Blue Star Gold Corp.

Interim Condensed Consolidated Financial Statements

For the six months ended May 31, 2026

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The interim condensed consolidated financial statements and all information in the quarterly report are the responsibility of the Board of Directors and management. These interim condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards. Management maintains the necessary systems of internal controls, policies and procedures to provide assurance that assets are safeguarded and that the financial records are reliable and form a proper basis for the preparation of financial statements.

The Board of Directors ensures that management fulfils its responsibilities for financial reporting and internal control through an Audit Committee. This committee, which reports to the Board of Directors, meets with the independent auditors and reviews the financial statements.

The interim condensed consolidated financial statements for the six months ended May 31, 2026 are unaudited and prepared by Management. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BLUE STAR GOLD CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(Unaudited)
AS AT,

	Notes	May 31, 2026	November 30, 2025
ASSETS			
Current			
Cash		$ 2,339,915	$ 2,199,582
Advances and deposits		180,488	158,143
Other receivables	6	602,102	62,885
Total current assets		3,122,505	2,420,610
Long-term deposits	7	2,629,377	2,629,377
Right-of-use assets	9	149,150	53,446
Equipment	8	962,726	583,507
Exploration and evaluation assets	10	1,489,715	1,489,715
Total assets		$ 8,353,473	$ 7,176,655
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		$ 632,672	$ 109,344
Due to related parties	11, 12	329,923	305,157
Customer deposit	10	700,000	-
Lease liabilities – short term	9	71,819	53,446
Loans payable – short term	12	-	2,234,019
Total current liabilities		1,734,414	2,701,966
Lease liabilities – long term	9	78,118	-
Loans payable – long term	12	2,001,643	-
Flow-through tax premium liability	14	251,000	305,708
Total liabilities		4,065,175	3,007,674
Shareholders' equity			
Share capital	13	55,286,955	54,694,638
Subscription received in advance	17	2,000,000	-
Reserves – options	13	3,958,420	3,958,420
Reserves – warrants	13	593,613	610,018
Deficit		(57,550,690)	(55,094,095)
Total shareholders' equity		4,288,298	4,168,981
Total liabilities and shareholders' equity		$ 8,353,473	$ 7,176,655

Events subsequent to the reporting period 17

Approved and authorized by the Board of Directors on June 29, 2026

___*"Kenneth R. Yurichuk"*________________ ______*"Robert Metcalfe"*____
Kenneth R. Yurichuk, Director Robert Metcalfe, Director

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

BLUE STAR GOLD CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended May 31, 2026	Three months ended May 31, 2025	Six months ended May 31, 2026	Six months ended May 31, 2025
EXPENSES				
Accretion and interest (Notes 9 and 12)	$ 76,761	$ 99,112	$ 187,198	$ 195,894
Amortization	-	94	-	187
Amortization of ROU assets (Note 9)	16,033	25,709	32,067	51,419
Directors fees (Note 11)	32,500	32,500	65,000	65,000
Exploration expenditure (recovery) (Note 10)	1,675,850	(92,876)	2,126,849	263,269
Insurance	18,048	22,763	40,510	40,291
Investor and shareholder relations	30,360	42,052	63,383	79,539
Interest income	(8,969)	-	(19,424)	-
Office and miscellaneous	45,994	33,285	89,045	62,301
Professional fees	44,841	23,458	55,236	46,523
Regulatory and transfer agent fees	12,249	13,132	23,969	20,714
Salaries (Note 11)	126,806	130,712	240,959	261,846
Loss and comprehensive loss before income tax	(2,070,473)	(329,941)	(2,904,792)	(1,086,983)
Deferred income tax recovery (Note 14)	-	-	69,708	-
Loss and comprehensive loss for the period	(2,070,473)	(329,941)	(2,835,084)	(1,086,983)
Basic and diluted loss per common share	$ (0.01)	$ (0.00)	$ (0.02)	$ (0.01)
Weighted average number of common shares outstanding	160,038,780	112,136,318	159,689,732	107,997,522

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

BLUE STAR GOLD CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)
(Unaudited)

