

SOUTH PACIFIC METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

(Presented in Canadian Dollars)

FOR THE TWELVE MONTHS ("YEAR") ENDED MARCH 31, 2026 AND FIFTEEN MONTHS ENDED MARCH 31, 2025

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
South Pacific Metals Corp.

Opinion

We have audited the accompanying consolidated financial statements of South Pacific Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2026 and 2025, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year ended March 31, 2026 and fifteen months period from January 1, 2024 to March 31, 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $2,342,532 during the year ended March 31, 2026 and, as of that date, the Company's total deficit was $12,027,536. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. 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.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 9 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $20,391,184 as of March 31, 2026. As more fully described in Note 3 and 4 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluated management's assessment of impairment indicators.
- Evaluated the intent for the E&E Assets through discussion and communication with management.
- Reviewed the Company's recent expenditure activity.
- Obtained, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

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 Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Peter Maloff.



Chartered Professional Accountants

Vancouver, Canada

July 28, 2026

SOUTH PACIFIC METALS CORP.

Consolidated Statements of Financial Position

(Presented in Canadian Dollars)

	Notes	March 31, 2026	March 31, 2025 (Restated, Note 2)
		$	$
ASSETS			
Current			
Cash and cash equivalents		6,939,682	5,148,652
Receivables	**6**	185,976	127,043
Prepaid expenses		201,269	101,986
		7,326,927	5,377,681
Non-Current			
Deposits and long-term prepaid assets	**7**	134,595	174,195
Property and equipment	**8**	740,276	96,868
Exploration and evaluation assets	**9**	20,391,184	15,599,586
Total Assets		**28,592,982**	**21,248,330**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**10, 14**	1,438,920	754,633
		1,438,920	754,633
Shareholders' Equity			
Share capital	**12**	35,148,463	26,482,411
Reserves	**12**	3,717,916	3,034,213
Accumulated other comprehensive income		315,219	662,077
Deficit		(12,027,536)	(9,685,004)
Equity attributable to shareholders		27,154,062	20,493,697
Total Liabilities and Shareholders' Equity		**28,592,982**	**21,248,330**

Approved and authorized by the board of directors on July 28, 2026:

"Geoff Lawrence"	*"Michael Murphy"*
Geoff Lawrence - Director	*Michael Murphy - Director*

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

SOUTH PACIFIC METALS CORP.

Consolidated Statements of Loss and Comprehensive Loss

(Presented in Canadian Dollars)

	Notes	Year Ended March 31, 2026	15-Months Ended March 31, 2025 (Restated, Note 2)
		$	$
EXPENSES			
Accounting and legal		217,533	388,507
Corporate and administrative		186,325	543,812
Board and management	**14**	718,294	862,536
Marketing and investor relations		591,458	698,618
Share-based payments	**12, 14**	786,533	876,336
		(2,500,143)	(3,369,809)
OTHER (EXPENSE) INCOME			
Impairment of equipment		-	(48,528)
Interest and accretion	**11**	88,346	16,897
Gain on Asset Disposal		81,133	-
Loss on foreign exchange		(11,868)	(19,014)
Gain on settlement of accounts payable		-	283,108
Loss on debt settlement	**11**	-	(328,082)
		157,611	(95,619)
Loss for the period		**(2,342,532)**	**(3,465,428)**
Exchange differences on translation of foreign operations		(346,858)	982,120
Comprehensive loss for the period		**(2,689,390)**	**(2,483,308)**
Loss per share, basic and diluted		(0.04)	(0.10)
Weighted average number of shares outstanding, basic and diluted		57,242,063	36,112,938

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SOUTH PACIFIC METALS CORP.

Consolidated Statements of Changes in Shareholders' Equity

(Presented in Canadian Dollars)

	Common Shares	Share Capital	Reserves	Accumulated other comprehensive income	Deficit	Total
	#	$	$	$	$	$
Balance, December 31, 2023	**18,980,289**	**15,158,078**	**2,157,877**	**(320,043)**	**(6,219,576)**	**10,776,336**
Private placements, net of issuance costs	25,625,000	9,402,203	-	-	-	9,402,203
Shares issued for mineral property	500,000	100,000	-	-	-	100,000
Shares issued to settle convertible debentures	6,748,631	1,822,130	-	-	-	1,822,130
Share-based payments	-	-	876,336	-	-	876,336
Loss for the period	-	-	-	-	(3,465,428)	(3,465,428)
Foreign exchange translation	-	-	-	982,120	-	982,120
Balance, March 31, 2025 (Restated, Note 2)	**51,853,920**	**26,482,411**	**3,034,213**	**662,077**	**(9,685,004)**	**20,493,697**
Private placements, net of issuance costs	17,036,100	8,444,722	-	-	-	8,444,722
Exercise of stock options	250,000	221,330	(102,830)	-	-	118,500
Share-based payments	-	-	786,533	-	-	786,533
Loss for the period	-	-	-	-	(2,342,532)	(2,342,532)
Foreign exchange translation	-	-	-	(346,858)	-	(346,858)
Balance, March 31, 2026	**69,140,020**	**35,148,463**	**3,717,916**	**315,219**	**(12,027,536)**	**27,154,062**

SOUTH PACIFIC METALS CORP.

