Granada Gold Mine Inc.

Financial Statements

For the years ended June 30, 2025, and 2024

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Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Granada Gold Mine Inc.

Opinion

We have audited the financial statements of Granada Gold Mine Inc. (the "Company"), which comprise the statements of financial position as at June 30, 2025 and 2024, and the statements of loss and comprehensive loss, statements of changes in equity (deficiency) and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss during the year ended June 30, 2025 and, as of that date, the Company's current liabilities exceeded its current assets. The Company has a need for financing and expects to incur further losses in the development of its business. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key audit matters

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

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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.

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Auditor’s responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

The engagement partner of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
October 28, 2025

(in Canadian dollars)

	Note	**2025** $	2024 $
Assets			
Current			
Cash		**11,013**	9,146
Amounts receivable	5,15	**22,401**	236,366
Prepaid expenses		**25,345**	9,618
Marketable securities	6	**37,367**	111,811
Total current assets		**96,126**	366,941
Non-Current			
Reclamation deposit	7	**384,421**	384,421
Property and equipment	8	**35,777**	100,495
Total Assets		**516,324**	851,857
Liabilities			
Current			
Trade payables, accrued liabilities and provisions	9,15	**12,195,580**	11,324,361
Flow-through premium	10	**76,312**	-
Secured loans payable	11	**1,501,688**	1,386,725
Total current liabilities		**13,773,580**	12,711,086
Non-Current			
Provision for site reclamation and restoration	7	**380,061**	356,086
Total Liabilities		**14,153,641**	13,067,172
Deficit			
Share Capital	12.1	**73,845,446**	72,603,942
Reserves	12.2	**634,500**	1,598,099
Deficit		**(88,117,263)**	(86,417,356)
Total Deficit		**(13,637,317)**	(12,215,315)
Total Liabilities and Deficit		**516,324**	851,857

Nature of operations and going concern (Note 2)
Commitments and contingencies (Notes 7, 10, 11 and 17)
Subsequent events (Note 21)

Approved on behalf of the Board on October 28, 2025.

"Frank Basa" — *Director*

"Christopher Ecclestone" — *Director*

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

Statements of Loss and Comprehensive Loss

For the years ended June 30, 2025, and 2024
(in Canadian dollars)

	Note	2025 $	2024 $
Exploration and evaluation expenses	13	**156,988**	648,375
Corporate expenses			
Administrative and general expenses		**30,999**	29,487
Financing fees	11	**114,963**	106,556
Professional fees	15	**720,138**	387,728
Filing costs and shareholder information		**43,310**	44,405
Travel		**3,303**	1,975
Total corporate expenses		**912,713**	570,151
Total expenses		**1,069,701**	1,218,526
Other expenses (income)			
Equipment rental	15	**(52,800)**	(197,480)
Interest and other expenses (income)		**(608)**	528
Stock-based compensation		**-**	82,781
Part XII.6 penalty and interest	9	**275,122**	328,812
Flow-through indemnification action provision	9	**474,538**	487,454
Unrealized loss on marketable securities	6	**74,444**	9,109
Gain on sale of equipment		**(17,627)**	-
Total other expenses (income)		**753,069**	711,204
Net and comprehensive loss for the year		**1,822,770**	1,929,730
Weighted average number of shares outstanding (basic and diluted)	14	**162,016,745**	157,710,611
Basic and diluted loss per share	14	**0.010**	0.012

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

(in Canadian dollars)

	Number of Shares	*Share capital*	*Reserves*	*Deficit*	*Total equity*
		$	*$*	*$*	*$*
Balance at June 30, 2023	**150,542,828**	**72,067,058**	**2,009,177**	**(84,521,351)**	**(10,445,116)**
Net loss for the year	**-**	**-**	**-**	**(1,929,730)**	**(1,929,730)**
Issuance of shares for settlement of debt	**8,287,987**	**76,750**	**-**	**-**	**76,750**
Stock-based compensation	-	**-**	**82,781**	**-**	**82,781**
Expiry of warrants	**-**	**460,134**	**(460,134)**	**-**	**-**
Expiry and cancellation of stock options	**-**	**-**	**(33,725)**	**33,725**	**-**
Balance at June 30, 2024	**158,830,815**	**72,603,942**	**1,598,099**	**(86,417,356)**	**(12,215,315)**
Net loss for the year	**-**	**-**	**-**	**(1,822,770)**	**(1,822,770)**
Issuance of units for cash net of Flow-through premium	**5,714,286**	**114,286**	**-**	**-**	**114,286**
Share issuance costs	**571,428**	**(9,623)**	**9,623**	**-**	**-**
Recognition of debt settlement	**-**	**286,482**	**-**	**-**	**286,482**
Expiry of stock options	**-**	**-**	**(122,863)**	**122,863**	**-**
Expiry of warrants	**-**	**850,359**	**(850,359)**	**-**	**-**
Balance at June 30, 2025	**165,116,529**	**73,845,446**	**634,500**	**(88,117,263)**	**(13,637,317)**

(in Canadian dollars)

	Note	***2025*** $	*2024* $
OPERATING ACTIVITIES			
Net loss		**(1,822,770)**	(1,929,730)
Depreciation	*8*	**15,859**	30,317
Stock-based compensation		**-**	82,781
Interest on secured loans payable	*11*	**114,963**	106,556
Part XII.6 penalties and interest	*9*	**275,122**	282,888
Flow-through indemnification provision	*9*	**474,538**	475,658
Unrealized loss on marketable securities	*6*	**74,444**	9,109
Change in provision for reclamation and restoration	*7*	**23,975**	6,464
Gain on sale of equipment	*8*	**(17,627)**	-
Flow-through liability recovery	*10*	**(9,402)**	-
Changes in non-cash working capital items:			
Amounts receivable		**213,965**	249
Prepaid expenses		**(15,727)**	(5,692)
Trade payables, accrued liabilities and provisions		**408,041**	935,139
Net cash (used in) operating activities		**(264,619)**	(6,261)
INVESTING ACTIVITIES			
Proceeds from sale of equipment		**66,486**	-
Total cash generated from investing activities		**66,486**	-
FINANCING ACTIVITIES			
Proceeds from issuance of units, net of issuance costs	*12*	**200,000**	-
Total cash generated from financing activities		**200,000**	-
Increase (decrease) in cash		**1,867**	(6,261)
Cash, beginning of the year		**9,146**	15,407
Cash, end of the year		**11,013**	9,146
Supplementary cash flow information			
Broker shares and warrants issued		**21,052**	-
Shares issued on settlement of debt		**286,482**	76,750

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

1. Statement of incorporation and nature of activities

Granada Gold Mine Inc. ("Granada" or the "Company") is domiciled in Canada and was incorporated on July 17, 1985, under the Company Act of British Columbia. The Company is a publicly-traded-company with its shares listed on the TSX Venture Exchange ("TSXV"), the Frankfurt Stock Exchange, and the US over the counter ("OTC") market. The principal business of the Company is the acquisition, exploration and development of mineral property interests. The Company's head office is located at 3028 Quadra Court, Coquitlam, British Columbia, V3B 5X6.

2. Basis of presentation and going concern

Basis of presentation

These Financial Statements have been prepared on an accrual basis and are based on historical costs, except certain financial instruments that have been measured at fair value. The Financial Statements are presented in Canadian dollars, which is also the Company's functional currency, except where otherwise indicated.

All values are rounded to the nearest dollar, except per share values.

