TRANSOCEANIC INVESTMENTS INC

(Previously Mason Resources Inc.)

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2026 AND 2025

(EXPRESSED IN CANADIAN DOLLARS)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Transoceanic Investments Inc.

Opinion

We have audited the financial statements of Transoceanic Investments Inc. (the "Company"), which comprise the statement of financial position as at June 30, 2026 and 2025, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2026 and 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

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

Key audit matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key audit matter	How our audit addressed the key audit matter
Fair value measurement of private investments	
The Company has a private investment with a fair value of $500,000 as at June 30, 2026, which is measured at fair value through profit or loss. See notes 5 and 15. Private investment is classified as a Level 3 financial instrument because quoted market prices are not available. The fair value was determined using a market approach based on the price of a recent financing transaction. The fair value measurement of the private investment was considered a key audit matter because of the judgment involved in assessing whether the recent financing transaction remained representative of fair value at the reporting date and in evaluating the significant unobservable inputs used in the valuation.	Our audit procedures included, but were not limited to: - Evaluating the appropriateness of the valuation methodology used by management. - Obtaining and inspecting supporting documentation for the recent financing transaction and assessing whether the transaction provided an appropriate basis for estimating fair value as at June 30, 2026. - Evaluating the significant assumptions and inputs used by management, including considering whether events or changes in circumstances between the financing date and the reporting date indicated that an adjustment to the transaction price was required. - Assessing the adequacy of the related financial statement disclosures.
Fair value measurement of note receivable	
The Company has a note receivable with a fair value of $1,237,677 as at June 30, 2026, which is measured at fair value through profit or loss. See notes 6 and 15. The note receivable is classified as a Level 3 financial instrument because its fair value is determined using a discounted cash flow approach that incorporates significant unobservable inputs, including the discount rate. The fair value measurement of the note receivable was considered a key audit matter because of the significant judgment involved in assessing the valuation methodology and the significant unobservable inputs used in determining fair value.	Our audit procedures included, but were not limited to: - Evaluating the appropriateness of the valuation methodology used by management. - Testing the mathematical accuracy of the valuation model. - Evaluating the reasonableness of the significant assumptions and inputs used in the valuation, including the discount rate, and corroborating such inputs to supporting information, where available. - Assessing the adequacy of the related financial statement disclosures.

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Other information

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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.

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

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

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
October 28, 2026

TRANSOCEANIC INVESTMENTS INC
Previously Mason Resources Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

As at,	**June 30, 2026**	June 30, 2025
ASSETS		
Cash and cash equivalents	**$ 7,017,617**	$ 3,600,401
Sales tax receivables	**145,179**	167,336
Prepaid and other receivable	**272,847**	224,854
Investments (Note 5)	**31,746,482**	29,594,059
Note receivable (Note 6)	**1,237,677**	1,042,533
Total assets	**$ 40,419,802**	$ 34,629,183
LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	**$ 220,942**	$ 237,461
Bonus payable (Note 5 and 13)	**-**	2,576,000
Total liabilities	**220,942**	2,813,461
EQUITY		
Share capital	**111,179,517**	111,179,517
Reserves	**14,945,073**	14,945,073
Deficit	**(85,925,730)**	(94,308,868)
Total equity	**40,198,860**	31,815,722
Total liabilities and equity	**$ 40,419,802**	$ 34,629,183

Nature of operations and liquidity risk (note 1)
Commitments and contingencies (note 14)

Approved on behalf of the Board of Directors:

"Peter Damouni"
Director

"Victor Cantore"
Director

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

TRANSOCEANIC INVESTMENTS INC
Previously Mason Resources Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the years ended June 30,	
	2026	2025
Expenses		
Salaries and consulting fees (Note 13)	**$ 1,030,941**	$ 804,340
Director fees	**75,430**	94,314
Professional fees	**210,154**	302,753
General office expenses	**379,859**	349,080
Travel and accommodation	**74,344**	82,390
Communication and promotion	**11,964**	11,356
Transfer agent and filing fees	**50,051**	67,313
Net foreign exchange loss	**(56,391)**	(69,377)
Loss before other items	**(1,776,352)**	(1,642,169)
Finance income	**229,354**	467,492
Change in fair market value of investments (Note 5)	**6,629,720**	(3,872,121)
Change in fair value of note receivable (Note 6)	**231,530**	111,373
Change in fair value of bonus payable (Note 5)	**(2,875,000)**	391,000
Realized gain on sale of investments (Note 5)	**5,702,343**	-
Settlement of bonus	**241,543**	-
Net income (loss) and comprehensive income (loss) for the year	**$ 8,383,138**	$ (4,544,425)
Net income (loss) per share (Note 10)	**$ 0.05**	$ (0.03)