	Share Capital							
	Number	Amount	Obligation to issue shares	Subscription received in advance	Reserves - options	Reserves - warrants	Deficit	Total
Balance, November 30, 2024	103,766,753	$48,594,474	$ 36,427	$ -	$ 3,398,670	$ 568,053	$ (50,804,323)	$ 1,793,301
Shares issued in private placement	35,000,000	3,500,000	-	-	-	-	-	3,500,000
Finders' warrants	-	(12,312)	-	-	-	12,312	-	-
Share issuance costs	-	(50,180)	-	-	-	-	-	(50,180)
Loss for the period	-	-	-	-	-	-	(1,086,983)	(1,086,983)
Balance, May 31, 2025	138,766,753	52,031,982	36,427	-	3,398,670	580,365	(51,891,306)	4,156,138
Shares issued in private placement	17,714,285	2,752,000	-	-	-	-	-	2,752,000
Shares issued for loan bonus	98,452	36,427	(36,427)	-	-	-	-	-
Shares issued for warrant exercise	150,000	32,280	-	-	-	(8,280)	-	24,000
Finders' warrants	-	(37,933)	-	-	-	37,933	-	-
Share issuance costs	-	(120,118)	-	-	-	-	-	(120,118)
Share-based compensation	-	-	-	-	559,750	-	-	559,750
Loss for the period	-	-	-	-	-	-	(3,202,789)	(3,202,789)
Balance, November 30, 2025	156,729,490	54,694,638	-	-	3,958,420	610,018	(55,094,095)	4,168,981
Shares issued in private placement	3,000,000	585,000	-	-	-	-	-	585,000
Shares issued for warrant exercise	348,000	53,605	-	-	-	(16,405)	-	37,200
Subscription received in advance	-	-	-	2,000,000	-	-	-	2,000,000
Share issuance costs	-	(46,288)	-	-	-	-	-	(46,288)
Gain on renewal of shareholder's loan	-	-	-	-	-	-	378,489	378,489
Loss for the period	-	-	-	-	-	-	(2,835,084)	(2,835,084)
Balance, May 31, 2026	160,077,490	$55,286,995	$ -	$ 2,000,000	$ 3,958,420	$ 593,613	$ (57,550,690)	$ 4,288,298

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

BLUE STAR GOLD CORP.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(Unaudited)

	Six months ended May 31, 2026	Six months ended May 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (2,835,084)	$ (1,086,983)
Items not affecting cash:		
Accretion of interest	187,198	195,894
Amortization	87,972	122,346
Amortization of ROU assets	32,067	59,079
Flow-through tax recovery	(69,708)	-
Changes in non-cash working capital items:		
Advances and deposits	(22,345)	29,435
Receivables	(539,217)	(1,640,121)
Accounts payable and accrued liabilities	337,666	467,606
Customer deposits	700,000	-
Due to related parties	54,766	(162,863)
Net cash used in operating activities	(2,066,685)	(2,015,607)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of equipment	300,000	-
Purchase of equipment	(600,000)	(646,529)
Net cash used in investing activities	(300,000)	(646,529)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuance	607,200	2,500,000
Subscription received in advance	2,000,000	-
Share issuance costs	(65,878)	(50,180)
Repayment of lease liability	(34,304)	(74,060)
Net cash provided by financing activities	2,507,018	2,375,760
Change in cash during the period	140,333	(286,376)
Cash, beginning of period	2,199,582	845,871
Cash, end of period	$ 2,339,915	$ 559,495
SUPPLEMENT NON-CASH DISCLOSURES		
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

Supplement disclosure with respect to cash flows (Note 15)

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

1. Nature of Operations

Blue Star Gold Corp. ("Blue Star" or the "Company") was incorporated on April 13, 2007 pursuant to the *Business Corporations Act* of British Columbia. The Company's principal business activity is the acquisition and exploration of mineral property interests. The Company is in the exploration stage and substantially all the Company's efforts are devoted to financing and developing these property interests. There has been no determination whether the Company's interests in unproven exploration and evaluation assets contain economically recoverable mineral resources.

The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BAU" and on OTCQB under the symbol "BAUFF", and its corporate head office is located at 507 - 700 West Pender Street, Vancouver, BC, Canada V6C 1G8.

2. Basis of Presentation

a) Statement of compliance

These unaudited interim condensed consolidated financial statements, including comparatives that are unaudited, have been prepared in accordance with IAS 34 ("IAS 34") using accounting policies consistent with the IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These interim condensed consolidated financial statements have been prepared using accounting policies consistent with those used in the Company's audited annual financial statements for the year ended November 30, 2025 except for income tax expense which is recognized and disclosed for the full financial year in the audited financial statements.

These interim condensed consolidated financial statements were authorized by the Board of Directors on June 29, 2026.

b) Going concern

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 recoverability of the carrying value of its resource properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company incurred a loss of $2,835,084 during the six months ended May 31, 2026 (November 30, 2025 - $4,289,772) and had an accumulated deficit as at May 31, 2026 of $57,550,690 (November 30, 2025 - $55,094,095). These circumstances may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The outcome of these matters cannot be predicted at this time.