Approval of the financial statements

These Financial Statements of the Company for the year ended June 30, 2025, were approved and authorized for issue by the Board of Directors on October 28, 2025.

Statement of compliance

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern depends on its ability to obtain the necessary financing to fund its exploration activities and related operations and, as necessary, upon the continued support of its suppliers and creditors.

Going concern

These Financial Statements for the year ended June 30, 2025, have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at June 30, 2025, the Company had not yet achieved profitable operations, had cash of $11,013 (2024 - $9,146), current assets of $96,126 (2024 - $366,941), current liabilities of $13,773,580 (2024 - $12,711,086) and has incurred accumulated losses of $88,117,263 (2024 - $86,417,356) since inception.

2. Basis of presentation and going concern (continued)

The Company continues to rely on additional equity financing and the conversion of existing convertible loans. Management has prepared cash-flow forecasts showing that, without further financing, the Company would be unable to meet its obligations beyond the next 12 months.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral deposits that are economically recoverable. The Company will periodically have to obtain additional funds to continue its exploration activities, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continuing existence is dependent upon the discovery of economically recoverable reserves and resources, the preservation of its interest in the underlying properties, the ability of the Company to obtain necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and the achievement of profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non- compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, and renegotiation of contracts.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed inappropriate. Such adjustments could be material.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses and a significant working capital deficiency, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These conditions indicate the existence of material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

3. Material accounting policies

The Financial Statements are prepared using the material accounting policies described in the present note. These methods have been applied consistently to all periods presented in these Financial Statements.

Foreign currency translation

Functional and presentation currency
These Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates recognized in profit or loss.

Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the dates when fair value was determined.

Segment disclosure

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the President and the Board of Directors.

The Company has determined that it has only one operating segment, the sector of exploration and evaluation of mineral resources. All its exploration and evaluation assets are located Quebec, Canada.

Cash

Cash consists of cash on hand and deposits with banks. The Company does not hold any cash equivalents, which are typically short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. As at June 20, 2025, and 2024 the Company did not have any cash equivalents.

3. Material accounting policies (continued)

Financial Instruments

a) Classification - In implementing IFRS 9, the Company updated the financial instruments classification within its accounting policy. The following table shows the IFRS9 classifications:

Financial Assets/Liabilities	**Classification under IFRS 9**
Cash	Financial asset at amortized cost
Amounts receivable	Financial asset at amortized cost
Marketable securities	Financial asset at FV through profit or loss
Deposit – long-term	Financial asset at amortized cost
Trade payable and accrued liabilities	Financial liabilities at amortized cost
Secured loans payable	Financial liabilities at amortized cost

The Company determines the classification of financial assets at initial recognition. The classification of its instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

b) 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 for a financial asset. A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. Any resulting gain or loss is recognized in profit or loss in the period of derecognition.

After initial recognition, financial assets and liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss and comprehensive loss.

Convertible Loans and Embedded Derivatives

Convertible loans are compound financial instruments that contain both a liability and an equity component. On initial recognition, the liability component is measured at fair value using the effective interest rate method, and the residual amount is allocated to equity. The liability is subsequently measured at amortized cost. Embedded derivatives are assessed at inception to determine whether they meet the definition of equity or require separate recognition at fair value through profit or loss. The equity component is not remeasured after initial recognition.

3. Material accounting policies (continued)

Financial Instruments (continued)

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 loss. 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 loss and comprehensive loss in the period in which they arise. Where the Company has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Classification of Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, marketable securities, trade other payables and provisions, and secured loans payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and current market rates for similar financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets at amortized cost

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 twelve month expected credit losses. The Company recognizes 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.

3. Material accounting policies (continued)

Exploration and Evaluation Expenditures

Exploration and Evaluation (“E&E”) expenditures include costs incurred in the search for and assessment of mineral resources. These costs may cover:

- Acquisition of exploration rights
- Geological and geophysical studies
- Exploratory drilling and sampling
- Evaluation of technical feasibility and commercial viability

All E&E expenditures, including license acquisition costs, are expensed as incurred. The Company defines a project as a distinct geological area with favorable mineralization potential or proven deposits, typically comprising a single mine or deposit.

Once a project demonstrates both technical feasibility and commercial viability, and the necessary permits are obtained, subsequent E&E costs are capitalized as mining properties. As of the reporting date, the Company does not hold any assets classified as mining properties.

Property and Equipment

Property and equipment are recorded at cost, net of accumulated amortization and impairment losses. Initial cost includes:

- Purchase price
- Directly attributable costs to bring the asset to its intended operational condition
- Borrowing costs, if applicable
- Estimated present value of future dismantling and removal obligations (recognized as provisions)

When an asset comprises components with differing useful lives, each component is accounted for separately.

Amortization is applied using the declining balance method at the following annual rates:

Equipment	20%
Vehicles	30%

The Company reviews amortization methods, useful lives, and residual values annually and adjusts them if necessary.

Reclamation Deposit

Reclamation deposits represent funds that are lodged with government authorities to be held against future reclamation and remediation of environmental disturbances as a result of exploration and development activities. After reclamation and remediation, the funds may be recovered. Where applicable under the arrangement with the government authority, the carrying value is increased by the accrued interest earned during the year. As of the reporting date, the Company’s reclamation deposit is non-interest-bearing.

3. Material accounting policies (continued)

Decommissioning Liabilities

The Company recognizes a decommissioning liability when a legal or constructive obligation arises to dismantle, remove, or restore assets, including obligations to remediate environmental disturbances resulting from exploration and development activities.

Decommissioning liabilities are measured at the present value of expected future cash flows, discounted using a rate that reflects current market assessments and risks specific to the liability. The unwinding of the discount is recognized as accretion expense in profit or loss.

Upon initial recognition, a corresponding asset is capitalized and depreciated over the expected useful life of the related property. The liability is reviewed regularly and adjusted for changes in cost estimates, discount rates, and expected timing of expenditures.

Provisions

A provision is recognized when, as a result of a past event, the Company has a present legal or constructive obligation, and:

- The obligation can be reliably estimated, and
- It is probable that an outflow of economic benefits will be required to settle it.

A provision for onerous contracts is recognized when the expected economic benefits from a contract are lower than the unavoidable costs of fulfilling the contract.

Rental Equipment Revenue

The Company earns revenue from the rental of equipment under operating lease arrangements. These leases do not transfer substantially all risks and rewards of ownership to the lessee.

Revenue from equipment rentals is recognized on a straight-line basis over the lease term, in accordance with IFRS 16. The Company does not currently hold any finance lease arrangements.

Government Grants

The Company is eligible for refundable tax credits related to mining exploration activities in the province of Quebec. These credits are accounted for as government grants under IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance.

Government grants are recognized in profit or loss when there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. The credits are measured at their estimated recoverable amount based on enacted or substantively enacted tax laws at the reporting date.

3. Material accounting policies (continued)

Equity

Share capital
Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at the fair value of goods and services received. If the fair value of goods and services cannot be measured reliably, the shares are valued according to the their fair value according to the quoted price on the date of the conclusion of the agreement.