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

TRANSOCEANIC INVESTMENTS INC
Previously Mason Resources Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended June 30,	
	2026	2025
	$	$
Cash flows used in operating activities		
Net income (loss) for the year	**8,383,138**	(4,544,425)
Items not affecting cash:		
Change in fair value of note receivable	**(231,530)**	(111,373)
Foreign exchange	**11,135**	(42,110)
Unrealized change in fair market value of investments	**(6,629,720)**	3,872,121
Unrealized change in fair value of bonus payable	**2,069,200**	(391,000)
Realized gain on sale of investments	**(5,702,343)**	-
Changes in non-cash working capital items:		
Sales tax receivables	**22,157**	(9,042)
Prepaid and other receivable	**(47,993)**	(45,538)
Accounts payable and accrued liabilities	**(16,519)**	126,565
	(2,142,475)	(1,144,802)
Cash flows from financing activities		
Private placement	**-**	1,400,000
	-	1,400,000
Cash flows (used in) from investing activities		
Purchase of investments	**(1,144,491)**	(1,260,000)
Proceeds from the sale of investments	**6,704,182**	-
Note to Aspley House Capital PLC	**-**	(889,050)
	5,559,691	(2,149,050)
Change in cash and cash equivalents	**3,417,216**	(1,893,852)
Cash and cash equivalents, beginning of the year	**3,600,401**	5,494,253
Cash and cash equivalents, end of the year	**7,017,617**	3,600,401
Components of cash and cash equivalents:		
Cash	**1,859,852**	3,600,401
Cash equivalents	**5,157,765**	-
Total Cash	**7,017,617**	3,600,401

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

TRANSOCEANIC INVESTMENTS INC
Previously Mason Resources Inc.
Statements of Changes in Equity
For the years ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

	Share Capital		Reserves				
	Number	Amount	Warrants	Broker warrants	Options	Deficit	Total
		$	$	$	$	$	$
Balance as of July 1, 2025	**169,292,585**	**111,179,517**	**6,148,974**	**591,458**	**8,204,641**	**(94,308,868)**	**31,815,722**
Net income and comprehensive income for the year	-	-	-	-	-	8,383,138	8,383,138
Balance, June 30, 2026	**169,292,585**	**111,179,517**	**6,148,974**	**591,458**	**8,204,641**	**(85,925,730)**	**40,198,860**
Balance as of July 1, 2024	**141,292,585**	**110,305,542**	**5,622,949**	**591,458**	**8,204,641**	**(89,764,443)**	**34,960,147**
Private placement - Units	28,000,000	873,975	526,025	-	-	-	1,400,000
Net loss and comprehensive loss for the year	-	-	-	-	-	(4,544,425)	(4,544,425)
Balance, June 30, 2025	**169,292,585**	**111,179,517**	**6,148,974**	**591,458**	**8,204,641**	**(94,308,868)**	**31,815,722**

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

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

Transoceanic Investments Inc. (Previously "Mason Resources Inc.") ("Transoceanic" or the "Company") was incorporated on March 15, 2011 under the *Business Corporations Act* (Ontario) and was continued under the *Canada Business Corporations Act* effective March 3, 2016. The Company's head office is located at 26-1501 Av. Mcgill College, Montréal, Québec, H3A 3M8, Canada. Transoceanic is a Canadian corporation focused on investment opportunities in minerals and materials, notably battery-related materials and their by-products and includes the development of value-added products, notably for green technologies like transport electrification.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the most recent reporting period. As at June 30, 2026, the Company had a working capital (not including investments) of $7,214,701 (June 30, 2025 - $1,179,130), an accumulated deficit of $85,925,730 (June 30, 2025 - $94,308,868) and a net income from continuing operations of $8,383,138 (June 30, 2025 - $4,544,425) for the year ended June 30, 2026. Working capital included a cash balance of $7,017,617 (June 30, 2025 - $3,600,401).

Management believes that the Company has sufficient funds to meet its obligations, operating expenses and some development expenditures for the next 12 months. Should it become required to obtain additional financing, the Company can raise funds in various ways, including through strategic partnerships, joint venture agreements, debt project financing or other options offered by financial markets. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company.