2. Basis of Presentation (continued)

c) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Ulu Mining Inc. and Inukshuk Exploration Incorporated (“Inukshuk”), both incorporated under the laws of British Columbia. All significant intercompany transactions have been eliminated upon consolidation. A subsidiary is an entity that the Company controls, either directly or indirectly. Control is based on whether an investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of returns.

d) Functional and presentation currency

The Company and its wholly owned subsidiaries’ reporting and functional currency is the Canadian dollar. Monetary assets and liabilities of the Company are translated into Canadian dollars at the exchange rate in effect on the consolidated statements of financial position date, while non-monetary assets and liabilities are translated at historical rates. Expenses are translated at the average rates over the reporting period. Gains and losses from these translations are included in profit or loss.

e) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

f) Estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows.

Critical accounting estimates

i. Share-based compensation

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected rate of forfeitures, expected life, price volatility, interest rate and dividend yield. Changes in the input assumptions can significantly affect the fair value estimate of the Company’s earnings and reserves.

ii. Interest rates

The Company estimates a market interest rate in determining the fair value of the liability component of its loan payable and an incremental borrowing rate in determining the right-of-use asset. The determination of market interest rate is subjective and could significantly affect the fair value estimate.

2. Basis of Presentation (continued)

f) Estimates and judgments (continued)

Critical accounting judgments

i. Impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making such an assessment for the Company's exploration and evaluation assets.

ii. Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

iii. Application of IFRS 16 *Leases*

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. Lease term reflects the period over which the lease payments are reasonably certain including renewal options that the Company is reasonably certain to exercise. The determination of lease terms involves significant judgment with respect to assumptions of whether lease extensions will be utilized. Management makes assumptions about long-term industry outlook which relate to future events and circumstances. Actual results could vary from these assumptions, and the differences could be material to the carrying value of the lease liabilities and right-of-use assets, for which the lease term is the basis for determining useful life.

iv. Flow-through expenditures

The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

3. Material Accounting Policies

These Condensed Interim Consolidated Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited consolidated financial statements for the year ended November 30, 2025.

New, amended and future accounting pronouncements

The following standards are effective for future periods:

On April 9, 2024, the IASB issued a new standard – IFRS 18, "Presentation and Disclosure in Financial Statements" with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- The structure of the statement of profit or loss;
- Required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1 "Presentation of Financial Statements"; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for the Company's reporting periods beginning on December 1, 2027. Retrospective application is required and early application is permitted.

The Company is currently assessing the effect of this new standard on the consolidated financial statements.

4. Capital Management

Capital includes all the components of shareholders' equity as well as proceeds from loans. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition and exploration of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in note 5.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares, enter into joint venture property arrangements, acquire or dispose of assets, or adjust the amount of cash.

To facilitate the management of its capital requirements, the Company prepares budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The budgets are approved by the Board of Directors.

There were no changes in the Company's approach to capital management during the period ended May 31, 2026. The Company is not subject to externally imposed capital requirements.

5. Management of Financial Risks

Fair value measurement disclosure includes classification of financial instrument fair values in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's financial instruments as at May 31, 2026 are as follows:

		Level 1		Level 2		Level 3
Financial assets at FVTPL						
Cash	$	2,339,915	$	-	$	-
Receivables	$	602,102	$	-	$	-
Financial liabilities at amortized costs						
Accounts payable and accrued liabilities	$	632,672	$	-	$	-
Due to related parties	$	329,923	$	-	$	-
Customer deposits	$	700,000	$	-	$	-
Lease liabilities	$	-	$	149,937	$	-
Loans payable	$	-	$	2,001,643	$	-

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Fair value

The carrying value of cash, accounts payable and accrued liabilities and amounts due to related parties approximated their fair value since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The lease liabilities and loans payable are classified as level 2 due as the fair value is determined based on indirectly observable market interest rates.

b) Interest rate risk

The Company has no significant exposure at May 31, 2026 and November 30, 2025 to interest rate risk through its financial instruments. The Company has a loan payable with fixed interest rate at 3% per annum.

c) Currency risk

As at May 31, 2026 and November 30, 2025, the majority of the Company's cash was held in Canadian dollars, the Company's functional and reporting currency. The majority of the Company's accounts payable and accrued liabilities are denominated in Canadian dollars. Loan payable and lease liabilities outstanding as at May 31, 2026 and November 30, 2025 are denominated in Canadian dollars. Currency risk is not significant.

(Expressed in Canadian dollars)

5. Management of Financial Risks (continued)

d) Credit risk

Concentration of credit risk exists with respect to the Company's cash, as substantially all amounts are held at major financial institutions. The credit risk associated with cash is minimized by ensuring that these financial assets are placed with financial institutions with investment-grade ratings by a primary ratings agency.

e) Liquidity risk

The Company attempts to manage liquidity risk by maintaining sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations. As at May 31, 2026, the Company had cash of $2,339,915 (November 30, 2026 - $2,199,582) to settle current liabilities of $1,734,414 (November 30, 2025 - $2,701,966).