Consolidated Statements of Cash Flow
Year Ended March 31, 2026 and Fifteen Months Ended March 31, 2025
(Presented in Canadian Dollars)

	Year Ended March 31, 2026	15-Months Ended March 31, 2025 (Restated, Note 2)
	$	$
OPERATING ACTIVITIES		
Loss for the period	(2,342,532)	(3,465,428)
Items not affecting cash:		
Share-based payments	786,533	876,336
Depreciation of equipment	-	17,181
Impairment of equipment	-	48,528
Interest and accretion	-	96,494
Gain on settlement of accounts payable	-	(265,665)
Loss on settlement of convertible debt	-	328,082
Changes in non-cash working capital items:		
Receivables	(58,933)	(29,108)
Prepaid expenses	(99,283)	(61,495)
Accounts payable and accrued liabilities	(25,659)	(1,071,191)
Net cash used in operating activities	(1,739,874)	(3,526,266)
INVESTING ACTIVITIES		
Payment for exploration and evaluation	(4,287,651)	(1,530,979)
Payments for property and equipment	(724,881)	(96,868)
Net cash used in investing activities	(5,012,532)	(1,627,847)
FINANCING ACTIVITIES		
Proceeds from private placement, net of issuance costs	8,444,722	9,402,203
Proceeds on exercise of stock options	118,500	-
Settlement of promissory note	-	(707,591)
Net cash provided by financing activities	8,563,222	8,694,612
Foreign exchange on cash	(19,786)	(171,009)
Change in cash and cash equivalents during the period	1,791,030	3,369,490
Cash, beginning of the period	5,148,652	1,779,162
CASH, END OF THE PERIOD	6,939,682	5,148,652

Supplemental cash flow information (Note 17)

1. NATURE OF BUSINESS AND GOING CONCERN

South Pacific Metals Corp. ("SPMC" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 4, 2018, as a Capital Pool Company under the policies of the TSX Venture Exchange (the "TSX-V"). On December 3, 2020, the Company completed its Qualifying Transaction (the "Transaction") by completing a reverse take-over of Kainantu Resources Ltd., which owns title to certain mineral tenements making up the Kainantu project in Papua New Guinea ("PNG"). The Company is a mineral exploration company engaged in the acquisition and exploration of mineral properties in PNG. The Company's head office is located at 710 -1030 West Georgia Street, Vancouver, BC.

On February 6, 2024, the Company changed its name to South Pacific Metals Corp. The Company's shares trade on the TSX-V under the symbol SPMC, on the OTCQB under the symbol SPMEF and on the Frankfurt Stock Exchange under the symbol 6JO.

The Company has retroactively changed its presentation currency to the Canadian dollar ("CAD") from the United States dollar ("USD"). The change is detailed in Note 2.

These consolidated financial statements have been prepared on the assumption that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of business. The Company has incurred losses since inception. For the year ended March 31, 2026, the Company incurred a net loss of $2,342,532 (fifteen months ended March 31, 2025 – $3,465,428) and has an accumulated deficit of $12,027,536 at March 31, 2026 (2025 - $9,685,004). The Company expects to incur further losses in the exploration of its mineral properties.

As the Company is in the exploration stage, the Company's ability to continue as a going concern and fund its exploration activity is dependent on the Company being able to draw down on its current cash, maintain cost control measures and raise additional capital. The ability to continue as a going concern remains dependent on the Company's capacity to obtain the additional financing necessary to continue to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. The Company has been successful raising capital in the past and expects to have access to the resources to continue its operations for the foreseeable future but there can be no assurance that Company will have access to the capital markets.

These conditions indicate the existence of material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS Accounting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

Change in fiscal year end

The Company has transitioned to a new fiscal year-end from December 31 to March 31, effective January 1, 2024. As a result, fiscal year ended March 31, 2025 was a transition year that included fifteen months of operations, starting on January 1, 2024 and ending on March 31, 2025. The Company's current twelve month financial year began April 1, 2025 and ended on March 31, 2026.

Change in presentation currency

These consolidated financial statements are presented in Canadian dollars. All financial information is expressed in Canadian dollars unless otherwise stated.

The Company has adopted the Canadian dollar as the presentation currency for the consolidated entity retrospectively. For comparative reporting purposes, historical financial statements were translated into the Canadian dollar reporting currency whereby assets and liabilities were translated at the closing rate in effect at the end of the comparative periods; revenues, expenses and cash flows were translated at the average rate in effect for the comparative periods and equity transactions were translated at historic rates. The change has been adopted to provide alignment between the Company's external reporting and its internal financial metrics.

Exchange differences arising on translation of comparative periods have been recognized in other comprehensive income and presented in the accumulated other comprehensive income within the Statement of Equity.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value through profit and loss.

Consolidation

These consolidated financial statements include the financial statements of the Company and its controlled subsidiaries (together, the "Group"). Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation.

Company	Ownership %	Country of incorporation	Nature / Activities	Functional Currency
South Pacific Metals Corp.	-	Canada	Parent company	CAD
Kainantu Resources Pte Ltd.	100%	Singapore	Holding company	CAD
Kainantu Resources Limited	100%	PNG	Mineral exploration	USD
KRL Kili Teke Resources Ltd.	100%	PNG	Mineral exploration	USD
Hardrock Ltd.	100%	PNG	Mineral exploration	USD
PNG Metals Ltd	100%	Cayman Islands	Holding Company	USD

3. MATERIAL ACCOUNTING POLICY INFORMATION

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cashable guaranteed investment certificates that may be redeemed at any time with insignificant change in value.

Asset acquisitions

Asset acquisitions are accounted for using the allocation method based on relative fair values of assets acquired. The cost of an acquisition is measured as the aggregate of the consideration transferred.