These financial statements were reviewed, approved and authorized for issue by the Board of Directors on October 26, 2026.

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation

The Company's financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company has consistently applied the accounting policies used in the preparation of its IFRS financial statements to both reporting periods.

Basis of measurement

These financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments to fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the statements of cash flows.

The following are criteria within IFRS 10 – Consolidated Financial Statements, which the Company used to evaluate and determine that it continues to meet the definition of an Investment Entity:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measures and evaluates the performance of substantially all its investments on a fair value basis.

2. MATERIAL ACCOUNTING POLICIES (continued)

Basis of measurement (continued)

Status as investment entity

The Company met the criteria required to be considered an "investment entity" under IFRS 10 and as such, in the cases where the Company has control or significant influence over a company in its investment portfolio, the Company values such investments as financial assets at fair value through profit or loss ("FVTPL").

Cash and cash equivalents

Cash and cash equivalents include bank demand deposit accounts and highly liquid short-term investments with maturities of three months or less when purchased. Cash consists of checking accounts held at financial institutions in Canada.

Transaction fees

Transaction costs related to financial assets at amortized cost are recorded as an increase in the carrying amount of the asset while transaction costs related to financial liabilities at amortized cost are recorded as a reduction of the carrying amount of the liability. They are then recognized over the expected lifespan. Transaction costs include fees and commissions paid to agents, advisers, and brokers, amounts levied by regulatory agencies and stock exchanges as well as transfer duties and taxes. Transaction costs do not include the premium for debt redemption or issuance, financing costs, internal administration costs, or carrying costs.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, an impairment test is performed and the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the asset group to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as additional depreciation or amortization. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined had impairment not previously been recognized. A reversal is recognized as a reduction in the depreciation or amortization charge for the period.

2. MATERIAL ACCOUNTING POLICIES (continued)

Equity

Share capital, stock options, warrants and broker warrants are classified as equity.

Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from the proceeds in equity in the period in which the transaction occurs.

For offerings of units consisting of a common share and another equity instrument, the total fair value of the units is allocated between the common share and the other equity instrument based on their relative fair value. Transaction costs directly attributable to the issue of units are allocated between the instruments based on their relative fair values.

When the Company modifies the terms of warrants issued in a private placement, the adjusted measurement adjustment, as a result of the modifications, is recognized in equity (the deficit).

Upon expiry of warrants, the amount recognized in relation to the grant remain in the warrant reserve.

Share-based compensation

The fair value of stock options granted to employees is recognized as an expense, over the vesting period with a corresponding increase in option reserves which is the counterpart. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined that the fair value of the goods or services cannot be reliably measured and are recorded at the date on which the goods or services are received.

The fair value is measured at the grant date and is recognized over the period during which the stock options vest. The fair value of options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each statement of financial position date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. On exercise of a stock option, any amount related to the initial value of the stock option, along with the proceeds from its exercise, are recorded in share capital. Upon expiry of stock options, the amount recognized in relation to the grant remain in the option reserve.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income (loss) or in equity, in which case it is recognized in other comprehensive income (loss) or in equity, respectively.

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 regard to previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

2. MATERIAL ACCOUNTING POLICIES (continued)

Income taxes (continued)

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognized where the temporary difference arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that does not affect either accounting or taxable profit or loss, other than where the initial recognition of such an asset or liability arises in a business combination. 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 statement of financial position date.

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 income tax assets and liabilities are presented as non-current. Assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities or deferred tax assets against deferred tax liabilities and the respective assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Income (loss) per share

Basic income (loss) per share is based on the weighted average number of common shares of the Company outstanding during the year. The diluted income (loss) per share reflects the potential dilution of common share equivalents, such as outstanding share options, convertible debentures, broker warrants and warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

The calculation of income (loss) per share is based on the weighted average number of shares outstanding for each period. Basic income (loss) per share is calculated by dividing the profit or loss of the Company by the weighted average number of common shares outstanding during the year. The treasury stock method is used to determine the dilutive effect of the warrants, broker warrants, share options, and the if-converted method is used for the convertible debentures. Under the treasury stock method, when the Company reports a loss, the diluted loss per common share is equal to the basic loss per common share due to the anti-dilutive effect of the outstanding warrants, broker warrants and share options. Under the if-converted method, the convertible debentures are assumed to be converted at the later of the beginning of the year and the time of issuance and the loss is adjusted for transaction costs, interest accretion and the fair value fluctuation of the embedded derivatives.