Unit placements
The Company uses the fair value method to value any warrants and broker warrants issued in private placements. The fair value assigned to share purchase warrants is recorded as a reduction to share capital and an increase to reserves. The fair value assigned to broker warrants is recorded as share issue costs and an increase to reserves. The fair value of each warrant is estimated on the date of the grant using the Black-Scholes warrant-pricing model. Warrant pricing models require the input of highly subjective assumptions, including the expected price volatility and changes in these assumptions can materially affect the fair value estimate. When warrants are exercised, the associated proportion is transferred to share capital along with the cash proceeds received on exercise. The value attributed to expired warrants is transferred to share capital.

Flow-Through Shares and Flow-Through Premium Liability
The Company finances a portion of its exploration activities through the issuance of flow-through shares. These shares may be issued at a premium to the market price, reflecting the tax benefits renounced to investors. Where the proceeds received exceed the market price of the shares, the premium portion is initially recorded as a liability and presented as a flow-through premium on the statement of financial position. When the Company incurs qualifying expenditures and renounces the associated tax benefits to investors, the liability is reduced and the corresponding amount is recognized in profit or loss.

Other Elements of Equity

<u>*Warrants*</u>
Warrants that have been issued in combination with common shares are accounted for under IAS 32, *Financial instruments: Presentation*. Equity classification applies to instruments where a fixed amount of cash (or liability) denominated in the issuer's functional currency is exchanged for a fixed amount of shares.

In calculating the value of warrants, the Company used the Black Scholes option model which incorporates the following inputs: the Company's stock price, expected life of the warrant, volatility of the Company's stock price, dividend yield and the risk-free interest rate.

When warrants are exercised, the related cost and fair value are transferred to share capital. Upon expiry, the fair value initially recorded under warrant reserve is transferred to share capital.

3. Material accounting policies (continued)

Equity (continued)

Contributed Surplus
Contributed surplus includes charges related to stock options until such stock options are exercised. When stock options are exercised, the related proceeds and fair value are transferred to share capital. Upon expiry, the fair value initially recorded under contributed surplus reserve is transferred to deficit.

Deficit includes all current and prior period retained profits and losses. Deficit also includes charges related stock options expired and any amounts in excess of total contributed surplus related to shares repurchased.

Share-based payments

Stock option plan
The Company operates an equity-settled stock option plan for directors, officers, employees, and consultants. This plan does not permit cash settlement. Options are granted for a term not exceeding ten years and may be subject to vesting conditions as determined by the Board of Directors.

Measurement and recognition
Share-based payments are measured at the fair value of the goods or services received. If that value cannot be reliably estimated, the Company uses the fair value of the equity instruments granted. For transactions with employees and similar service providers, fair value is determined by reference to the equity instruments granted on the grant date.

The fair value of stock options is determined using the Black-Scholes option pricing model, which incorporates assumptions such as the Company's share price, expected life of the option, volatility, dividend yield, and the risk-free interest rate.

Equity-settled share-based payments are recognized as an expense in profit or loss or as an equity item. Payments to brokers in connection with equity financings are treated as share issuance costs and credited to contributed surplus or warrant reserve.

Vesting and adjustments
Where vesting conditions apply, the expense is recognized over the vesting period based on the best estimate of the number of options expected to vest. Non-market vesting conditions are incorporated into this estimate. If expectations change, adjustments are made in the current period. However, no retrospective adjustments are made once options are exercised.

Expiry and exercise
Upon expiry of stock options, the related amounts in contributed surplus are transferred to deficit. When options are exercised, the cash proceeds received, net of any directly attributable transaction costs, are recorded in share capital. The accumulated fair value previously recorded in contributed surplus is also transferred to share capital.

3. Material accounting policies (continued)

Basic and diluted loss per share

Basic loss per share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share reflects the potential impact of dilutive instruments—such as stock options and warrants—by adjusting the weighted average number of shares outstanding to include the assumed conversion of these instruments. However, when the Company reports a net loss, all potentially dilutive instruments are considered anti-dilutive. As a result, basic and diluted loss per share are the same for the periods presented.

Income taxes

Tax expense recognized in profit or loss includes both current and deferred tax, excluding amounts recognized directly in other comprehensive income or equity.

Current tax represents obligations to or claims from tax authorities related to the current or prior reporting periods. It is calculated on taxable profit, which differs from accounting profit, using tax rates and laws enacted or substantively enacted by the reporting date.

Deferred tax is calculated using the liability method, based on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not recognized on the initial recognition of assets or liabilities unless the transaction is a business combination or affects accounting or taxable profit. It is also not recognized for temporary differences related to investments in subsidiaries or associates if the Company can control the timing of reversal and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates expected to apply when the temporary differences reverse, based on laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized in full. Deferred tax assets are recognized only when it is probable that future taxable income will be available to utilize the deductible temporary differences.

Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to offset current tax assets and liabilities and intends to settle them on a net basis.

Changes in deferred tax balances are recognized in profit or loss, unless they relate to items recognized directly in other comprehensive income or equity, in which case the related deferred tax is also recognized in those respective components.

3. Material accounting policies (continued)

Application of new and revised Accounting Standards

The Company adopted the following new and amended IFRS standards during the fiscal year ended June 30, 2025:

- **IAS 1 – Classification of Liabilities as Current or Non-current** Effective January 1, 2024, this amendment clarifies that classification is based solely on the Company's right to defer settlement at the reporting date. The Company's existing classification practices are consistent with this guidance, and adoption did not result in any changes to the presentation of liabilities.
- **IAS 7 and IFRS 7 – Supplier Finance Arrangements** These amendments require enhanced disclosures for supplier finance programs. The Company does not utilize supplier finance arrangements, and therefore the adoption had no impact on its financial statements.
- **IFRS 10 and IAS 28 – Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture** These amendments clarify gain or loss recognition in transactions involving associates or joint ventures. The Company does not hold investments in associates or joint ventures, and the adoption had no impact.

The adoption of these standards did not result in any adjustments to prior periods or changes in accounting policies.

Future changes in accounting policies not yet effective as at June 30, 2025

The following IFRS standards and amendments have been issued but are not yet effective as of June 30, 2025. The Company is currently evaluating their impact:

- **IFRS 18 – Presentation and Disclosure in Financial Statements**: Effective January 1, 2027, this standard introduces new subtotals in the statement of profit or loss and requires disclosure of management-defined performance measures. The Company expects to revise its presentation format and assess whether any additional disclosures are required.
- **IAS 21 – Lack of Exchangeability**: Effective January 1, 2025, this amendment clarifies how to assess exchangeability of currencies and determine applicable exchange rates. The Company does not currently operate in jurisdictions with currency restrictions, and no impact is expected.
- **IFRS 7 and IFRS 9 – Contractual Cash Flow Characteristics**: Effective January 1, 2026, these amendments clarify the SPPI test for financial assets with non-recourse features. The Company does not currently hold such instruments, and no impact is expected.

4. Judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and contingent liabilities. Actual results may differ from these estimates, and such differences could be material.

Estimates and assumptions are reviewed on an ongoing basis. Revisions are recognized in the period of change if they affect only that period, or in both current and future periods if applicable.

4. Judgements and estimates (continued)

Judgements

Going Concern
Management assesses the Company's ability to continue as a going concern, including its capacity to raise financing and meet obligations. This involves significant judgement about future events and conditions, which influence both the accounting basis and related disclosures.

Recognition of Deferred Tax Assets
Management evaluates whether it is probable that future taxable income will be available to utilize deferred tax assets. This requires judgement about future profitability and timing of tax deductions. No deferred tax assets have been recognized to date.