Exploration and evaluation assets

Recognition and measurement

Exploration and evaluation, including the costs of acquiring licenses and directly attributable general and administrative costs, initially are capitalized as exploration and evaluations assets. The costs are accumulated by areas of interest pending the determination of technical feasibility and commercial viability.

Pre-license costs are expensed when incurred. Pre-exploration costs are expensed unless it is considered probable that they will generate future economic benefits. Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, and payments made to contractors during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including the general administrative overhead costs, are expensed.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the ability of the Company to obtain financing to complete the exploration and evaluation of the mineral resource properties, the existence of economically recoverable reserves and future profitable productions, or alternatively, to recover costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation assets do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation assets.

The technical feasibility and commercial viability of extracting a mineral resource from an area of interest is considered to be determinable when proved and/or probable reserves are determined to exist, and the necessary permits have been received to commence production. A review of each area of interest is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation assets are first tested for impairment and then reclassified to property and equipment and/or intangibles or expensed to the consolidated statement of loss and comprehensive loss to the extent of any impairment.

Impairment
Exploration and evaluation assets are assessed for impairment if facts and circumstance suggest that the carrying amount exceeds the recoverable amount.

Share capital
Common shares are classified as share capital. Transaction costs directly attributable to the issue of common shares and share purchase options are recognized as a deduction from equity, net of any tax effects.

The proceeds from the issue of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to share capital based on the fair value of the common shares and any residual value is allocated to common share purchase warrants.

Income taxes
Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the group intends to settle its current tax assets and liabilities on a net basis.

Basic and diluted loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Contingently issuable common shares are not considered outstanding common shares and consequently are not included in basic and diluted loss per share calculations.

Contingent liabilities

The Company does not recognize a contingent liability component in the cost of an asset, when an asset or a group of assets that do not constitute a business are acquired. Any subsequent payments made in relation to the contingent element are adjusted against the costs of the asset as incurred.

Share-based payments

The Company has a share purchase option plan and accounts for share-based payments using a fair value-based method with respect to all share-based payments to directors, officers, employees, and service providers. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or if such fair value is not reliably measurable, at the fair value of the equity instruments issued. The fair value is recognized as an expense with a corresponding increase in contributed surplus. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of profit or loss over the remaining vesting period.

Upon the exercise of the share purchase option, the consideration received, and the related amount transferred from reserves are recorded as share capital. Upon forfeiture or expiry of stock options, any previously recorded share-based payments included in reserves remains in reserves.

Property and Equipment

Property and equipment includes office equipment, machinery and vehicles, which are carried at cost, less accumulated depreciation. Costs include expenditures directly attributable to bringing the asset to its operating location and condition necessary for it to operate in its intended manner. Repairs and maintenance costs are charged to expense as incurred. Expenditures incurred to significantly extend the useful life or result in operating improvements, including major inspection and overhaul expenditures, are capitalized.

Depreciation is based on the cost of the assets less estimated residual value and the expected useful life. Where an item of equipment comprises major components with different useful lives, the components are accounted for as separate items of equipment and depreciated separately. Depreciation begins when an asset is available for use and is recorded until an asset is disposed of or otherwise removed from service. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statements of loss and comprehensive loss.

The Company compares the carrying value of equipment to estimated net recoverable amounts to determine whether there is any indication of impairment. Estimates of remaining useful lives and residual values are reviewed annually.

Depreciation is recognized using the following rates:

• Office equipment	Straight line over 2-5 years
• Machinery & Equipment	Straight line over 2-5 years
• Motor vehicles	Straight line over 3 years

Convertible debentures

Convertible debentures are separated into debt, derivative liability and equity components based on the residual value method. The value of the debt component is calculated at the estimated fair value of the future interest and principal payments due under the terms of the convertible debentures. The value of the derivative liability component is measured using a valuation model, with the residual value assigned to the equity component.

Transaction costs directly related to the debt component reduce the carrying value of the convertible debentures and are amortized over the lives of the convertible debentures using the effective interest rate method. Transaction costs related to the equity component of convertible debentures are recognized in the value of the equity component, net of deferred income tax.

Subsequent to initial recognition, the liability component of convertible debentures is measured at amortized cost using the effective interest rate method and is accreted up to its face value. The derivative component is remeasured using a valuation model. The equity component is not remeasured.

Once the allocation of the consideration is made, any resulting gain or loss is treated as follows:

- The amount of the gain or loss relating to the original liability component is recognized in the consolidated statements of loss and comprehensive loss; and

- The amount of consideration relating to the original equity component is recognized in equity. It comprises the amount transferred from convertible debentures equity reserve attributable to the extinguished convertible debentures, net of the amount of consideration relation to the equity component of convertible debentures upon their early extinguishment.

Financial Instruments

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

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly; and
Level 3	Inputs that are not based on observable market data.

The measurement of the Company's financial instruments is disclosed in Note 14 to these consolidated financial statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

Financial Assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of profit or loss in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of

default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

Financial Liabilities

Financial liabilities and equity: Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss (FVTPL) – This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Amortized cost – This category consists of liabilities carried at amortized cost using the effective interest method. Accounts payable and accrued liabilities are included in this category. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Functional Currency and Presentation Currency

This policy sets out the principles adopted by the Group for determining the functional currency of its entities and the presentation currency of the consolidated financial statements, in accordance with the requirements of IAS 21 – The Effects of Changes in Foreign Exchange Rates ("IAS -21").

Functional Currency

Each entity within the Group determines its functional currency based on the currency of the primary economic environment in which it operates. The functional currency is the currency that most faithfully represents the economic effects of the underlying transactions, events, and conditions of the entity.