Foreign currency

The Company's functional and presentation currency is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at the statement of financial position date. Exchange differences are recognized in expenses in the period in which they arise.

2. MATERIAL ACCOUNTING POLICIES (continued)

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires.

Financial Assets

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Company classifies its financial assets in the following measurement categories:

- measured subsequently at amortized cost; and
- measured subsequently at fair value (either through other comprehensive loss, or through net loss).

For investments in debt instruments, the classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

i) Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company applies the simplified method permitted by IFRS 9 to trade receivables which requires the recognition of expected losses over the life of the accounts as of the initial recognition of these receivables. The Company assumes that there is no significant increase in credit risk for instruments with low credit risk.

Financial Liabilities

i) Financial liabilities measured at amortized cost

Financial liabilities are initially recorded at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest method.

Financial liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

2. MATERIAL ACCOUNTING POLICIES (continued)

Classification

The Company's financial assets and liabilities are recorded and measured as follows:

Asset or liability	Category
Cash and cash equivalents	Amortized cost
Investments	FVTPL
Note receivable	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Bonus payable	FVTPL

Investments

Purchases and sales of investments are recognized on a trade date basis. Publicly-traded investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in profit (loss). At each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and reflects such valuations in the financial statements.

Transaction costs are expensed as incurred in profit (loss). The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the consolidated statements of (loss) income and comprehensive (loss) income. The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (see note 15, "Financial instruments and risk management"). The three levels are defined as follows:

Level 1 – investment with quoted market price;

Level 2 – investment which valuation technique is based on observable market inputs; and

Level 3 – investment which valuation technique is based on non-observable market inputs.

Publicly-traded investments:

1. Securities, including shares, options, and warrants that are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the reporting date or the closing price on the last day the security traded if there were no trades at the reporting date. These are included in Level 1.

2. Securities that are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. These are included in Level 2.

3. Warrants or options of publicly-traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available. If no such market inputs are available or reliable, the warrants and options are valued at intrinsic value. These are included in Level 2.

2. MATERIAL ACCOUNTING POLICIES (continued)

Investments (continued)

Publicly-traded investments: (continued)

4. Performance shares are convertible into common shares if or when the investee companies meet certain milestones. Performance shares are recorded at fair value when the certainty of meeting these milestones is reasonably assured. These are included in Level 3.

The amounts at which the Company's publicly-traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.

Privately-held investments:

1. Securities in privately-held companies (other than options and warrants) are initially recorded at cost, being the fair value at the time of acquisition. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements. Options and warrants of private companies are carried at their intrinsic value.

With respect to valuation, the financial information of private companies in which the Company has investments may not always be available, or such information may be limited and/or unreliable. Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable. In addition to the events described below, which may affect a specific investment, the Company will take into account general market conditions when valuing the privately-held investments in its portfolio. The absence of occurrence of any of these events or any significant change in general market conditions indicates generally that the fair value of the investment has not materially changed.

2. An upward adjustment is considered appropriate and supported by pervasive and objective evidence such as a significant subsequent equity financing by an unrelated investor at a transaction price higher than the Company's carrying value; or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable.

Such events include, without limitation:

- political changes in a country in which the investee company operates which, for example, reduce the corporate tax burden, permit mining where, or to an extent that, it was not previously allowed, or reduce or eliminate the need for permitting or approvals;
- receipt by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed with its project(s);
- filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non- compliant resource;
- release by the investee company of positive exploration results, which either proves or expands their resource prospects; and
- important positive management changes by the investee company that the Company's management believes will have a very positive impact on the investee company's ability to achieve its objectives and build value for shareholders.

2. MATERIAL ACCOUNTING POLICIES (continued)

Investments (continued)

Privately-held investments: (continued)

3. Downward adjustments to carrying values are made when there is evidence of a decline in value as indicated by the assessment of the financial condition of the investment based on third party financing, operational results, forecasts, and other developments since acquisition, or if there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable. Such events include, without limitation:

- political changes in a country in which the investee company operates, which increases the tax burden on companies, which prohibit mining where it was previously allowed, which increases the need for permitting or approvals, etc.;
- denial of the investee company's application for environmental, mining, aboriginal or similar approvals which
- prohibit the investee company from proceeding with its projects;
- the investee company releases negative exploration results;
- changes to the management of the investee company take place which the Company believes will have a negative impact on the investee company's ability to achieve its objectives and build value for shareholders;
- the investee company is placed into receivership or bankruptcy; and
- based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern.