Income Taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Estimates

Share-Based Payments and Warrant Valuation
The Company uses the Black-Scholes model to estimate the fair value of stock options and warrants. Key assumptions include:

- Market price at grant date
- Volatility based on peer data
- Expected life of instruments
- Risk-free interest rate and dividend yield
- Management also estimates future forfeitures, which is inherently subjective given limited historical data. Changes in these assumptions affect the fair value estimates.

Decommissioning and Restoration Costs
Estimating future site restoration costs involves assumptions about timing, the amount of future expenditures, legal requirements, techniques, inflation rates, and discount rates. These estimates may change due to regulatory updates or operational developments.

4. Judgements and estimates (continued)

Estimates (continued)

Valuation of Refundable Mining Duties Credit and the Refundable Tax Credit for Resources
The refundable mining duties credit and the refundable tax credit for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources, the exploration and evaluation expenses, and the income tax expense in future periods.

Fair Value of Marketable Securities Not Quoted in Active Markets
The fair values of the Company's investments in warrants cannot be derived from active markets. Therefore, the value of such instruments is estimated using the Black-Scholes model. This requires determining the most appropriate valuation model as well as the most appropriate inputs to the valuation model including the expected life of the instrument, volatility and distribution yield. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Flow-Through Premium Valuation
The allocation of proceeds between share capital and the flow-through premium liability requires judgement in determining the fair value of the Company's common shares at the time of issuance. This valuation affects the amount recognized as a liability.

Commitments and Contingencies
The evaluation of commitments and contingencies involves judgement in assessing the likelihood and timing of future outflows, particularly in relation to legal claims, contractual obligations, and environmental matters. Management considers the probability of settlement and the reliability of estimating amounts when determining whether a liability should be recognized or disclosed. Where the outcome of these matters is uncertain, no provision is recorded, but disclosure is made in the notes to the financial statements. Refer to Note 17.

(in Canadian dollars)

5. Amounts receivable

Amounts receivable consist of balances due to the Company arising from refundable tax credits and sales tax recoveries, and are expected to be realized within the normal operating cycle.

During the year ended June 30, 2025, the balance receivable from Nord Precious Metals Mining Inc. ("Nord") for equipment rental has been off-set with the amount due to Nord. See notes 9 and 15 for reference.

	June 30, 2025	June 30, 2024
	$	$
Rental revenue receivable	**-**	227,452
Taxes receivable	**22,401**	8,914
	22,401	236,366

6. Marketable securities

As at June 30, 2025, the Company held marketable securities consisting of common shares and warrants of two publicly traded exploration companies, both related parties with common directors and officers. The fair value of common shares is based on quoted market prices, while warrants are valued using the Black-Scholes option pricing model. During 2025, the Company recognized an unrealized loss of $74,444 (2024 - $9,109) on these instruments.

	As at June 30, 2025		As at June 30, 2024	
	Cost ($)	**Fair Value ($)**	Cost ($)	Fair Value ($)
Nord Precious Metals Mining Inc.				
238,150 common shares	**1,214,565**	**35,723**	1,214,565	95,260
294,100 share purchase warrants	**1,293,503**	**-**	1,293,503	7,596
Coniagas Battery Metals Inc.				
46,173 common shares	**-**	**1,616**	-	6,926
23,086 share purchase warrants	**-**	**28**	-	2,029
Total marketable securities		**37,367**		111,811

The share purchase warrants of Nord are exercisable for $5.50 until July 10, 2025 (subsequent to June 30, 2025, they expired unexercised). The Black-Scholes inputs for valuing these warrants were as follows:

	2025	2024
Stock price	**$0.15**	$0.35
Exercise price	**$5.50**	$5.50
Expected remaining life	**0.01 year**	1.01 year
Risk free interest rate	**2.60%**	4.02%
Volatility rate	**77.14%**	153.15%
Dividend rate	**0%**	0%

(in Canadian dollars)

6. Marketable securities (continued)

On March 11, 2024, Nord completed a spin-out of Coniagas Battery Metals Inc ("Coniagas"), and as a result, the Company received 46,173 common shares, and 23,086 share purchase warrants for no additional consideration.

The warrants are exercisable at $0.40 until March 18, 2026. The share purchase warrants of Coniagas are exercisable for $0.40 until March 18, 2026. The Black-Scholes inputs for valuing these warrants were as follows:

	2025	2024
Stock price	**$0.035**	$0.15
Exercise price	**$0.40**	$0.40
Expected remaining life	**0.72 years**	1.72 years
Risk free interest rate	**2.60%**	4.02%
Volatility rate	**153.26%**	167.00%
Dividend rate	**0%**	0%

7. Reclamation Deposit and Liability

The Company has provided a reclamation deposit to the Ministère des Ressources naturelles et des Forêts (MERN) of Quebec as security for future site restoration obligations related to its exploration activities. The deposit in the amount of $384,421 (2024 – $384,421) is refundable upon satisfactory completion of reclamation work or transfer of obligations.

The Company's provision for closure and reclamation costs is based on management's estimates of the costs to rehabilitate the area explored as well as an estimate of the future timing of the costs to be incurred. Management has assessed a total future liability of approximately $521,140 (2024 – $516,433) based on an inflation rate of 2.6% (2024 – 2.1%) and recognized a reclamation liability of $380,061 (2024 – $356,086) based on a discount rate of 3.22% (2024 – 3.5%). Reclamation is estimated to commence in 2030 (2024 – 2030).

For the years ended June 30, 2025, and 2024, the increase in reclamation liability can be broken down as follows:

	2025	**2024**
	$	**$**
Opening balance	**356,086**	349,622
Accretion	**23,975**	6,464
Ending Balance	**380,061**	356,086

(in Canadian dollars)

8. Property and equipment

The Company's property and equipment consist primarily of vehicles and trucks used to support exploration activities at its mineral property.

	Equipment $	Trucks $	Total $
Cost			
As at June 30, 2023 and 2024	148,667	122,525	271,192
Disposal	**(104,070)**	**-**	**(104,070)**
As at June 30, 2025	**44,597**	**122,525**	**167,122**
Accumulated depreciation			
As at June 30, 2023	59,361	81,019	140,380
Additions	17,865	12,452	30,317
As at June 30, 2024	77,226	93,471	170,697
Additions	**6,653**	**9,206**	**15,859**
Disposals	**(55,121)**	**-**	**(55,121)**
As at June 30, 2025	**28,758**	**102,677**	**131,435**
Net book value at June 30, 2025	**15,839**	**19,848**	**35,687**
Net book value at June 30, 2024	71,441	29,054	100,495
Net book value at June 30, 2023	89,306	41,506	130,812

9. Trade payables, accrued liabilities and provisions

Trade and other payables include amounts due to suppliers, related parties, and provisions for tax-related exposures and indemnities arising from flow-through share issuances and audit reassessments.

	June 30, 2025	June 30, 2024
Trade payable	1,453,324	1,134,585
Accrued liabilities	825,502	328,053
Due to related companies	2,388,038	2,855,784
Part XII.6 taxes and interest(i)	1,292,440	1,415,203
Flow-through indemnification provision(ii)	5,838,391	5,363,851
Quebec tax audit provision(iii)	397,885	226,885
	12,195,580	11,324,361

(i) The Company has estimated potential Part XII.6 taxes in relation to unspent flow-through expenditures for fiscal years 2011 to 2017 and 2019 to 2020. During the year ended June 30, 2025, the Company had accrued an additional $275,122 (2024 - $328,812) for Part XII.6 taxes, interest and penalties on the shortfall (note 17).