The amounts listed below are the remaining undiscounted contractual maturities for financial liabilities held by the Company as at May 31, 2026 and November 30, 2025.

	May 31, 2026		November 30, 2025	
Due Date	0 to 12 months	0 to 12 months	0 to 12 months	>12 months
Accounts payable and accrued liabilities	$ 632,672	$ -	$ 109,344	$ -
Due to related parties	329,923	-	305,157	-
Customer deposits	700,000	-	-	-
Loan payable	-	2,001,643	2,234,019	-
Lease liabilities	71,819	78,118	53,446	-
Total	$ 1,734,414	$ 2,079,761	$ 2,701,966	$ -

6. Other Receivables

The items comprising the Company's amounts receivable are summarized below:

	May 31, 2026	November 30, 2025
	$	$
GST receivable	56,045	62,886
Camp operation recovery	546,057	-
Total amounts receivable	602,102	62,886

7. Long-term deposits

As at May 31, 2026 and November 30, 2025, the Company has the following long-term deposits:

a) A deposit of $943,835 held with the Kitikmeot Inuit Association pursuant to its Land Use License for the Ulu Gold Project; and

b) A deposit of $1,685,542 with Crown-Indigenous Relations and Northern Affairs Canada, in relation to the Ulu Water License issued by the Nunavut Water Board ("NWB") for the reclamation bond of the mining license.

(Expressed in Canadian dollars)

8. Equipment

		Camp and field equipment
Cost		
Balance, November 30, 2024	$	802,962
Additions		641,533
Balance, November 30, 2025		1,444,495
Additions		467,191
Balance, May 31, 2026	$	1,911,686
Accumulated amortization		
Balance, November 30, 2024	$	701,042
Additions		159,946
Balance, November 30, 2025		860,988
Additions		87,972
Balance, May 31, 2026	$	948,960
Carrying amounts		
At May 31, 2026	$	962,726
At November 30, 2025	$	583,507

During the six months ended May 31, 2026, amortization expenses of $87,972 (2025 - $122,159) were recorded into the exploration expenditure.

On May 9, 2025, the Company entered into a Security Agreement with Kitikmeot Inuit Association ("KIA"), pursuant to which the Company provided its field equipment (not including camp) to KIA as reclamation security for its Advanced Exploration Lease of Ulu Property.

9. Right-of-Use ("ROU") Assets and Lease Liabilities

Office lease

On July 14, 2025, the Company entered into an office lease extension agreement for a 12-month period from October 1, 2025 to September 30, 2026. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $64,135 and recognized lease liabilities of $64,135 on commencement of the lease. As at October 1, 2025, the Company measured the present value of its lease liabilities using a discount rate of 15% as determined from its incremental borrowing rate.

On March 20, 2026, the Company entered into an office lease extension agreement for a 24-month lease period from October 1, 2026 to September 30, 2028. In accordance with IFRS 16 *Leases*, the Company recorded right-of-use assets of $127,772 and recognized lease liabilities of $127,772 on March 20, 2026. The Company measured the present value of its lease liabilities using a discount rate of 15% as determined from its incremental borrowing rate.

(Expressed in Canadian dollars)

9. Right-of-Use ("ROU") Assets and Lease Liabilities (continued)

a) *Right-of-use assets*

A reconciliation of the Company's right-of-use assets for the period ended May 31, 2026 and for the year ended November 30, 2025 is as follows:

		Total
Balance, November 30, 2024	$	95,529
Initial recognition of office lease		64,135
Amortization of ROU of office lease		(96,388)
Amortization of ROU of equipment lease		(9,830)
Balance, November 30, 2025		53,446
Initial recognition of office lease		127,772
Amortization of ROU of office lease		(32,068)
Balance, May 31, 2026	$	149,150

b) *Lease liabilities*

A reconciliation of the Company's lease liabilities for the period ended May 31, 2026 and for the year ended November 30, 2025 is as follows:

		Total
Balance, November 30, 2024	$	113,084
Initial recognition of office lease liability		64,135
Accretion of interest		8,237
Lease payments - office		(121,770)
Lease payments – equipment		(10,240)
Balance, November 30, 2025		53,446
Initial recognition of office lease liability		127,772
Accretion of interest		3,023
Lease payments - office		(34,304)
Balance, May 31, 2026	$	149,937

		May 31, 2026		November 30, 2025
Short-term portion of lease liability	$	71,819	$	53,446
Long-term portion of lease liability	$	78,118	$	-

c) *Lease operating costs*

The Company pays about $9,000 per month for its leased office operating costs from October 1, 2022 to September 30, 2025 and about $4,760 per month starting October 1, 2025. The total operating costs approximately $28,560 (2025 - $48,000) are recorded in office and miscellaneous expenses in the consolidated statements of loss and comprehensive loss for the period ended May 31, 2026.