Investment Derecognition:

Realized gains and losses on the disposal of investments and unrealized gains and losses in the value of investments are reflected in profit (loss) on a trade date basis. Upon disposal of an investment, previously recognized unrealized gains or losses are reversed, so as to recognize the full realized gain or loss in the period of disposition. All transaction costs are expensed as incurred. Dividend income is recorded on the ex-dividend date. Interest income and other income are recorded on an accrual basis.

Provisions

Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event, (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (c) a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of income (loss) and comprehensive income (loss), net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

2. MATERIAL ACCOUNTING POLICIES (continued)

Leases

Leases are recognized as rights-of-use assets (presented in other non-current assets in the statement of financial position), with a corresponding liability to the date on which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and the cost of financing. The cost of financing is charged to profit or loss over the term of the lease so as to produce a constant periodic interest rate on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter period between the useful life of the asset and the term of the lease.

New accounting pronouncements

There were no accounting policies which were adopted during the year ended June 30, 2026, which had a significant impact on the financial statements.

Future accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after July 1, 2026. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of this new accounting standard on its financial statements.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance ESG-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions include, but are not limited to, the following:

i) Valuation of investments

Investment transactions are recorded on a trade date basis. The cost of investments represents the amount paid for each investment and is determined on an average cost basis. The Company classifies its investments as fair value through profit or loss, with unrealized gains and losses recognized in profit or loss. The fair value of the Company's investments as at the financial reporting date are determined as follows: Common shares in quoted companies – All securities listed on a recognized public stock exchange are generally valued at their last bid price. Options and warrants – The options and warrants are valued at fair value using the Black-Scholes pricing model which considers factors such as market value of the underlying security, strike price, volatility and expected life. Investments in private companies and other investments – When the fair values of financial assets and financial liabilities recorded on the consolidated statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value. See note 15.

ii) Going Concern

The assessment of the Company's ability to execute its strategy by funding future working capital involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Areas of significant judgments in assessing whether the going concern assumption is appropriate, which is at least, but not limited to twelve (12) months from the end of the reporting period.

(iii) Fair valuation of bonus payable

The Company values the bonus payable based on the underlying investments pledged to be paid, and the probability of certain events occurring. The Company classifies its bonus as fair value through profit or loss, with unrealized gains and losses recognized in profit or loss.

iv) Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets that could be recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within its control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence.

3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (continued)

iv) Income taxes and recoverability of potential deferred tax assets (continued)

Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each the end of the reporting period.

The determination of income tax expense and deferred income tax involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities and interpretations of laws in Canada, including the rules and laws related to flow-through share financings. The Company is subject to assessments by tax authorities that may interpret the tax law differently. Changes in these estimates may materially affect the final amount of deferred income taxes or the timing of tax payments.

v) Share-based payments

The Company measures the cost of equity-settled transactions with employees and applicable non-employees by reference to the fair value of the equity instruments at the date at which they are vested. Estimating fair value for share based payment transactions 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 life of the share option, risk-free interest rates, volatility and dividend yield and making assumptions about them. The Company is also required to estimate the future forfeiture rate of options based on historical information in its calculation of share-based compensation expense.

vi) Provisions

Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary and may cause significant adjustments when the amounts are determined or additional information is acquired.

(vii) Fair valuation of note receivable

The Company values the note receivable using the discounted cash flow approach. The key estimates in these models relate to the discount rate, interest rate, repayment through profit share and redemption. In valuing the note receivable, the Company also makes estimates around the probability of certain events occurring. These estimates require management to make judgments given the uncertainty surrounding the occurrence of certain events. Changes in assumptions can materially affect the fair value estimate of the note receivable. See note 15.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

	As of June 30,	
	2026	2025
Trade payables	**$ 50,403**	$ 46,975
Accrued liabilities	**170,539**	190,486
	$ 220,942	$ 237,461

5. INVESTMENTS

	As of June 30, 2026	As of June 30, 2025
Black Swan Graphene Inc. - Common shares	$ 17,081,000	$ 12,516,249
NorthX Nickel Corp. - Common shares	831,833	644,000
NorthX Nickel Corp. - Warrants	290,375	507,005
Nouveau Monde Graphite Inc. - Common shares	7,761,657	13,906,390
Astra Exploration Inc. - Common shares	1,562,885	1,020,415
Fortitude Gold Inc. - Common Shares	744,532	-
Honey Badger Silver Inc. - Common Shares	1,620,000	-
Honey Badger Silver Inc. - Warrants	1,354,200	-
Sand Minerals Inc. - Common Shares	500,000	1,000,000
Total	$ 31,746,482	$ 29,594,059

Black Swan Graphene Inc. ("Black Swan")

On August 26, 2021, the Company acquired a portfolio of patents focused on graphene processing technologies through its then subsidiary Black Swan Graphene Inc. On August 2, 2022, Black Swan became a public company on the TSX-Venture via a Reverse Takeover. The Company continues to be the largest shareholder of Black Swan holding 14,725,000 shares.

