# AMERICAN COPPER DEVELOPMENT CORPORATION

# CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**Nine months ended September 30, 2026 and 2025**

## NOTICE TO READER

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

The condensed interim consolidated financial statements of the Company for the nine-month quarter ending September 30, 2026, have been prepared by and are the responsibility of the Company's management.

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

**AMERICAN COPPER DEVELOPMENT CORPORATION**
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Expressed in Canadian Dollars)

| **As at** | September 30, 2026 | December 31, 2025 |
|---|---|---|
| **ASSETS** | | |
| **Current** | | |
| Cash | $ 153,867 | $ 594,489 |
| Prepaids (Note 4) | 7,689 | 24,942 |
| Receivables (Note 6) | 5,005 | 10,307 |
| | 166,561 | 629,738 |
| **Reclamation bond** (Note 5) | 103,839 | 103,839 |
| **Exploration and evaluation assets** (Note 3) | 738,514 | 326,323 |
| | $ 1,008,914 | $ 1,059,900 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities (Notes 7) | $ 177,080 | $ 447,599 |
| | 177,080 | 447,599 |
| **Shareholders' equity (deficiency)** | | |
| Share capital (Note 9) | 21,096,648 | 20,719,981 |
| Contributed surplus (Note 9) | 683,273 | 683,273 |
| Deficit | (20,948,087) | (20,790,953) |
| | 831,834 | 612,301 |
| | $ 1,008,914 | $ 1,059,900 |

**Nature and Continuance of Operations (**Note 1)

**On behalf of the Board:**

*"Anthony Paterson"* Director *"Ali Pickett"* Director

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

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

| | Three Months Ended | | Nine Months Ended | |
|---|---|---|---|---|
| | September 30, 2026 | September 30, 2025 | September 30, 2026 | September 30, 2025 |
| **EXPENSES** | | | | |
| Consulting fees (Note 8) | $ 21,000 | $ 31,500 | $ 63,000 | $ 55,567 |
| Shareholder relations | - | 1,750 | 4,051 | 2,468 |
| Office | 9,980 | 10,795 | 13,784 | 18,113 |
| Professional fees | 18,371 | 25,347 | 47,403 | 56,689 |
| Rent | - | 16,000 | - | 18,000 |
| Regulatory and transfer agent | 12,395 | 12,249 | 32,808 | 37,864 |
| | (61,746) | (97,641) | (161,046) | (188,701) |
| **OTHER ITEMS** | | | | |
| Foreign exchange gain (loss) | (2,669) | (1,538) | (1,630) | (1,353) |
| Impairment of exploration and evaluation assets | - | (265,428) | - | (293,906) |
| Other income | - | - | - | 2,498 |
| Interest income | 978 | 1,637 | 5,542 | 1,940 |
| **Loss and comprehensive loss for the period** | $ (63,437) | $ (362,970) | $ (157,134) | $ (479,522) |
| **Loss per common share** | | | | |
| -Basic and diluted | $ (0.01) | $ (0.02) | $ (0.01) | $ (0.02) |
| **Weighted average number of common shares outstanding** | | | | |
| -Basic and diluted | 25,241,767 | 21,400,847 | 24,913,603 | 19,511,114 |

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

**AMERICAN COPPER DEVELOPMENT CORPORATION**
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Expressed in Canadian Dollars)

| | Nine Months Ended | |
|---|---|---|
| | September 30, 2026 | September 30, 2025 |
| **CASH FLOWS TO OPERATING ACTIVITIES** | | |
| Loss for the period | $ (157,134) | $ (479,522) |
| Items not involving cash: | | |
| Impairment of exploration and evaluation assets | - | 293,906 |
| Changes in non-cash working capital items: | | |
| Decrease (Increase) in receivables | 5,301 | 9,636 |
| Decrease (Increase) in prepaids | 17,254 | (5,751) |
| Increase (Decrease) in accounts payable and accrued liabilities | 33,842 | (90,815) |
| Net cash used in operating activities | (100,737) | (272,546) |
| **CASH FLOWS TO INVESTING ACTIVITY** | | |
| Exploration and evaluation assets | (366,552) | (294,329) |
| Net cash used in investing activity | (366,552) | (294,329) |
| **CASH FLOWS FROM FINANCING ACTIVITY** | | |
| Proceeds from the issuance of shares, net of issue costs | 26,667 | 1,204,657 |
| Net cash provided by financing activity | 26,667 | 1,204,657 |
| **Net increase (decrease) in cash during the period** | (440,622) | 637,782 |
| **Cash, beginning of the period** | 594,489 | 100,428 |
| **Cash, end of the period** | $ 153,867 | $ 738,210 |

**Supplemental disclosure with respect to cash flows** (Note 10)

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

| | Share Capital | | | | |
|---|---|---|---|---|---|
| | Number of shares * | Amount | Contributed Surplus | Deficit | Total |
| Balance, December 31, 2024 | 18,580,452 | $ 19,515,324 | $ 683,273 | $ (20,530,238) | $ (331,641) |
| Shares issued for cash (Note 9(2)) | 5,405,763 | 1,216,297 | - | - | 1,216,297 |
| Share issue costs | - | (11,641) | - | - | (11,641) |
| Return to treasury (Note 1 and 9) | (3) | - | - | - | - |
| Loss for the period | - | - | - | (479,522) | (479,522) |
| Balance, September 30, 2025 | 23,986,212 | $ 20,719,980 | $ 683,273 | $ (21,009,760) | $ 393,493 |
| Balance, December 31, 2025 | 23,986,212 | $ 20,719,981 | $ 683,273 | $ (20,790,953) | $ 612,301 |
| Property acquisition costs (Note 3 and 9) | 1,166,666 | 350,000 | - | - | 350,000 |
| Warrants exercised | 88,889 | 26,667 | - | - | 26,667 |
| Loss for the period | - | - | - | (157,134) | (157,134) |
| Balance, September 30, 2026 | 25,241,767 | $ 21,096,648 | $ 683,273 | $ (20,948,087) | $ 831,834 |