(Expressed in Canadian dollars)

10. Exploration and Evaluation Assets

	Ulu Property (Nunavut)	*Hood River Property (Nunavut)*	*Roma Property (Nunavut)*	*Total*
Balance, November 30, 2024 and 2025, and May 31, 2026	$ 332,100	$ 1,060,000	$ 97,615	$ 1,489,715

a) Ulu Property

The Ulu Property consists of a renewable 21-year lease with an area of approximately 947 hectares and an expiry date of November 18, 2038.

On January 8, 2018, the Company and Mandalay Resources Corporation ("Mandalay") entered into an Ulu Property Option Agreement, which was further amended on July 19, 2019, pursuant to which, the Company acquired 100% of Ulu Property on February 10, 2020.

On June 6, 2024, the Company entered into an Advanced Exploration Lease ("AEL") with the Kitikmeot Inuit Association ("KIA") which provides the Company exclusive surface rights and access to this area of Inuit Owned Lands for a period of 10 years. According to the AEL, the Company is required to pay annual rent of $16,400 and water fees of $1,000. On July 18, 2024, the Company also issued 2,460,000 common shares on to KIA with a fair value of $332,100.

b) Hood River Property

The Company, through its subsidiary Inukshuk Exploration Inc. ("Inukshuk"), holds the Hood River Property in Nunavut through a 20-year renewable mineral exploration agreement ("MEA") dated June 1, 2013, issued by Nunavut Tunngavik Incorporated ("NTI").

On February 26, 2018, the Company signed a final Transaction Agreement (the "Definitive Agreement") and Net Smelter Royalty Agreement ("Royalty Agreement") to acquire 100% of the outstanding shares of Inukshuk, with an effective date as of September 18, 2014.

Under the terms of the Royalty Agreement in the Definitive Agreement, the Company paid the following:

i. Pay a 3% NSR royalty on the disposition of all minerals produced from the Hood River Property;
ii. Make advance royalty payments totaling $500,000;
iii. Offer the vendor a right of conveyance if the Company abandons the Hood River Property; and
iv. Maintain the Hood River Property in good standing during the conveyance period.

Prior to the commencement of commercial production on the Hood River Property, the Company has the option to acquire up to 2% of the NSR for up to $8,000,000 under the following terms:

i. Purchase an initial 0.5% of the NSR for $1,000,000;
ii. Purchase an additional 0.5% of the NSR for an additional $1,500,000;
iii. Purchase an additional 0.5% of the NSR for an additional $2,500,000; and
iv. Purchase an additional 0.5% of the NSR for an additional $3,000,000.

On January 25, 2022, the Company signed an amended Hood River MEA with NTI resulting in an expansion of the project area by approximately 40%. The project area now encompasses 11,203 hectares.

10. Exploration and Evaluation Assets (continued)

c) Roma Property

On February 17, 2021, the Company entered into a Property Purchase Agreement to acquire 100% interest in nine mineral claims ("Roma") located in Nunavut. The Company issued 75,000 shares (fair valued at $67,500) on February 22, 2021 and reimbursed all expenses ($22,230) in connection with staking the claims. In January 2022, the Company staked additional claims at a cost of $7,885.

In January 2022, the Company entered into a 20-year renewable mineral exploration agreement ("MEA") with NTI for an exploration area of 4,119 hectares. On October 1, 2024, the Company entered into an amendment to the MEA agreement to increase increase the exploration area from 4,119 hectares to 5,706 hectares.

d) Auma Property

In January 2026, the Company entered into a 20-year renewable MEA with NTI for an exploration area of 7,540 hectares ("Auma" property).

Title to resource properties

Although the Company has taken steps to verify the title to exploration properties 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 unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource properties, the potential for production on the property may be diminished or negated.