Nouveau Monde Graphite Inc. ("NMG")

On January 31, 2024, the Company closed the sale of the Lac Guéret Property by way of an asset purchase agreement dated January 21, 2024 with Nouveau Monde Graphite Inc. In consideration for the sale of the Lac Guéret Property, Transoceanic received 6,208,210 common shares of NMG, representing approximately 9.25% of the issued and outstanding common shares of NMG. These common shares were treated as a financial asset classified at FVPTL. At the start of commercial production of the contemplated Uatnan Mining Project an additional payment of $5,000,000 in cash is to be paid to the Company. As this contingent payment is not virtually certain to occur, no amounts have been recorded related to this potential additional payment.

During the year ended June 30, 2026, the Company disposed of 2,512,183 common shares of NMG for with a fair value of $11,319,497. No common shares of NMG were disposed of during the year ended June 30, 2025.

On February 14, 2024, the Company granted a bonus of 1,150,000 NMG shares to certain directors, officers, and consultants of the Company upon grant the shares had a fair value of $3,910,000, based on the quoted market value of the NMG shares. The bonus may be taken as either as cash or shares at the discretion of the recipient.

As at June 30, 2025, the shares related to the bonus had a fair value of $2,576,000, based on the quoted market value of the NMG shares. On October 17, 2025, the Company completed the payout of the bonus, and the NMG shares had a fair value of $5,451,000, of which $4,645,200 was paid out in shares of NMG to certain directors and $805,800 NMG shares were sold to settle a cash bonus.

NorthX Nickel Corp.

On May 15, 2024, the Company invested $1,000,000 in NorthX Nickel Corp. (CSE: NIX) (OTCQB: RCHRF), formerly known as Archer Exploration Corp. ("NorthX"), Transoceanic subscribed to 4,166,667 Units at a price of $0.24 per Unit, with each Unit being comprised of one common share of NorthX and one share purchase warrant entitling Transoceanic to purchase one NorthX share at a price of $0.36 per Share until May 14, 2027.

5. INVESTMENTS (continued)

NorthX Nickel Corp. (continued)

In connection with the subscription of the Units, NorthX and Transoceanic entered into an Investor Rights Agreement, pursuant to which, among other things, Transoceanic has the right to designate two (2) nominees for election as directors of NorthX so long as it maintains ownership, directly or indirectly, of at least 10% of the issued and outstanding Shares on a non-diluted basis, and one (1) nominee for election as a director of NorthX so long as it maintains ownership, directly or indirectly, of at least 5% of the issued and outstanding Shares on a non-diluted basis.

On February 10, 2025, the Company purchased 1,200,000 units of NorthX. Each unit entitles the holder to receive, subject to the fulfillment of the Escrow Release Condition (as defined below) and without payment of any additional consideration, one unit (a “Unit”) comprised of one common share of NorthX (a “Share”) and one common share purchase warrant of NorthX (a “Warrant”) exercisable into one additional Share at any time until February 10, 2028 at a price of $0.075.

Astra Exploration Inc.

On November 7, 2024, the Company invested $100,000 in Astra Exploration Inc. ("Astra") (TSX-V: ASTR) for 1,666,666 units at $0.06 per unit. Each Unit being comprised of one common share of Astra and one half of one share purchase warrant entitling Transoceanic to purchase one Astra share at a price of $0.10 per Share until November 7, 2025.

On May 15, 2025, the Company exercised 833,333 warrants acquired on November 7, 2024 for $83,333, and purchased an additional 83,330 common shares for $16,666.

Fortitude Gold Inc.

On February 27, 2026, the Company invested $684,485 (US$498,750) in Fortitude Gold Corporation. (OTCQB: FTCO), ("Fortitude"), Transoceanic subscribed to 105,000 common shares at a price of $6.52 (US$4.75) per common share.

Honey Badger Inc.