9. Trade payables, accrued liabilities and provisions (continued)

(ii) The Company has estimated potential indemnity in relation to unspent flow-through expenditure for fiscal years 2011 to 2017. During the year ended June 30, 2025, the Company accrued an additional $474,538 (2024 - $487,454) for indemnification and interest on the shortfall and made settlements against that liability of $NIL (2024 - $NIL) (note 17).

(iii) The Company has recorded a payable of $397,885 (2024 - $226,885) related to proposed Quebec tax credit reassessments (note 17). An additional amount was recorded in 2025 for additional proposed tax reassessments received.

10. Flow-Through Premium Liability

During the year ended June 30, 2025, the Company issued flow-through shares for total gross proceeds of $200,000. Pursuant to the terms of the flow-through share agreements, the Company is required to incur qualifying Canadian exploration expenditures and renounce the tax benefits of such expenditures to the subscribers.

The difference between the price of the flow-through shares and the market price of the Company's common shares at the date of issuance is recognized as a flow-through premium liability. This liability represents the obligation to deliver the tax benefits associated with the qualifying expenditures to the investors.

The flow-through premium liability is initially recorded as a deferred liability and is subsequently recognized in profit or loss as the Company incurs and renounces qualifying expenditures.

As at June 30, 2025, the flow-through premium liability was $76,312 (2024: $NIL). During the year ended June 30, 2025, the Company recognized $9,403 (2024: $NIL) in income related to the settlement of the flow-through premium liability.

11. Secured Loans payable

As at June 30, 2025, the Company’s secured borrowings totaled $1,501,688 (2024 - $1,386,725), including interest accrued in 2025 of $114,963 (2024 - $106,556). These borrowings are secured by a first-ranking lien on the Granada Gold Property, bear interest at 8% per annum (calculated monthly, payable annually), and are repayable on demand. Each facility has an initial three-year term, automatically renewing for successive three-year periods unless the lender provides 30 days’ written notice prior to the current term’s expiry. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender.

A clause in each loan allows lenders to elect repayment in refined gold (principal and accrued interest) instead of cash upon the Company achieving Commercial Production (defined as producing and pouring at least 3,000 oz of refined gold from the Granada Gold Property). The gold price is fixed at US$800 per ounce, with the CAD-USD rate based on the Bank of Canada’s rate at repayment. No such event having occurred, no derivative liability is recognized.

(in Canadian dollars)

11. Secured Loans payable (continued)

Loan date	Principal loan amount $	Balance at June 30, 2024 $	Interest during the year ended June 30, 2025 $	Balance at June 30, 2025 $
August 4, 2015	200,000	325,235	26,963	352,198
August 4, 2015*	100,000	162,582	13,479	176,061
August 4, 2015* (amended on August 4, 2018)	429,016 (amount per 2018 amendment)	687,245	56,975	744,220
November 14, 2017**	125,000	211,663	17,546	229,209
Totals		**1,386,725**	**114,963**	**1,501,688**

* These loans have been entered into with a director of the Company or a corporation controlled by a director.
** The November 14, 2017, loan has been entered into with a close relative of a director of the Company and includes a conversion feature. Initially, two $125,000 convertible loans were issued, with the conversion feature valued at $74,856 classified as equity and recorded in reserves, and the liability portion at $175,144 accreted to face value over three years at a 20% effective interest rate. One loan was repaid in February 2022, derecognizing its liability and transferring the equity portion to retained earnings; no conversion rights remain. The remaining loan carries a liability of $229,209 and an equity portion of $37,428 as at June 30, 2025.

12. Share capital

12.1 Authorized Share Capital

The Company has an authorized share capital of an unlimited number of common shares with no par value.

As at June 30, 2025, the Company had 165,116,529 common shares issued and outstanding (2024 – 158,830,815).

12.2 Common Shares Issuances

Year ended June 30, 2025

Private Placements
On December 30, 2024, the Company closed a private placement of 5,714,286 Quebec Flow-Through (QFT) of the Company, at a price of $0.035 per QFT for aggregate gross proceeds of $200,000. The Company issued 571,428 non-transferable finder's shares and warrants. Each finder’s warrant is exercisable into one non-flow-through common share at exercise price of $0.05 per share for a period of three years. The finder’s shares were valued at $11,429, based on the trading price of the Company’s shares on the closing date. The warrants were valued at $9,623 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: share price - $0.02; risk free interest rate – 2.90%; expected volatility – 185.2% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 3 years.

(in Canadian dollars)

12. Share capital (continued)

12.2 Common Shares Issuances (continued)

Year ended June 30, 2024

Share issuance for settlement of debt

On August 16, 2023, the Company issued shares to Nord to repay debt in the amount of $286,483, through the issuance of 5,729,654 shares, however the shares were not delivered until October 16, 2024. Accordingly, the liability was not derecognized as at June 30, 2024, and was derecognized on October 16, 2024.

On August 16, 2023, the Company issued 2,588,333 common shares at a deemed price of $0.03 per share to certain creditors to settle $76,750 worth of debt owed to the creditors. One of the creditors was a related party as one of the principals is a director and officer of the creditor. The related creditor received 1,833,333 shares to settle $55,000 worth of debt.

12.3 Equity reserve – Warrants

Changes in warrants outstanding for the years ended June 30, 2025, and 2024

	Year ended June 30, 2025			Year ended June 30, 2024		
	# of Warrants		**Weighted Average Exercise Price**	**# of Warrants**		**Weighted Average Exercise Price**
Beginning Balance	43,649,498	$	0.081	52,474,701	$	0.134
Issued	571,428	$	0.050	-		-
Expired or cancelled	(34,514,405)	$	0.089	(8,825,203)	$	0.184
Ending Balance	**9,706,521**	**$**	**0.050**	**43,649,498**	**$**	**0.081**

As at June 30, 2025, and 2024 the following share purchase warrants were outstanding:

	June 30, 2025				June 30, 2024			
Expiry Date	**# of Warrants**		**Exercise Price**	**Remaining Life in years**	**# of Warrants**		**Exercise Price**	**Remaining Life in years**
September 27, 2024*	-		-	-	9,053,800	$	0.075	0.24
December 21, 2024	-		-	-	2,727,273	$	0.060	0.47
April 1, 2025	-		-	-	12,542,166	$	0.080	0.75
May 13, 2025	-		-	-	10,191,166	$	0.120	0.87
August 27, 2025**	3,043,478	$	0.050	0.16	3,043,478	$	0.050	1.16
September 4, 2025**	913,043	$	0.050	0.18	913,043	$	0.050	1.18
September 27, 2025**	5,178,572	$	0.050	0.24	5,178,572	$	0.050	1.24
December 27, 2027	571,428	$	0.050	2.49	-		-	-
Total	**9,706,521**	**$**	**0.050**	**0.34**	**43,649,498**	**$**	**0.081**	**0.75**

(in Canadian dollars)

12. Share capital (continued)

12.3 Equity reserve – Warrants (continued)

The fair value of the warrants issued during the years ended June 30, 2025, and 2024 was estimated based on the following ranges of key assumptions:

Warrants Reserve	Year ended June 30, 2025	Year ended June 30, 2024
Exercise Price	$ 0.050	-
Expected Life	3 years	-
Dividend Yield	Nil	-
Volatility	186%	-
Risk Free Interest Rate	2.94%	-
Fair Value	$ 0.017	-

* On September 27, 2022, the Company amended the terms of 9,053,800 share purchase warrants by reducing the exercise price from $0.15 per share to $0.075 per share and extending the term of the warrants by two years so that the warrants will expire on September 27, 2024. Further the warrants include an accelerated expiry clause such that the exercise period of the warrants will be reduced to 30 days if, for any 10 consecutive trading days during the unexpired term of the warrants, the closing price of the Company's shares is $0.095 or more. All other terms of the warrants remain the same. These warrants expired unexercised during the year ended June 30, 2025.