(Expressed in Canadian dollars)

10. Exploration and Evaluation Assets (continued)

Exploration expenditure

During the six months ended May 31, 2026, the Company incurred exploration expenditure as follows:

	Ulu Property (Nunavut)	***Hood River Property (Nunavut)***	***Roma Property (Nunavut)***	***Auma property (Nunavut)***	***Total***
Amortization (Note 7)	$ 47,486	$ 40,486	$ -	$ -	$ 87,972
Camp and supplies	1,637,684	-	-	-	1,637,684
Claim maintenance and filing fee	3,327	44,816	22,164	12,514	82,821
Community support	10,000	-	-	-	10,000
Drilling	15,962	15,962	31,636	864	64,424
General exploration	318,986	9,936	68,626	17,986	415,534
Geophysical	4,319	1,067	169,558	3,959	178,903
Project manager	33,117	33,117	33,126	-	99,360
Remediation	70,205	-	-	-	70,205
Camp cost recovery	(520,054)	-	-	-	(520,054)
Total	$ 1,621,032	$ 145,384	$ 325,110	$ 35,323	$ 2,126,849

During the six months ended May 31, 2025, the Company incurred exploration expenditure as follows:

	Ulu Property (Nunavut)	***Hood River Property (Nunavut)***	***Roma Property (Nunavut)***	***Total***
Amortization (Note 7)	$ 64,910	$ 64,911	$ -	129,821
Camp and supplies	1,443,660	-	-	1,443,660
Claim maintenance and filing fee	2,382	44,816	11,412	58,610
General exploration	330,519	27,618	34,634	392,771
Geophysical	1,170	6,630	-	7,800
Project manager	30,664	30,664	30,673	92,001
Remediation	152,316	-	-	152,316
Camp cost recovery	(2,013,710)	-	-	(2,013,710)
Total	$ 11,911	$ 174,639	$ 76,719	$ 263,269

As of May 31, 2026, the Company held a deposit of $700,000 (November 30, 2025 - $Nil) for camp operation from customer, which will be applied to the final invoices that are estimated to incur in September 2026.

(Expressed in Canadian dollars)

11. Related Party Transactions and Key Management Compensation

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured.

As at May 31, 2026, $329,923 (November 30, 2025 - $305,157) was due to directors and officers of the Company:

		May 31, 2026		November 30, 2025
CFO	$	17,635	$	20,931
Directors		312,288		284,226
	$	329,923	$	305,157

Key management consists of personnel having the authority and responsibility for planning, directing, and controlling the activities of the Company, which are the directors and executive officers of the Company.

During the six months ended May 31, 2026 and 2025, the Company entered into the following transactions with related parties:

		Six months ended May 31, 2026		Six months ended May 31, 2025
Salary – CEO	$	121,176	$	112,200
Salary – Spouse of CEO, Office and Human Resource Manager		10,000		43,080
Management fee – CFO		78,408		72,600
Directors' fees		65,000		65,000
	$	274,584	$	292,880

12. Loans Payable

On October 5, 2023, the Company entered into a new loan agreement with Dr. Georg Pollert to renew the previous loan with the principal amount of $2,537,434. The loan has a term of three years and bears interest at 3% per annum. In relation to the loan, the Company issued 295,354 bonus shares

On April 14, 2026, the Company entered into a loan extension agreement with Dr. Georg Pollert to extend the due date of the previous loan principal of $2,537,434 and unpaid interest balance of $192,081, totaling $22,729,515, from October 5, 2026 to October 5, 2028 with the loan interest remaining at 3% per annum. The Company recorded a gain on extinguishment of the original loan of $378,489 in deficit.

The Company valued the loan agreements by calculating the present value of principal and interest payments, discounted at a rate of 18% which represents managements best estimate of the rate that a loan without bonus shares would earn. The debt component is subsequently accreted to the face value of the loan agreements with an effective interest rate of 16.52%.

(Expressed in Canadian dollars)

12. Loans Payable (continued)

		Liability Component		Obligation to issue shares
Balance at November 30, 2024	$	1,915,558	$	36,427
Accretion of interest		394,585		-
Bonus shares issued		-		(36,427)
Interest payable transferred to due to related parties		(76,124)		-
Balance at November 30, 2025		2,234,019		-
Accretion and interest		156,992		-
Interest payable transferred to due to related parties		(38,062)		-
Derecognition of old loan – liability portion		(2,352,947)		-
Recognition of renewed loan		1,974,460		
Accretion of interest		27,183		-
Balance at May 31, 2026	$	2,001,643	$	-

		May 31, 2026		November 30, 2025
Short-term portion of liability	$	-	$	2,234,019
Long-term portion of liability	$	2,001,643	$	-

13. Share Capital and Reserves

a) Authorized

Unlimited number of common shares without par value.

b) Share issuances

As at May 31, 2026, the Company had 160,077,490 (November 30, 2025 – 156,729,490) common shares issued and outstanding.

During the six months ended May 31, 2026:

i) In December 2025, the Company closed a non-brokered private placement by issuing 3,000,000 flow-through shares (each a “FT Share”) at a price of $0.20 per FT Share for total gross proceeds of $600,000, of which $15,000 is recorded as FT share premium liability.