In determining the functional currency, the Group considers the following primary factors:

- The currency that mainly influences sales prices for goods and services;
- The currency of the country whose competitive forces and regulations mainly determine the sales prices;
- The currency that mainly influences labour, material, and other costs of providing goods or services.

Secondary factors that may also be considered include:

- The currency in which financing activities are conducted;
- The currency in which receipts from operating activities are retained.

The functional currency is reassessed only if there is a change in the underlying transactions, events, or conditions that determine the functional currency. A change in functional currency is applied prospectively from the date of change in accordance with IAS-21.

Presentation Currency
The consolidated financial statements are presented in Canadian Dollar (CAD) which is the Group's presentation currency. This currency has been selected to facilitate comparability for international users and reflects the Group's global operating environment.

Where the functional currency of an individual entity differs from the presentation currency, financial statements are translated into the presentation currency using the following methodology:

- Assets and liabilities are translated at the closing exchange rate at the reporting date;
- Income and expenses are translated at exchange rates at the dates of the transactions (or an average rate for the period, if it approximates actual rates);
- All resulting exchange differences are recognized in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

A change in presentation currency is accounted for retrospectively, as if the new presentation currency had always been used.

Foreign Currency Transactions
Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rate on the date of the transaction. Monetary items denominated in foreign currencies are translated at the closing rate at the end of the reporting period. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss, except when they are part of a net investment in a foreign operation or otherwise required to be recognized in other comprehensive income under IFRS.

Provision for environmental rehabilitation
The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

New and upcoming standards

Presentation and Disclosure in Financial Statements (IFRS 18) - IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is not yet able to determine the impact to the consolidated financial statements from the adoption of this standard.

Certain other pronouncements were issued by the IASB but are not yet effective as at March 31, 2026. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on its financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical Judgements

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. The factors considered by management are disclosed in Note 1.

Impairment of exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgements and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project. If any indication of impairment exists, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds recoverable amount. The recoverable amount is measured at the higher of fair value less cost to sell and value in use.

Key Sources of Estimation uncertainty

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that

management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Share-based compensation
The Company measures the cost of share-based compensation by reference to the fair value of the equity instruments granted. Estimating fair value for share-based compensation requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

5. MANAGEMENT OF CAPITAL

The Company is an exploration stage company, and this involves a high degree of risk. The Company has not determined whether its mineral properties contain economically recoverable reserves of ore. The Company's primary source of funds comes from the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company defines its capital as equity. Capital requirements are driven by the Company's exploration activities on its mineral properties. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overhead to manage costs, commitments, and exploration activities.

There have been no changes to the Company's approach to capital management during the year ended March 31, 2026.

6. ACCOUNTS RECEIVABLE

The Company's receivable balance of $185,976 (2025 - $127,043) consists of $180,775 of recoverable GST from the government of Canada and $5,201 of employee loans in PNG.

7. DEPOSITS AND LONG-TERM PREPAID ASSETS

The Company's long-term prepaid balance of $134,595 (2025 - $174,195) consists of a prepayment made to utilize a vendor's proprietary technology, which includes the use of artificial intelligence, to review and interpret data.

8. PROPERTY AND EQUIPMENT

Depreciation on certain office equipment, machinery and equipment and motor vehicles is capitalized to exploration and evaluation assets.

During the fifteen months ended March 31, 2025, the residual values of certain assets were reassessed, and management recognised an impairment loss of $48,528 based on level 3 of the fair value hierarchy.

During the fifteen months ended March 31, 2025, the Company acquired assets of $96,404 that were not amortized in the fifteen month period as they were not ready for their intended use as at March 31, 2025.

Cost	**Office equipment**	**Machinery & Equipment**	**Motor Vehicles**	**Total**
	$	**$**	**$**	**$**
December 31, 2023	32,441	114,544	137,874	284,859
Additions	-	96,404	-	96,404
Impairment	(32,441)	(114,544)	(137,874)	(284,859)
Foreign exchange	-	464	-	464
March 31, 2025	-	96,868	-	96,868
Additions	-	733,731	-	733,731
Foreign exchange	-	(8,850)	-	(8,850)
March 31, 2026	-	821,749	-	821,749

Accumulated Depreciation	**Office equipment**	**Machinery & Equipment**	**Motor Vehicles**	**Total**
	$	**$**	**$**	**$**
December 31, 2023	24,340	66,606	128,204	219,150
Depreciation	4,321	5,047	7,813	17,181
Impairment	(28,661)	(71,653)	(136,017)	(236,331)
March 31, 2025	-	-	-	-
Depreciation	-	81,473	-	81,473
March 31, 2026	-	81,473	-	81,473
Carrying Amounts				
March 31, 2025	-	96,868	-	96,868
March 31, 2026	-	740,276	-	740,276

9. EXPLORATION AND EVALUATION ASSETS

As at March 31, 2026, the company's exploration and evaluation assets are as follows:

	Kainantu	May River	Kili Teke	Total
	$	$	$	$
December 31, 2023	9,569,091	1,489,383	1,581,832	12,640,306
Acquisition costs	100,000	-	-	100,000
Exploration expenditures	1,649,791	17,250	39,110	1,706,151
Foreign exchange	911,944	111,666	129,519	1,153,129
March 31, 2025	12,230,826	1,618,299	1,750,461	15,599,586
Exploration expenditures	5,036,153	38,468	42,328	5,116,949
Foreign exchange	(210,589)	(52,474)	(62,288)	(325,351)
March 31, 2026	17,056,390	1,604,293	1,730,501	20,391,184

Kainantu Project
On December 3, 2020, the Company agreed to acquire Kainantu Resources Limited ("Kainantu"), which holds title to certain mineral claims that make up the Anga and Osena projects.