On April 24, 2026, the Company invested $360,000 in Honey Badger Silver Inc. (TSXV: TUF), ("Honey Badger"), Transoceanic subscribed to 2,250,000 units at a price of $0.16 per unit. Each Unit being comprised of one common share of Honey Badger and one share purchase warrant entitling Transoceanic to purchase one Honey Badger share at a price of $0.24 per Share until April 24, 2029.

Sand Minerals Inc.

On October 21, 2024, the Company invested $1,000,000 in Sand Minerals Inc. ("Sand") a private company for 10,000,000 common shares at $0.10 per common share. In connection with the subscription of the common shares, Sand and Transoceanic entered into an Investor Rights Agreement, pursuant to which, among other things, Transoceanic has the right to nominate one (1) nominee for election as directors of Sand so long as it maintains ownership, directly or indirectly, of at least 10% of the issued and outstanding Shares on a non-diluted basis.

6. NOTE RECEIVABLE

On December 2, 2024, the Company entered into a $889,050 (£500,000) note agreement with Aspley House Capital PLC, bearing an interest rate of 20% per annum. The note is repayable within 30 days from the sale of all or substantially all of certain properties, or after 18 months from the date of issuance upon the request of the Company. The Company will also receive 25% of the profit from the sale of the properties, if it does not request repayment after the 18 month period.

As the note receivable does not have the characteristics of an instrument held only for the return of investment through cash flows obtained through future interest payments, the note has been measured by the Company at FVTPL.

The following table reflects the continuity of the note receivable:

	As of June 30, 2026	As of June 30, 2025
Balance, Beginning of year	$ 1,042,533	$ -
Additions	-	889,050
Fair value adjustment	231,530	111,373
Foreign exchange	(36,386)	42,110
Total	$ 1,237,677	$ 1,042,533

7. SHARE CAPITAL

(a) Authorized

An unlimited number of common shares without nominal value which confer to each shareholder the right to vote at any meeting of the shareholders, except at meetings which only holders of special shares are entitled to attend, receive dividends declared by the Company thereon and share the residual property upon dissolution of the Company.

The Company has an unlimited number of special shares without nominal value which include certain rights and privileges. No special shares have been issued.

(b) Share issuances

During the year ended June 30, 2026, the Company did not issue any common shares.

On January 13, 2025, the Company closed a non-brokered private placement financing of 28,000,000 units at a price of $0.05 per unit for gross proceeds of $1,400,000. Each unit consists of one common share and one common share purchase warrant. Each Warrant entitles the holder to acquire one additional Common Share at an exercise price of $0.075 until January 13, 2028. Related parties of the Company subscribed for 6,980,000 of the Offering. The warrants were valued at $526,025 using the relative fair value approach and the Black-Scholes option-pricing model. The following weighted average assumptions were used: share price - $0.07; risk free interest rate – 3.08%; expected volatility – 96.60% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 3 years.

8. WARRANTS

The following table reflects the continuity of warrants for the year ended June 30, 2026 and 2025:

	Number of warrants	Weighted average exercise price ($)
Balance, June 30, 2024	**-**	**-**
Issued (note 7)	28,000,000	0.075
Balance, June 30, 2025, and June 30, 2026	**28,000,000**	**0.075**

As of June 30, 2026, the Company had the following options outstanding:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Warrants Outstanding
January 13, 2028	0.075	1.54	28,000,000

9. STOCK OPTIONS

The Company has implemented a stock option plan ("the Plan") to be administered by the Board of Directors. Pursuant to the Plan the Board of Director's has discretion to grant options for up to a maximum of 10% of the issued and outstanding common shares of the Company at the date the options are granted. The terms and conditions of each option granted under the Plan will be determined by the Board of Directors. Options will be priced in the context of the market and in compliance with applicable securities laws and exchange guidelines. Consequently, the exercise price for any stock option shall not be lower than the market price of the underlying common shares at the time of grant. The Board shall determine the vesting period and the term of stock options granted under the Plan, provided that no stock option shall be outstanding for a period greater than ten years.

During the year ended June 30, 2026 and 2025, no stock options were granted.