** On August 9, 2023, the Company repriced an aggregate of 9,135,093 outstanding warrants issued by way of private placements that closed on September 4, 2020, and September 27, 2021. 3,956,521 of the warrants were issued in two tranches pursuant to a private placement that closed on September 4, 2020. The warrants had an exercise price of $0.28 and expiry dates of August 27, 2023, and September 4, 2023. The Company amended the warrant exercise price to $0.05 per share and extended the warrant expiry date to August 27, 2025, and September 4, 2025, respectively. 5,178,572 of the warrants were issued pursuant to a private placement that closed on September 27, 2021. 3,928,572 of the warrants had an exercise price of $0.20 and an expiry date of September 27, 2023, and 1,250,000 warrants had an exercise price of $0.15 and an expiry date of September 27, 2024. The Company amended both warrant exercise prices to $0.05 per share and extended both warrant expiry dates to September 27, 2025. The warrants, as amended, are subject to an accelerated expiry provision such that if for any ten consecutive trading days (the "Premium Trading Days") during the unexpired term of the warrants, the closing price of the Company's shares on the TSX Venture Exchange exceeds $0.0625, representing the amended warrant exercise price of $0.05 plus 25%, the exercise period of the warrants will be reduced to 30 days, starting seven days after the last Premium Trading Day. The Company will announce any such accelerated expiry date by press release. All other terms of the warrants remain unchanged. These warrants expired unexercised subsequent to June 30, 2025.

(in Canadian dollars)

12. Share capital (continued)

12.4 Equity reserve – Stock Options

The Company's Stock Option Plan (the "Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. Share options are granted for a term not to exceed ten years from the date of grant. All options are subject to a four-month holding period from the date of grant, if granted at the price lower than the market price; options granted at market prices are not subject to the hold period. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company which may be reserved for the issuance shall be 10% of the issued and outstanding shares at the time of the option grant.

The following table shows a summary of the changes in the Company's stock option activities for the years ended June 30, 2025, and 2024:

	Year ended June 30, 2025		Year ended June 30, 2024	
	# of Stock Options	**Weighted Average Exercise Price**	**# of Stock Options**	**Weighted Average Exercise Price**
Beginning Balance	4,950,000	$ 0.067	2,850,000	$ 0.086
Granted	-	-	2,300,000	$ 0.050
Expired or cancelled	(1,125,000)	$ 0.124	(200,000)	$ 0.140
Ending Balance	**3,825,000**	**$ 0.050**	**4,950,000**	**$ 0.067**

The following table show a listing of all stock options issued and outstanding as at June 30, 2025, and 2024. All of the Company's stock options are fully vested and exercisable as at the date of these financial statements.

	June 30, 2025			June 30, 2024		
Expiry Date	**# of Stock Options**	**Exercise Price**	**Remaining Life in years**	**# of Stock Options**	**Exercise Price**	**Remaining Life in years**
October 4, 2024	-	-	-	875,000	$ 0.120	0.26
March 11, 2026	-	-	-	250,000	$ 0.140	1.69
February 14, 2026	1,525,000	$ 0.050	0.62	1,525,000	$ 0.050	1.62
June 4, 2029	2,300,000	$ 0.050	3.93	2,300,000	$ 0.050	4.93
Total	**3,825,000**	**$ 0.050**	**2.61**	**4,950,000**	**$ 0.096**	**2.92**

On June 6, 2024, the Company granted stock options to its directors and officers to purchase an aggregate of 2,300,000 common shares in the capital of the Company. The stock options are exercisable for a term of five years at an exercise price of $0.05 per share. Directors and officers were granted 1,800,000 stock options as part of the grant.

No new stock options were granted during the year ended June 30, 2025.

(in Canadian dollars)

12. Share capital (continued)

12.4 Equity reserve – Stock Options (continued)

The fair value of the stock options granted during the years ended June 30, 2025, and 2024 was estimated based on the following ranges of key assumptions:

Stock Options Reserve	Year ended June 30, 2025	Year ended June 30, 2024
Exercise Price	-	$ 0.050
Expected Life	-	5 years
Dividend Yield	-	Nil
Volatility	-	148%
Risk Free Interest Rate	-	3.43%
Fair Value	-	$ 0.015

13. Exploration and evaluation expenditures

Granada Property, Quebec, Canada

The Company holds 100% interest in certain mining leases and claims. The mining leases are subject to a 2% Gross Metal Royalty (“GMR”), ½ of which may be purchased for $1,000,000 and a 1% Net smelter royalty (“NSR”) and 23 of the original mining claims are subject to a 1% NSR. Additionally, there is a 2% NSR on 26 claims, half of which may be purchased for $1,000,000.

The breakdown of exploration expenditures for the years ended June 30, 2025, and 2024 is as follows:

	2025	2024
	$	$
Assay and testing	**11,281**	58,821
Consulting fees	**-**	1,109
Depreciation	**15,859**	30,317
Equipment	**6,746**	(3,427)
Facility expense	**25,804**	71,512
Geology	**-**	140,000
Personnel costs	**931**	4,607
Project management	**38,738**	318,630
Reclamation costs	**23,975**	6,463
Permits and licensing	**33,654**	20,343
Total exploration expenses	**156,988**	648,375

(in Canadian dollars)

13. Exploration and evaluation expenditures (continued)

Granada Property, Quebec, Canada (continued)

The Company has determined that as at June 30, 2025, and 2024, the Granada Property has not met the technical feasibility and commercial viability criteria to be capitalized and classified as mining properties. Accordingly, the Company expensed all exploration and evaluation expenditures in the period. As of June 30, 2025, and June 30, 2024, the Company did not hold any assets classified as mining properties.

14. Loss per share

Loss per share has been calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. The details of the calculation for the years ended June 30, 2025, and 2024, are as follows:

	2025	2024
Net loss for the year attributable to shareholders	**1,822,770**	1,929,730
Weighted average number of common shares outstanding	**162,016,745**	157,710,611
Basic and diluted loss per share	**0.011**	0.012

For the years ended June 30, 2025, and 2024, potential dilutive common shares from incentive stock options and warrants have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

15. Related party transactions

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the Company and comprise of the members of the Board of Directors (executive and non-executive), as well as the President and Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Corporate Secretary, and persons related to the CEO. Compensation paid to key management is presented for the years ended June 30, 2025, and 2024:

	2025	2024
	$	$
Company owned by the CEO**	**440,000**	440,001
Company that the CFO is employed with	**49,630**	51,638
Corporate Secretary	**72,000**	72,000
Company owned by a relative of the CEO	**24,000**	24,000
Former director	**-**	16,970
Share-based compensation	**-**	64,785
	585,630	669,394

(in Canadian dollars)

15. Related party transactions (continued)

Other related party transactions

During the year ended June 30, 2025, the Company recorded $52,800 (2024 - $197,480) in equipment rental revenue from Nord. From current and prior years' equipment rental revenue, $Nil (2024 - $227,452) is recognized in Accounts Receivable (Note 5). The amount of $287,116 that would have been recognized in Accounts Receivable at June 30, 2025, has been off-set against the Company's balance owing to Nord.