On January 16, 2025, following satisfaction of all conditions the Company issued 500,000 shares with a fair value of $100,000 to the original shareholders of Kainantu in full satisfaction of its obligations under the Transaction.

Kili Teke Project
On April 6, 2022, the Company entered into an asset sale and royalty agreement with Harmony Gold (PNG) Exploration Limited ("Harmony") to acquire certain mineral claims ("Kili Teke Claims") that make up the Kili Teke project. To acquire the Kili Teke Claims, the Company agreed to pay $650,747, less assumed liabilities of $25,073 on completion of the agreement (paid) and to make a final cash payment of $674,672 and to issue 1,125,725 warrants.

During the year ended December 31, 2023, the Company completed the acquisition of the Kili Teke Claims by making the final cash payment of $674,672 and by issuing 1,125,725 warrants with a fair value of $270,075. The warrants have an exercise price of $2.80 per share and are exercisable into one common share of the Company until September 14, 2026.

May River Project
On June 15, 2021 the Company entered in an option agreement to acquire 100% of Hardrock Ltd ("Hardrock"), a PNG company that owns title to the claims that make up the May River project. The Company acquired 10% under the first option payment by making certain cash and share issuances. Total cash and shares issuance under the first option payment totalled $346,481. Under the initial option agreement, the Company had the right to acquire the remaining 90% by making the second option payment that included certain cash and share issuances.

On March 17, 2023, the Company and the original shareholders of Hardrock entered into an amending share sale agreement whereby the Company could acquire the remaining 90% (the second options) of Hardrock by issuing 1,800,000 common shares of the Company to the original shareholders. The Company completed the 100% acquisition by issuing 1,800,000 common shares at a fair value of $1,134,087 and incurring legal fees of $8,815.

During the year ended March 31, 2026, the Company incurred $5,118,670 in exploration expenditures on the properties, as follows:

	Kainantu	May River	Kili Teke	Total
	$	$	$	$
Exploration and evaluation costs:				
Assays and analysis	275,872	-	-	275,872
Consultants and contractors	1,382,810	27,105	23,386	1,433,301
Employees and labour	679,370	-	-	679,370
Field, camp and supply	1,461,638	3,280	5,979	1,470,897
Travel and accommodation	225,187	-	-	225,187
Vehicles, logistics and support	1,011,276	8,083	12,963	1,032,322
	5,036,153	38,468	42,328	5,116,949

During the fifteen months ended March 31, 2025, the Company incurred $1,706,151 in exploration expenditures on the properties, as follows:

	Kainantu	May River	Kili Teke	Total
	$	$	$	$
Exploration and evaluation costs:				
Assays and analysis	7,699	-	-	7,699
Consultants and contractors	760,827	17,250	7,150	785,227
Employees and labour	229,289	-	-	229,289
Field, camp and supply	316,570	-	31,960	348,530
Travel and accommodation	64,289	-	-	64,289
Vehicles, logistics and support	271,117	-	-	271,117
	1,649,791	17,250	39,110	1,706,151

10. ACCOUNTS PAYABLE

Accounts payable and accrued liabilities comprise the following:

	March 31, 2026	March 31, 2025
	$	$
Trade payables	857,047	181,473
Disputed payables	503,160	503,160
Accrued liabilities	78,713	70,000
	1,438,920	754,633

Disputed payables include accounts payable balances that were the result of previous management, which have not been substantiated as legitimate payables by the Company's new management team. The Company has exhausted its attempts to substantiate the legitimacy of these payable balances with no further communication from the vendors. As a result, the Company will deny payment and will vigorously defend itself against any claims for payment that may arise from the associated vendors.

11. CONVERTIBLE DEBENTURES

As at March 31, 2026 the Company has no Convertible Debentures issued or outstanding.

During the year ended December 31, 2023, the Company completed a private placement of unsecured convertible debentures of the Company at a price of $0.80 per unit for gross proceeds of $1,270,000. Each unit consists of: (i) one convertible debenture, convertible into one common share of the Company at a price of $0.80; and (ii) one detachable warrant to purchase another common share of the Company at a price of $1.20 per warrant.

The convertible debentures bear interest at a rate of 10% per annum from the date of issue to be paid in cash on an annual basis. The interest will be payable in arrears on the earlier of the conversion of the convertible debentures and the maturity date. If the conversion of the convertible debentures occurs prior to the maturity date, the holder of the convertible debentures shall be entitled to all accrued and outstanding unpaid interest. The conversion feature is subject to an anti-dilution clause in the event the Company issues equity securities at a price lower than $0.80 per share.

The convertible debentures contain a financial liability component, a derivative liability component and an equity component, being the detachable warrants which grant the holder the option to acquire an equity interest in the Company. The Company bifurcated the convertible debentures using a discounted cash flow model with discounted rate of 17.80% and recognized a financial liability of $992,072 at initial recognition, representing the host feature of the debt.