The Company paid finder’s fees of $36,000 and legal and filing fees of $6,758.

ii) the Company issued 348,000 shares pursuant to the exercise of 348,000 warrants for proceeds of $37,200. The Company transferred the fair value of the warrants of $16,405 from contributed surplus to share capital.

During the year ended November 30, 2025:

i) On May 9, 2025, the Company closed a non-brokered private placement by issuing 35,000,000 non-flow-through shares at a price of $0.10 per share for total gross proceeds of $3,500,000. The Company issued 300,000 finder’s warrants valued at $12,312 and paid finder’s fees of $30,000 and legal and filing fees of $20,180.

(Expressed in Canadian dollars)

13. Share Capital and Reserves (continued)

b) Share issuances (continued)

ii) On August 12, 2025, the Company closed a non-brokered private placement by issuing 10,714,285 non-flow-through share units (each a "NFT Unit") at $0.14 per NFT Unit and 1,600,000 flow-through share units (each a "FT Unit") at a price of $0.15 per FT Unit for total gross proceeds of $1,740,000, of which $16,000 is recorded as FT share premium liability. Each NFT Unit and each FT Unit consists of one common share or one flow-through share, and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable at $0.20 per share till August 12, 2026.

The Company issued 96,000 finder's warrants valued at $8,193 and paid finder's fees of $14,400 and legal and filing fees of $14,693.

iii) On October 9, 2025, the Company issued 150,000 shares pursuant to the exercise of 150,000 warrants at $0.16 per share for total proceeds of $24,000. The Company transferred $8,280 of fair value of the warrants exercised from contributed surplus to share capital.

iv) On October 24, 2025, the Company issued the final tranche of 98,452 bonus shares (fair valued at $36,427) to Dr. Georg Pollert in relation to a loan of $2,537,435 the Company renewed on October 5, 2023 (Note 11).

v) In November 2025, the Company closed a non-brokered private placement by issuing 5,400,000 flow-through shares (each a "FT Share") at a price of $0.25 per FT Share for total gross proceeds of $1,350,000, of which $322,000 is recorded as FT share premium liability.

The Company issued 324,000 finder's warrants valued at $29,740 and paid finder's fees of $81,000 and legal and filing fees of $9,971.

c) Stock options

The Company has a stock option plan under which the aggregate number of common shares to be reserved for exercise of all options granted under the plan and any other share compensation arrangement shall not exceed 10% of the issued shares of the Company at the time of granting of options. The stock option plan provides for the granting of stock options to regular employees and persons providing investor relations or consulting services up to a limit of 5% and 2%, respectively, of the Company's total number of issued and outstanding shares per year. Options granted to consultants providing investor relations services shall vest at a minimum over a period of twelve months with no more than one-quarter of such options vesting in any three-month period.

On October 7, 2025, the Company granted to directors, officers and consultants 3,200,000 stock options, exercisable at $0.25 per share for a term of five years. These options vested on the date of grant. The fair value of the stock options granted was $559,750 ($0.17 per option) and is recorded in the consolidated statements of loss and comprehensive loss.

The fair value of the stock options granted was determined using the Black-Scholes option price model with the following weighted average assumptions:

Weighted average assumptions	**Six months ended May 31, 2026**	**Year ended November 30, 2025**
Risk free interest rate	-	2.69%
Volatility	-	88.06%
Expected life of options	-	5 years
Dividend rate	-	0%

(Expressed in Canadian dollars)

13. Share Capital and Reserves (continued)

c) Stock options (continued)

Expected volatility is based on the historical volatility of the Company's market share price. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, November 30, 2024	6,190,000	$ 0.37
Granted	3,200,000	0.245
Expired	(510,000)	0.57
Balance, November 30, 2025	8,880,000	0.32
Expired	(375,000)	0.21
Balance, May 31, 2026	8,505,000	$ 0.31
Exercisable, at May 31, 2026	8,505,000	$ 0.31

At May 31, 2026, the Company has the following outstanding stock options outstanding:

Number of Options	Exercise Price	Expiry Date
505,000	$ 0.50	March 30, 2027
100,000	$ 0.40	October 18, 2027
2,250,000	$ 0.43	May 2, 2028
2,600,000	$ 0.25	April 22, 2029
3,050,000	$ 0.245	October 7, 2030

d) Warrants

On May 9, 2025, the Company issued 300,000 finder's warrants valued at $12,311 ($0.04 per warrant). The finders' warrants are exercisable at $0.10 per share for a one-year period from the issuance date.