During the year ended June 30, 2025, the Company recorded $NIL (2024 - $84,517) in exploration expenses from Nord or its subsidiaries.

During the year ended June 30, 2024, the Company issued 5,729,654 common shares to Nord to settle $286,483 of outstanding debt. The shares were not delivered until the current year. Accordingly, the liability was derecognized during the year June 30, 2025.

Amounts due to Related Parties

All amounts due to related parties are unsecured, non-interest bearing and due on demand.

	2025	2024
	$	$
Company owned by the CEO*		
Fees	**1,350,800**	1,130,801
Out-of-pocket expenses	**72,473**	9,172
Company that the CFO is employed with	**37,275**	14,030
Corporate Secretary	**125,300**	99,300
Company owned by a relative of the CEO	**42,652**	19,440
Due to Nord	**2,390,050**	2,879,980
Due to Coniagas	**48,534**	26,350
Total amounts payable to related parties	**4,067,084**	**4,179,073**

* The Company retains the services of a company owned by the CEO of the Company to carry out exploration work on its resource properties and for management services.
** As of June 30, 2025, the Company owed $2,390,050 to Nord, a company with common officers and directors (2024 – $2,879,980). Of this amount $50,546 (2024 – $50,546) was included in accounts payable for services received from Nord's subsidiary.

The above amounts are unsecured, non-interest bearing and are due on demand.

Of the secured loans payable, $1,149,490 was due to related parties as at June 30, 2025 (2024 - $1,061,490) (note 11).

See also notes 5, 6, 11, 12.2 and 17.

(in Canadian dollars)

16. Income taxes

The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statement of financial position, that can be carried over for the years ended June 30, 2025, and 2024:

	2025	***2024***
	$	***$***
Loss before income taxes	(1,822,770)	(1,929,730)
Combined federal and provincial statutory tax rate	26.9%	26.9%
Income tax recovery	(490,000)	519,000
Increase (decrease) in income taxes resulting from:		
Flow-through renunciation	(6,000)	-
Non-deductible and other	6,000	96,000
Changes in benefit of tax asset not recognized	490,000	423,000
	-	-

As at June 30, 2025 and at June 30, 2024, the Company has temporary differences and unused tax losses as follows:

	2025	**2024**
	$	**$**
Deferred tax assets		
Non-capital losses	31,297,000	30,219,000
Exploration and evaluation	19,307,000	19,105,000
Share issue costs	62,000	141,000
Investment tax credits	917,000	917,000
Property and equipment	1,073,000	1,059,000
Marketable securities	2,471,000	2,396,000
Other temporary differences	5,996,000	5,493,000
Tax benefits not recognized	61,123,000	59,330,000

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations.

Deferred tax assets are recognized only to the extent that it is probable that sufficient profits will be available to allow the asset to be recovered. At June 30, 2025, no deferred tax assets have been recognized.

(in Canadian dollars)

16. Income taxes (continued)

The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statement of financial position, that can be carried over the following years:

	Amount
	$
2028	171,000
2029	584,000
2030	1,329,000
2031	4,561,000
2032	2,450,000
2033	2,970,000
2034	2,888,000
2035	2,326,000
2036	2,080,000
2037	2,069,000
2038	1,306,000
2039	348,000
2040	1,492,000
2041	1,780,000
2042	1,862,000
2043	1,231,000
2044	890,000
2045	960,000
	31,297,000

As at June 30, 2025, the Company had approximately $2,534,000 (2024 - $2,449,000) of Canadian development expenditures, $16,331,000 (2024 - $16,215,000) of Canadian exploration expenditure, $264,000 (2024 - $264,000) of foreign resource expenditures, and $177,000 (2024 - $177,000) of depletion credit, which, under certain circumstances, may be utilized to reduce taxable income of future years.

17. Commitments and Contingencies

Environmental obligations

The Company's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are hardly identifiable, whether with the outcomes, the impacts or the deadline.

As at June 30, 2025 and 2024, to the best knowledge of its management, the Company is in conformity with the laws and regulations.

17. Commitments and Contingencies (continued)

Flow-through obligations

The Company is partly financed by the issuance of flow-through shares. However, there are no guarantees that the funds spent by the Company will qualify as Canadian exploration expenditures, even if the Company has taken all the necessary measures for this purpose. Disallowance of certain expenses by the tax authorities would have a negative tax-impact for investors.

Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work no later than the first of the following dates:

i) Two years following the flow-through investment;
ii) One year after the Company has renounced the tax deductions relating to the exploration work.

The Company has indemnified the subscribers of current and previous flow-through offerings against any tax-related amounts that become payable by shareholders in the event the Company does not meet its expenditure commitment. See Note 9.

As at June 30, 2025, the Company has approximately $178,000 remaining to spend on qualifying Canadian exploration expenditures prior to December 31, 2025, to satisfy its current flow-through obligations.

Canada Revenue Agency audit

The Canada Revenue Agency ("CRA") is auditing certain of the Company's corporate tax returns and flow-through filings from 2012 to 2017 and 2019 to 2020 and has assessed that the Company had flow-through shortfalls in certain of those years. Accordingly, the Company has recorded a provision for the estimated cost to indemnify flow-through share subscribers for their possible personal income tax reassessments.

In estimating the liability, the Company has assumed the following:

- The subscribers would be taxable at the highest marginal personal tax rate;
- That all non-corporate subscribers are eligible for the federal 15% investment tax credit; and
- That Quebec subscribers are eligible for the 150% or 120% additional CEE deduction.

The ultimate amount owing and the timing of any payments to investors are highly uncertain as they are dependent on each taxpayer's individual tax situation as well as if, or when, they are reassessed by the CRA.

The Company has also accrued the estimated Part XII.6 tax and similar Quebec tax on the potential shortfalls.

The CRA has also assessed penalties of approximately $2,200,000 which the Company has not accrued. The Company believes the assessment of these penalties is without merit and has filed Notices of Objection to dispute the assessment. To date, the CRA has rejected the Notices of Objection, and the Company has submitted to the tax court. The outcome of the proceedings cannot be determined at this time and accordingly, no amounts have been accrued in these financial statements relating to the penalties.

(in Canadian dollars)

17. Commitments and Contingencies (continued)

Canada Revenue Agency audit (continued)

A continuity of the provision for the shareholder indemnity for the year ended June 30, 2025 and year ended June 30, 2024 is as follows:

	2025	2024
	$	$
Opening Balance	**5,363,851**	4,888,193
Accrual for additional provision and interest	**474,538**	475,658
Ending Balance	**5,838,389**	5,363,851

Revenue Quebec

Revenue Quebec has commenced an audit of the Company's Quebec tax credit filings for 2020, 2021, 2022 and 2023. As at June 30, 2025, the Company maintains a provision of $397,885 (2024 - $226,885) for the value of tax credits that are in dispute. Revenue Quebec is also proposing to assess penalties of approximately $225,000 which the Company has not accrued. The Company believes the assessment of these penalties is without merit and is disputing them. The outcome of the dispute cannot be determined at this time and accordingly, no amounts have been accrued in these financial statements relating to the penalties.