The derivative portion, representing the conversion feature was valued using the Black-Scholes option pricing model with the following assumptions:

Risk free interest rate	4.29-4.47%
Expected life of options	3 years
Expected volatility (based on comparable companies)	116.26-128.82%
Forfeiture rate	0.00%
Dividend yield	Nil
Exercise price	$0.80
Share price on revaluation	$0.25-$0.35

The Company is also required to complete a share consolidation with one year of issuing the convertible debentures. If not completed, the holder has the option to cause the Company to redeem the convertible debenture. On February 6, 2024, the Company completed a 10:1 share consolidation.

Each warrant is exercisable into one common share of the Company at a price of $1.20 for a period of 36 months from issuance.

The Company paid $50,498 in debt issuance costs and issued an additional 17,500 broker warrants. Each broker warrant will entitle the holder to acquire one common share at an exercise price of $1.20 within 36 months from issuance. The fair value of these broker warrants was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free interest rate	4.31%
Expected life of options	3 years
Expected volatility (based on comparable companies)	119.63%
Forfeiture rate	0.00%
Dividend yield	Nil
Exercise price	$1.20
Share price on grant date	$0.25
Fair value per warrant	$0.11

On March 20, 2024, the Company completed a share-for-debt transaction to settle the outstanding principal amount of $1,060,731 plus accrued interest of $55,339 owed to the 10% secured convertible debenture holders. In total, the Company issued 6,748,631 common shares of the Company valued at $1,822,130 resulting in a loss on settlement of $706,060.

The derivative liability component was revalued at March 20, 2024 using Black-Scholes option pricing model with the following assumptions:

Risk free interest rate	4.14%
Expected life of options	2.26-2.49 years
Expected volatility (based on comparable companies)	133.55-139.29%
Forfeiture rate	0.00%
Dividend yield	0.00%
Exercise price	$0.80
Share price on revaluation	$0.27

The derivative portion of the convertible debentures was revalued at March 20, 2024 and a gain was recognized in the fifteen months ended March 31, 2025 of $377,978.

The reconciliation of convertible debentures is as follows:

	$
January 1, 2024	992,072
Accretion and interest expense	43,601
Settlement	(1,035,673)
March 31, 2025	-

12. SHARE CAPITAL

(a) Authorized share capital

The Company is authorized to issue unlimited common shares without a par value.

(b) Issued and outstanding

As at March 31, 2026 the issued share capital was comprised of 69,140,020 common shares (March 31, 2025 - 51,853,920).

During the year ended March 31, 2026, the Company issued common shares as follows:

- On December 8, 2025, the Company completed a private placement and issued 17,036,100 units at a price of $0.54 per share for gross proceeds of $9,199,494. Each unit consists of one common share and one-half common share purchase warrant with each full warrant exercisable into one common share of the Company at a price of $0.90 per share for a period of two years. In connection with the private placement, the Company paid an agency fee of $491,970 and $262,802 in legal and filing fees.

- On November 7, 2025, 50,000 stock options with an exercise price of $0.42 were exercised for total proceeds to the Company of $21,000. Upon exercise, $18,160 was transferred from reserves to share capital.

- On October 9, 2025, 50,000 stock options with an exercise price of $0.42 and 150,000 stock options with an exercise price of $0.51 were exercised for total proceeds to the Company of $97,500. Upon exercise, $84,670 was transferred from reserves to share capital.

During the fifteen months ended March 31, 2025, the Company issued common shares as follows:

- On February 3, 2025, the Company completed a private placement and issued 13,125,000 units at a price of $0.48 per share for gross proceeds of $6,300,000. Each unit consists of one common share and one-half common share purchase warrant with each full warrant exercisable into one common share of the Company at a price of $0.90 per share for a

period of two years. The warrants contain an expiry acceleration provision such that if the volume weighted average trading price of the shares on the TSX-V is equal to or greater than $1.40 for a period of 10 consecutive days, the Company has the right to accelerate the expiry date of the warrants by providing notice that the Warrants will expire on the date that is not less than 10 days from the date such notice is provided by the Company to the warrant holders. In connection with the private placement, the Company paid finders fees of $24,480 and other cash share issuance costs of $40,540.

- On May 28, 2024, the Company completed a private placement and issued 3,750,000 units at a price of $0.40 per share for gross proceeds of $1,500,000. Each unit consists of one common share and one common share purchase warrant exercisable into one common share of the Company at a price of $0.90 per share for a period of two years. If the volume weighted average trading price of the common shares on the TSX-V is equal to or greater than $1.20 for a period of 30 consecutive days, the Company will have the right to accelerate the expiry date of the warrants by giving written notice that the warrants will expire on the date that is not less than 10 days from the date such notice is provided by the Company to the warrant holder.

- On April 18, 2024, the Company completed a private placement and issued 7,500,000 common shares at a price of $0.20 per share for gross proceeds of $1,500,000. In connection with the private placement, the Company paid finders fees of $32,800 and other cash share issuance costs of $42,801.

- On March 20, 2024, the Company completed a share-for-debt transaction to settle the outstanding principal and accrued interest owing to the secured convertible debenture holders (Note 11). In total, the Company issued 6,748,631 common shares of the Company with a fair value of $1,822,130. The Company incurred $6,750 in issuance costs.

- On February 6, 2024, the Company completed a consolidation of the issued and outstanding shares of the Company at a ratio of ten (10) pre-consolidation common shares for one (1) post-consolidation common share (the "Consolidation").

- On January 16, 2024, the Company issued 500,000 shares with a fair value of $100,000 to the original shareholders of Kainantu as per as part of the Transaction (Notes 1 and 9).

- On January 3, 2024, the Company completed the closure of the second round and final tranche of its previously announced private placement financing and issued an aggregate of 1,250,000 shares at a price of $0.20 per share to raise gross proceeds of $250,000.