**On February 24, 2025, 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.*

## 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 condensed interim 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 September 30, 2026, the Company has no source of operating revenue and has working capital deficit of $10,518. 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 condensed interim 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 condensed interim consolidated financial statements. Those differences would likely be material.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The condensed interim financial statements do not include all note disclosures required by IFRS for annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2025, which have been prepared in accordance with IFRS as issued by the IASB. 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 nine-month period ended September 30, 2026, are not necessarily indicative of the results that may be expected for the year ending December 31, 2026.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 16, 2026.

### Basis of presentation

These condensed interim 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 condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

These condensed interim 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.

**Future changes in accounting policy**

Several new standards, and amendments to standards and interpretations, are not yet effective for the period ending September 30, 2026, and have not been applied in preparing these condensed interim consolidated financial statements. These new standards are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

## 3. EXPLORATION AND EVALUATION ASSETS

| | **Lordsburg ($)** |
|---|---|
| **Acquisition costs** | |
| Balance, December 31, 2024 | **1** |
| Claim maintenance | 284,879 |
| Advanced royalty | 6,853 |
| | 291,732 |
| Balance, December 31, 2025 | **291,733** |
| Claim maintenance | 269,335 |
| | 269,335 |
| **Balance, September 30, 2026** | **561,068** |
| **Deferred exploration costs** | |
| Balance, December 31, 2024 | **-** |
| Field | 7,623 |
| Geological | 26,967 |
| | 34,590 |
| Balance, December 31, 2025 | **34,590** |
| Field | 8,786 |
| Geological | 134,070 |
| | 142,856 |
| **Balance, September 30, 2026** | 177,446 |
| **Total exploration and evaluation assets:** | |
| December 31, 2025 | **326,323** |
| **September 30, 2026** | **738,514** |

**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 312,965 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 9). 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.

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).

## 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, November 7, 2025, and October 6, 2026. 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 October 6, 2026, the Company and Soloro agreed to extend the due date of the remaining advance royalty payment of US$50,000 to October 7, 2027, for consideration payment of US$10,000 (paid) and a US$5,000 (paid) advance against the Advanced Royalty Payment. 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, 2027. If the option period is extended the property exploration expenditures must be made by October 7, 2032.

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 capitalize current costs when active and material exploration programs commenced on the property in 2025.

## 4. PREPAIDS

| | | September 30, 2026 | | December 31, 2025 |
|---|---|---|---|---|
| Prepaid expenses | $ | 7,688 | $ | 24,942 |
| Total | $ | 7,688 | $ | 24,942 |

## 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) (2025 - $103,839).

## 6. RECEIVABLES

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

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| GST receivables | $ 5,006 | $ 10,307 |
| Total receivables | $ 5,006 | $ 10,307 |

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| **Current Liabilities:** | | |
| Trade payables | $ 121,446 | $ 63,002 |
| Accrued liabilities **(1)** | 55,634 | 384,597 |
| | $ 177,080 | $ 447,599 |

**(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 9).

## 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 period ended September 30 were:

| | 2026 | 2025 |
|---|---|---|
| **Short-term benefits paid or accrued:** | | |
| Consulting fees | $ 31,500 | $ 35,000 |
| **Total remuneration** | $ 31,500 | $ 35,000 |

## 9. SHARE CAPITAL AND RESERVES

Authorized – Unlimited common shares without par value.

During the period ended September 30, 2026, the Company had the following share capital transactions:

(1) 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).

(2) On June 30, 2026, the Company had 88,889 warrants exercised for proceeds of $26,667.

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.

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

(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.

**Escrow Shares**

There are 1,801,921 (December 31, 2025 - 5,405,763) common shares and 1,801,921 (December 31, 2025 - 5,405,763) transferable share purchase warrants that were subject to a voluntary lock up ("lock up shares"). 1/3rd of the lock up shares and warrants were each released on February 14, 2026, and August 14, 2026, and the last 1/3rd of the lock up shares and warrants will get released on February 14, 2027.

**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 September 30, 2026, 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) |
|---|---|---|---|---|
| 230,000 | $1.25 | September 9, 2027 | 230,000 | 0.94 |
| 230,000 | | | 230,000 | 0.94 |

Stock option transactions are summarized as follows:

| | Number of Stock Options | Weighted Average Exercise Price |
|---|---|---|
| As at December 31, 2025 | 570,000 | $ 1.10 |
| Expired | (340,000) | 0.85 |
| As at September 30, 2026 | 230,000 | $ 1.25 |

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, 2025 | 5,405,763 | $ 0.30 |
| Exercised | (88,889) | $ 0.30 |
| As at September 30, 2026 | 5,316,874 | $ 0.30 |

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

The weighted average remaining contractual life of warrants outstanding as at September 30, 2026, was 0.38 (December 31, 2025 – 1.12) years.

## 10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended September 30, 2026:

- accrued $58,244 of exploration and evaluation assets in accounts payable and accrued liabilities.
- 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.

Significant non-cash transactions during the period ended September 30, 2025:

- accrued $12,181 of exploration and evaluation assets in accounts payable and accrued liabilities.

## 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 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 approximates 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 September 30, 2026, the Company had cash balance of $153,867 to settle current liabilities of $177,080. 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 period.