On August 12, 2025, the Company closed a non-brokered private placement by issuing 10,714,285 non-flow-through share units (each a "NFT Unit") at $0.14 per NFT Unit and 1,600,000 flow-through share units (each a "FT Unit") at a price of $0.15 per FT Unit for total gross proceeds of $1,740,000. Each NFT Unit and each FT Unit consists of one common share or one flow-through share, and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable at $0.20 per share till August 12, 2026.

(Expressed in Canadian dollars)

13. Share Capital and Reserves (continued)

d) Warrants (continued)

On August 12, 2025, the Company issued 96,000 finder's warrants valued at $8,193 ($0.09 per warrant). The finders' warrants are exercisable at $0.15 per share for a two-year period from the issuance date.

In November 2025, the Company issued 324,000 finder's warrants valued at $29,741 ($0.09 per warrant). The finders' warrants are exercisable at $0.25 per share for a two-year period from the issuance date.

The fair value of the finders' warrants was determined using the Black-Scholes option price model with the following weighted average assumptions:

Weighted average assumptions	**Six months ended May 31, 2026**	**Year ended November 30, 2025**
Risk free interest rate	-	2.53%
Volatility	-	106.93%
Expected life of options	-	1.58 years
Dividend rate	-	0%

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, November 30, 2024	5,142,500	$ 0.20
Issued	6,877,142	0.16
Exercised	(150,000)	0.50
Expired	(4,677,500)	0.20
Balance, November 30, 2025	7,192,142	0.20
Exercised	(348,000)	0.12
Expired	(67,500)	0.40
Balance, May 31, 2026	6,776,642	$ 0.20
Exercisable, at May 31, 2026	6,776,642	$ 0.20

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

Number of Warrants	Exercise Price	Expiry Date
168,750	$ 0.16	June 7, 2026
78,750	$ 0.16	June 26, 2026
6,157,142	$ 0.20	August 12, 2026
48,000	$ 0.15	August 12, 2027
300,000	$ 0.25	November 4, 2027
24,000	$ 0.25	November 28, 2027

(Expressed in Canadian dollars)

14. Flow-Through Share Premium Liabilities

Flow-through share premium liabilities include the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through shares issuances.

	Issued in August, 2025	Issued in November, 2025	Issued in December 2025	Total
Balance, November 30, 2024	-	-	-	-
Flow-through share premium on issuance of shares	$ 16,000	$ 322,000	$ -	$ 338,000
Settlement of flow-through share liability on incurring expenses	(16,000)	(16,292)	-	(32,292)
Balance, November 30, 2025	-	305,708	-	305,708
Flow-through share premium on issuance of shares	-	-	15,000	15,000
Settlement of flow-through share liability on incurring expenses	-	(69,708)	-	(69,708)
Balance, May 31, 2026	$ -	$ 236,000	$ 15,000	$ 251,000

On satisfaction of the flow-through expenditure commitment, a deferred income tax recovery of $69,708 (November 30, 2025 - $32,292) was recorded on the consolidated statements of loss and comprehensive loss.

15. Supplement Disclosure with Respect to Cash Flows

	May 31, 2026	November 30, 2025
Shares issued for loan bonus	$ -	$ 36,427
Interest payable reclassified from loan payable to due to related parties	$ 114,186	$ 76,124
Fair value of warrants exercised	$ 16,405	$ 8,280
Finders' fees in accounts payable and accrued liabilities	$ 3,530	$ 23,120
Finders' warrants in share issue costs	$ -	$ 50,245
Flow-through share premium liability	$ 15,000	$ 338,000
Recognition of ROU assets and lease liability	$ 127,772	$ 64,135
Equipment in the accounts payable and accrued liabilities	$ 47,191	$ -
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

16. Segmented Information

The Company has one reportable operating segment, being the acquisition and exploration of mineral properties. At May 31, 2026 and November 30, 2025, the Company's long-term deposits, right-of-use assets, equipment and exploration and evaluation assets are located in Canada.

17. Events subsequent to the reporting period

1) On June 4 and June 19, 2026, the Company closed a non-brokered private placement by issuing 8,395,834 non-flow-through share units (each a "NFT Unit") at $0.24 per NFT Unit and 7,455,771 flow-through shares (each a "FT Share") at a price of $0.26 per FT Share for total gross proceeds of $3,953,501, of which $2,000,000 was received as of May 31, 2026. Each NFT Unit consists of one common share and one-half of one transferable common share purchase warrant. Each whole warrant is exercisable at $0.30 per share for two years. The Company issued 282,826 finder's warrants, paid finder's fees of $130,010 and filing fees of $23,121.

2) Subsequent to May 31, 2026, the Company issued 104,062 shares pursuant to the exercise of 104,062 warrants at $0.16 per share for total proceeds of $16,650.

3) 143,438 warrants exercisable at $0.16 per share went expired.