reserved for issuance will not exceed a rolling 10% of the Company’s issued and outstanding common shares at the time the options are granted. Vesting of stock options is at the discretion of the Board of Directors. Stock options are exercisable for a maximum of 10 years.

As at December 31, 2025, the Company had outstanding stock options enabling the holder to acquire common shares as follows:

Number of Stock options	Exercise Price	Expiry Date	Exercisable	Weighted Average Life Remaining (years)
180,000(1)	\$0.50	January 18, 2026	180,000	0.05
390,000	\$1.25	September 9, 2027	390,000	1.69
570,000			570,000	1.17

(1) Subsequent to December 31, 2025, these options expired unexercised.

Stock option transactions are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
As at December 31, 2023	1,025,000	\$ 1.11
Expired	(70,000)	1.25
As at December 31, 2024	955,000	\$ 1.11
Cancelled	(385,000)	1.25
As at December 31, 2025	570,000	\$ 1.01

Warrants

The following common share purchase warrants entitle the holder thereof to purchase one common share for each warrant. Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
As at December 31, 2023 and 2024	-	\$ -
Granted	5,405,763	0.30
As at December 31, 2025	5,405,763	\$ 0.30

The weighted average remaining contractual life of warrants outstanding as at December 31, 2025 was 1.12 (December 31, 2024 – Nil) years.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the year ended December 31, 2025:

- accrued \$11,993 of exploration and evaluation assets in accounts payable and accrued liabilities.

Significant non-cash transactions during the year ended December 31, 2024:

- accrued \$12,604 of exploration and evaluation assets in accounts payable and accrued liabilities.
- issued 362,966 common shares for the acquisition of exploration and evaluation assets at a fair value of \$120,463.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

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.

The fair value of cash is measured at Level 1 of the fair value hierarchy. The carrying value of accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments is remote as the Company has deposited cash in high credit quality financial institutions.

Liquidity risk

As of December 31, 2025, the Company had cash balance of \$594,489 to settle current liabilities of \$447,599. The Company is exposed to liquidity risk.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade demand investments issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to assets, liabilities and expenditures that are denominated in USD.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in value may be significant.

12. CAPITAL MANAGEMENT

The Company defines the capital that it manages as the aggregate of share capital, contributed surplus and deficit.

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company relies on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is enough economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There were no changes to the Company's approach to capital management during the year.

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	December 31, 2025	December 31, 2024
Loss for the year before tax	\$ (260,715)	\$ (17,569,606)
Effective statutory tax rate	27.00%	24.85%
Expected income tax recovery	\$ (70,393)	\$ (4,366,463)
Effect of foreign tax rate	1,131	-
Non-deductible permanent differences	(2,596)	3,587,345
True up of prior year differences	(1,104,511)	(2,084,278)
Deferred tax assets not recognized	1,176,369	2,863,395
Income tax expense	\$ -	\$ -

AMERICAN COPPER DEVELOPMENT CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024
(Expressed in Canadian Dollars)

13. INCOME TAXES (cont'd...)

The significant components of the Company's deferred tax balances are as follows:

	2025	2024
Deferred tax assets (liabilities)		
Exploration and evaluation assets	\$ 2,720,701	\$ 2,720,701
Non-capital loss carry forwards and share issue costs	1,989,366	812,997
Net deferred tax assets	\$ 4,710,067	\$ 3,533,698
Less: valuation allowance	(4,710,067)	(3,533,698)
Net deferred tax assets recognized	\$ -	\$ -

Subject to certain restrictions, the Company has exploration and evaluation expenditures at December 31, 2025, of approximately \$10,077,000 available to reduce taxable income in future years. The Company has Canadian non-capital losses available for possible deduction against future years' taxable income of approximately \$2,345,000. The non-capital losses, if not utilized, will expire between 2040 and 2045. The Company also has US non-capital losses of approximately \$6,398,000 available for possible deduction against future years and can be carried forward indefinitely. The Company has not recognized any future benefit for these tax losses, credits and resource deductions, as it is not considered likely that they will be utilized.

The Company's accumulated Canadian non-capital losses and years of expiry are as follows:

Year of Expiry	Amount
2040	\$ 36,000
2041	103,000
2042	742,000
2043	1,152,000
2044	-
2045	312,000
	\$ 2,345,000

14. SUBSEQUENT EVENT

On February 23, 2026, the Company entered into a debt settlement agreement to settle an aggregate of \$350,000 in outstanding debt related to certain milestone payment obligations through the issuance of 1,166,666 common shares at a deemed price of \$0.30 per share to a non-related party (Notes 3 and 7).