(c) Stock options

The Company currently has Omnibus Plan. The number of common shares which may be issued pursuant to options previously granted and those granted under the plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. The options have a maximum term of 10 years. The terms and vesting periods are determined by the

Board of Directors. The Company provides share-based payment compensation to its directors, officers, employees, and service providers through grants of stock options.

As at March 31, 2026 and 2025, the Company had the following changes in stock options outstanding:

	Number of options	Weighted average exercise price
		$
Balance, December 31, 2023	**408,667**	**1.96**
Granted	3,275,000	0.45
Expired/cancelled	(693,667)	0.96
Balance, March 31, 2025	**2,990,000**	**0.56**
Granted	1,325,000	0.50
Exercised	(250,000)	0.47
Expired/cancelled	(1,235,000)	0.69
Balance, March 31, 2026	**2,830,000**	**0.49**
Exercisable, March 31, 2026	**1,675,833**	**0.48**

As at March 31, 2026 the following stock options were outstanding:

Expiry date	Outstanding	Exercisable	Weighted average exercise price	Weighted average remaining life (in years)
			$	
January 1, 2027	5,000	5,000	1.90	0.84
April 15, 2029[(1)]	950,000	750,000	0.42	3.04
June 4, 2029[(2)]	100,000	33,333	0.51	3.18
December 10, 2029	250,000	250,000	0.51	3.70
February 3, 2030	250,000	250,000	0.49	3.85
June 3, 2030	500,000	166,667	0.50	4.18
June 30, 2030	200,000	-	0.49	4.25
July 29, 2030[(3)]	575,000	220,833	0.55	4.33
	2,830,000	**1,675,833**	**0.48**	**3.72**

(1) Subsequent to March 31, 2026 a total of 50,000 options were exercised.
(2) Subsequent to March 31, 2026 a total of 16,666 options were exercised and 33,334 forfeited unvested
(3) Subsequent to March 31, 2026 a total of 16,666 options were exercised and 33,334 forfeited unvested.

During the year ended March 31, 2026, the Company recorded $465,368 (fifteen months ended March 31, 2025 - $876,336) in share-based payments expense relating to the granting and vesting of incentive stock options. The fair value of stock options granted was calculated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	March 31, 2026	March 31, 2025
Risk free interest rate	2.93%	3.46%
Expected life of options in years	5	5
Expected stock price volatility	121.96%	128.82%
Forfeiture rate	0.00%	0.00%
Dividend yield	0.00%	0.00%
Fair value on grant date	$0.42	$0.40

(d) Warrants

As at March 31, 2026 and 2025, the Company had the following changes in share purchase warrants outstanding:

	Number of warrants	Weighted average exercise price
		$
Balance, December 31, 2023	**6,770,392**	**1.96**
Granted	10,312,500	0.90
Expired/cancelled	(1,624,841)	3.60
Balance, March 31, 2025	**15,458,051**	**1.26**
Granted	8,518,050	0.90
Expired/cancelled	(2,327,326)	2.20
Balance, March 31, 2026	**21,648,775**	**1.02**

As at March 31, 2026, the following share purchase warrants were outstanding:

Expiry date	Outstanding	Weighted average exercise price	Weighted average remaining life (in years)
		$	
May 28, 2026[(1)]	3,750,000	0.90	0.16
June 22, 2026 [(1)]	560,551	1.20	0.23
July 18, 2026[(1)]	439,449	1.20	0.30
September 1, 2026	387,500	1.20	0.42
September 1, 2026	17,500	1.20	0.42
September 14, 2026	1,125,725	2.80	0.45
September 15, 2026	200,000	1.20	0.46
December 22, 2026	87,500	0.50	0.73
February 3, 2027	6,562,500	0.90	0.84
December 8, 2027	8,518,050	0.90	1.69
	21,648,775	**1.02**	**1.00**

[(1)] Subsequent to March 31, 2026 all of these warrants expired unexercised.

(e) Restricted Share Units

Under the terms of the Company's Omnibus Plan, the Board of Directors, may from time to time, grant to directors and officers, employees, and service providers, Restricted Share Units ("RSUs") in such numbers and for such terms as may be determined by the Board of Directors.

During the year months ended March 31, 2026 the Company granted a total of 3,035,000 RSU's (fifteen months ended March 31, 2025 – Nil) with vesting terms as set out below:

- On June 30, 2025, the Company granted 1,000,000 restricted share units ("RSUs") to certain directors and officers of the Company. 300,000 RSUs vest 100% on the first anniversary of the grant date with the remaining 700,000 RSUs vesting one-third on the first, second and third anniversary of the grant date. Subsequent to March 31, 2026 a total of 533,333 RSU's vested and 486,003 common shares were issued.

- On July 29, 2025, the Company granted 175,000 restricted share units ("RSUs") to certain consultants of the Company. 100,000 RSUs vest 100% on the first anniversary of the grant date with the remaining 75,000 RSUs vesting one-half on each of the first and second anniversaries of the grant date.

- On March 31, 2026, the Company granted 1,860,000 restricted share units ("RSUs") to certain consultants of the Company. 125,000 RSUs vest 100% on the first anniversary of the grant date with the remaining 1,735,000 RSUs vesting one-half on each of the first and second anniversaries of the grant date.

During the year ended March 31, 2026, the Company has recorded $321,165 (fifteen months ended March 31, 2025 - $nil) in share-based payments expense relating to the granting of restricted share units.