Service agreements

The Company has consulting service agreements with related parties (certain officers and directors).

i) Effective January 1, 2007, and amended December 1, 2010, May 16, 2013, and March 1, 2015, the Company entered into a management agreement with Grupo Moje Limited ("Grupo"), a company owned by a director and officer of the Company to provide management services of Frank Basa in consideration for a nominal annual fee of $1.
   This agreement also requires that if the agreement is terminated by the Company upon or following a change in control or change of management the Company shall make a payment to Grupo equal to 480 ounces of gold with the dollar amounts to be calculated based on the price of gold on the date of termination of the agreement. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.
ii) Effective January 1, 2014, the Company entered into a management agreement with Mineral Recovery Management Systems Corp. ("MRMSC"), a company controlled by Frank Basa and Elaine Basa, to provide project management, engineering and geological services to the Company in consideration of $25,000 per month for the services of Frank Basa and $11,666.67 per month for the services of Elaine Basa. Either party may terminate this agreement by giving four months' notice to the other, subject to certain provisions of the agreement.

Claims, lawsuits and other complaints

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity. The outcome of these litigations cannot be reasonably determined, as a result, no amounts have been accrued as at June 30, 2025.

(in Canadian dollars)

18. Capital management policies and procedures

The Company's objectives in managing its capital are to safeguard its ability to continue as a going concern and to fund its exploration and evaluation activities and administrative costs. The Company considers its capital to comprise shareholders' equity, consisting of common shares, reserves, and deficit, which totaled a deficiency of $13,637,317 at June 30, 2025 (2024 - $12,215,315).

As the Company's mineral property interests are in the exploration stage and do not generate revenue, it relies on external financing, primarily through issuing new shares, to support exploration and operational needs. Management adjusts the capital structure based on available funds and evaluates potential new properties for acquisition based on their geologic and economic merit. The Board does not establish quantitative return on capital criteria, relying on management's expertise to secure financing.

Management reviews its capital management approach regularly and believes it is appropriate given the Company's size and stage of development. No changes were made to this approach during the years ended June 30, 2025, or 2024. The Company is subject to TSX Venture Exchange (TSXV) rules requiring working capital or financial resources of at least $50,000 or sufficient to cover six months of general and administrative expenses, whichever is greater. As at June 30, 2025, the Company may not be compliant with all TSXV policies; the impact of this potential violation is unknown and depends on the TSXV's discretion.

19. Financial assets and liabilities

The carrying amounts and fair value of financial instruments presented in the statement of financial position are as follows:

	June 30, 2025	June 30, 2024
Financial assets		
Cash	**11,013**	9,146
Amounts receivable	**22,401**	236,366
Marketable securities	**37,367**	111,811
Reclamation deposit	**384,421**	384,421
Total financial assets	**455,202**	741,744
Financial liabilities		
Trade payable and accrued liabilities	**12,195,580**	11,324,361
Secured loans payable	**1,501,688**	1,386,725
Total financial liabilities	**13,697,268**	12,711,086

The carrying value of the above financial instruments is considered to be a reasonable expectation of fair value because of the short-term nature of these instruments.

20. Financial risks

The Company is exposed to various risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk. The Company's main financial risk exposure and its financial risk management policies are as follows:

Credit risk
Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of cash and amounts receivable at the reporting date for the aggregate amounts of $33,414 at June 30, 2025 (June 30, 2024: $245,512). This amount excludes the Reclamation deposit of $384,421. The risk related to cash is considered negligible as the Company deals with a reputable financial institution whose credit rating is excellent, and the cash held in trust is accessible as and when required. As at June 30, 2025, the risk related to amounts receivable is considered negligible, as they exclusively consist of sales taxes receivable from the Government of Canada.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at June 30, 2025, the Company had $12,195,580 (June 30, 2024 - $11,324,361) in accounts payable and accrued liabilities and cash of $11,013 (June 30, 2024 - $9,146) to settle short term liabilities. The Company’s trade payables generally have contractual maturities of 30 days or less and are subject to normal trade terms. See note 11 for details of the maturities of secured loans payable.

Foreign currency risk
Foreign currency risk arises from fluctuations in exchange rates that could impact the Company’s financial performance. As at June 30, 2025, the Company conducts substantially all transactions, including exploration and evaluation costs and administrative expenses, in Canadian dollars, its functional and reporting currency. The Company holds no significant assets or liabilities denominated in foreign currencies, resulting in minimal exposure to foreign currency risk. No hedging instruments are currently used. Management monitors potential currency risks and will reassess its approach if the Company engages in foreign currency transactions in the future.

Market risk
Market risk is the risk that changes in market prices, such as commodity prices and interest rates, could impact the Company’s financial position or the future economic feasibility of its exploration and evaluation activities. As an exploration-stage company, Granada has no revenue or capitalized exploration properties, and its market risk exposure is primarily related to potential future gold price fluctuations and interest rate changes affecting its financial instruments. The objective of market risk management is to monitor and mitigate exposures to ensure the Company’s ability to fund ongoing exploration and operational needs. No hedging instruments are currently used. Management regularly reviews market conditions and adjusts its financing strategies as needed.

20. Financial risks (continued)

Market risk (continued)

Commodity Price Risk
The Company does not currently produce or sell gold, so it has no direct exposure to commodity price fluctuations. However, future gold price movements could affect the economic viability of the Company's mineral property interests if commercial production is achieved. Management monitors gold market trends to assess potential impacts on future project development.

Interest Rate Risk
The Company's secured loans (Note 11) bear a fixed interest rate of 8% per annum, resulting in minimal exposure to interest rate fluctuations. Changes in market interest rates could affect the cost of future borrowings, if any.

Price risk on marketable securities
Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies.

Sensitivity Analysis
Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month year:

i) The Company receives low interest rates on its cash balances and carries debt with fixed interest rates. As such, the Company does not have significant interest rate risk.
ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign currency risk.
iii) The Company's receivables are composed primarily of refundable sales taxes owing from the government of Canada. As such, the Company does not have significant credit risk relating to its receivables.

The Company's marketable securities are comprised of common shares and warrants of Nord and Coniagas. A 10% change in the share price of the Company's marketable securities would result in a corresponding change to net loss in the amount of $3,744 for the year ended June 30, 2025 (2024 - $11,000).

(in Canadian dollars)

20. Financial risks (continued)

Market risk (continued)

Classification of Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, marketable securities, trade other payables and provisions, and secured loans payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and current market rates for similar financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2025 and 2024, the Company did not have any assets measured at fair value that require classification within the fair value hierarchy, except for it's marketable securities:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2025 – marketable securities	37,339	28	-	37,367
2024 – marketable securities	102,186	9,625	-	111,811

There were no transfers to or from Level 2, or level 3 during the years ended June 30, 2025, and 2024.

15. Subsequent events

On September 16, 2025, the Company granted stock options to its directors and officers to purchase an aggregate of 3,400,000 common shares in the capital of the Company. The stock options can be exercised for a term of five years at an exercise price of $0.05 per share. All stock options are granted in accordance with the terms of the Company's Stock Option Plan and the policies of the TSX Venture Exchange and will be subject to a hold period of four months and one day.

Subsequent to June 30, 2025, between August 27, 2025, and September 27, 2025, a total of 9,135,093 warrants of the Company expired unexercised.

Subsequent to June 30, 2025 and as at the date of this report, the Company borrowed an additional $247,334 cash from Nord. The amounts are unsecured, non-interest bearing and have no fixed term of repayment.