13. FINANCIAL RISK MANAGEMENT

The activities of the Company expose them to a variety of financial risks that arise as a result of their exploration and financing activities, including credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors of the Company oversees management's establishment and execution of the Company's risk management framework. Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and receivables. The Company's credit exposure is limited to the carrying amount of these financial assets.

The Company's cash is held by high-credit-rated financial institutions and, as such, the Company does not believe there to be a significant credit risk. The Company's concentration of credit risk and maximum exposure is as follows:

	March 31, 2026	**March 31, 2025**
	$	**$**
Cash at Canadian financial institutions	6,675,395	5,057,904
Cash at PNG financial institutions	264,287	90,748
Total	6,939,682	5,148,652

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting their financial liabilities that are settled in cash or other financial assets. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as they come due.

The amounts for accounts payable are subject to normal trade terms. The Company expects to settle its financial liabilities within normal trading terms.

Market risk

Market risk is the risk that changes in market prices, such as equity prices and foreign exchange rates will affect the Company's profit or loss or the value of its financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the Company's financial performance will be affected by fluctuations in the exchange rates between currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when expenses are denominated in currencies other than the respective functional currencies). The Company manages this foreign currency risk by matching payments in the same currency and monitoring movements in exchange rates.

As at March 31, 2026 and 2025, the Company is exposed to currency risk through the following assets and liabilities denominated in United States dollar ("USD"), the Australian dollar ("AUD), the Singapore dollar ("SGD") and the Papua New Guinea Kina ("KINA")

	USD	AUD	SGD	KINA	Total
Cash	-	-	-	259,277	259,277
Receivables	-	-	-	5,201	7,648
Accounts payable and accrued liabilities	(6,970)	(444,478)	(36,063)	(333,954)	(821,465)
Net Exposure	(6,970)	(444,478)	(36,063)	(67,029)	(554,540)

As at March 31, 2026, and assuming all other variables remain constant, a 10% change in the value of the CAD dollar against the Company's exposure to foreign currencies would result in a change of approximately $55,454.

	USD	AUD	SGD	KINA	Total
Cash	-	-	-	89,299	89,299
Receivables	-	-	-	-	-
Accounts payable and accrued liabilities	(3,716)	(16,961)	(5,436)	(106,878)	(132,991)
Net Exposure	(3,716)	(16,961)	(5,436)	(17,579)	(43,692)

As at March 31, 2025, and assuming all other variables remain constant, a 10% change in the value of the CAD dollar against the Company's exposure to foreign currencies would result in a change of approximately $4,369.

14. RELATED PARTY TRANSACTIONS

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

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

Key Management Compensation

Key management personnel compensation is comprised of fees paid and share-based compensation related to the fair value of the stock options granted to these key management personal. Remuneration for key management personnel of the Company was as follows:

	Year ended March 31, 2026	Fifteen months ended March 31, 2025
	$	$
Board and management fees	546,000	722,924
Share-based payments	548,742	709,966
	1,094,742	1,432,890

As at March 31, 2026 a total of $843 (2025 - $5,370) was due to directors and officers of the Company and a total of $25,819 (2025 - $Nil) was due from directors and officers of the Company.

On March 20, 2024, the Company completed a share-for-debt transaction to settle the outstanding principal and accrued interest owing to the secured convertible debenture holders (Note 11 & 12). In total, the Company issued 6,748,631 common shares of the Company with a fair value of $1,822,130.

15. COMMITMENTS AND CONTINGENCIES

Exploration licenses in PNG are subject to prescribed minimum expenditure requirements in connection with an approved program and based on the number of sub-blocks. Over the course of the next twelve months, the Company has tenement rental fees, tenement renewal application fees and minimum required exploration expenditures of $529,085.

16. INCOME TAXES

	2026 $	2025 $
Loss before income taxes	(2,342,532)	(3,465,428)
Canadian federal and provincial income tax rates		
Expected income tax recovery at statutory rate	(632,000)	(936,000)
Change in statutory, foreign tax, foreign exchange rates and other	2,000	(28,000)
Permanent differences	212,000	241,000
Impact of flow through share	-	1,000
Share issue costs	(204,000)	(16,000)
Adjustment to prior year tax estimates	-	56,000
Change in unrecognized deductible temporary differences	622,000	682,000
Income tax expense (recovery)	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	March 31, 2026	Expiry Date Range	March 31, 2025	Expiry Date Range
Temporary Differences				
Share issue costs	703,000	2047 to 2050	161,000	2046 to 2049
Allowable capital losses	270,000	No expiry date	270,000	No expiry date
Property and equipment	664,000	No expiry date	573,000	No expiry date
Non-capital losses	8,723,000	2032 to 2046, no expiry	7,022,000	2014 to 2045, no expiry
Canada	7,390,000	2043 to 2046	5,587,000	2043 to 2046
Singapore	1,253,000	No expiry date	1,192,000	No expiry date
Papua New Guinea	79,000	2032 to 2032	243,000	2041 to 2045

17. SUPPLEMENTAL CASH FLOW INFORMATION

The non-cash financing and investing transactions for the Company consisted of the following:

	March 31, 2026	March 31, 2025
	$	$
Common shares issued for mineral properties	-	100,000
Capitalized depreciation included in exploration and evaluation assets	81,473	-
Accounts payable and accrued liabilities included in exploration assets	709,946	71,309

18. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On June 5, 2026, the Company granted 1,070,000 stock options to certain directors, officers and consultants of the Company. The stock options are exercisable at $0.54 for a period of five years.