The following table reflects the continuity of options for the year ended June 30, 2026 and 2025:

	Number of stock options	Weighted average exercise price ($)
Balance, June 30, 2024	**13,000,000**	**0.340**
Cancelled	(6,700,000)	(0.450)
Balance, June 30, 2025 and June 30, 2026	**6,300,000**	**0.230**

As of June 30, 2026, the Company had the following options outstanding:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
July 31, 2028	0.23	2.09	6,300,000	6,300,000

10. NET INCOME (LOSS) PER SHARE

	For the years ended June 30,	
	2026	2025
Weighted average number of common shares	**169,227,858**	154,115,529
Dilutive effect on stock options and warrants	**4,803,760**	-
Diluted weighted average of common shares	**174,031,618**	154,115,529
Net income (loss) and comprehensive income (loss)	**8,383,138**	(4,544,425)
Net loss per share – Basic and diluted	**0.05**	(0.03)

The calculation of basic and diluted loss per share for the year ended June 30, 2025 was based on the loss attributable to common shareholders of $4,544,425 and the weighted average number of common shares outstanding of 154,115,529. Diluted loss per share did not include the effect of 6,300,000 options outstanding or the effect of 28,000,000 warrants outstanding as they are anti-dilutive.

11. INCOME TAXES

Rate reconciliation

A reconciliation of actual income tax expense and the accounting loss multiplied by the Company's statutory tax rate of 26.5% (2025 - 26.5%) is as follows:

	For the years ended June 30,	
	2026	2025
Loss before income taxes	**$ 8,383,138**	$ (4,544,425)
	26.50 %	26.50 %
Expected income tax expense (recovery) based on statutory rate	**2,222,000**	(1,204,000)
Change in unrecognized DITA	**(2,222,000)**	1,204,000
Deferred income tax expense	**$ -**	$ -

Deferred tax assets

The analysis of deferred income tax assets is as follows:

	For the years ended June 30,	
	2026	2025
Recognized deferred tax assets and liabilities:		
Non-capital loss carry forwards	**1,765,000**	-
Investments	**(1,765,000)**	-
Deferred income tax liability	$ -	$ -

11. INCOME TAXES (continued)

Unrecognized deferred tax assets

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	For the years ended June 30,	
	2026	2025
Non-capital losses	**$ 71,619,000**	$ 80,079,000
Investments	**-**	3,872,000
Property, plant and equipment	**862,000**	862,000
Mineral property costs	**1,063,000**	-
	$ 73,544,000	$ 84,813,000

Non-capital losses

As of June 30, 2026, the Company had accumulated non-capital losses for tax purposes which can be used to reduce taxable income in the future amount to approximately $71,619,000 ($80,079,000 as of June 30, 2025). These losses expire in the years 2035-2046.

12. CAPITAL MANAGEMENT

The capital structure of the Company as of June 30, 2026 and 2025, consists of equity attributable to common shareholders comprising issued capital and equity reserves.

The Company manages and adjusts its capital structure based on available funds in order to identify additional investment opportunities. The Board of Directors reviews, on a regular basis, the financial viability of projects before allocating its capital.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange (“TSXV”) which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2026 and 2025, the Company believes it is compliant with the policies of the TSXV.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no significant changes in the capital management notes, objectives, policies, and proceedings during the year ended June 30, 2026 and 2025. Changes in capital are described in the statements of changes in equity.

13. RELATED PARTY TRANSACTIONS

In accordance with IAS 24 Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

As of June 30, 2026, the balance due to the related parties amounted to $145,154 (as of June 30, 2025: $70,833) included in accounts payables and accrued liabilities. The amounts due are mainly directors' fees, do not bear interest, are not guaranteed and are payable on request.

As of June 30, 2026, the Company has a bonus payable of $nil (as of June 30, 2025: $1,982,400) due to certain directors and an officer of the Company. On October 17, 2025, the Company completed the payout of the bonus of which $3,389,100 was issued in shares of NMG to certain directors and $805,800 NMG shares were sold to settle cash bonuses of $564,256 to directors.

As of June 30, 2026, included in prepaid and other receivables are amounts related to prepayments to related parties of $72,692 (as of June 30, 2025: $20,833).

	For the years ended June 30,	
	2026	**2025**
Salaries, consulting fees and other benefits	**$ 600,742**	$ 272,500
Directors fees'	**105,000**	160,833
	$ 705,742	$ 433,333

See note 5, 7.

14. COMMITMENTS AND CONTINGENCIES

The Company is party to certain management contracts. Minimum annual commitments under these contracts are approximately $730,000. Upon termination of certain management contracts the minimum payment is $617,500. These contracts require that maximum payments of approximately $1,340,000 be made upon the occurrence of certain events such as a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these financial statements.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

Credit

The Company's cash and cash equivalents are held in accounts with Canadian chartered banks. Management believes that the credit risk with respect to these financial instruments is minimal.

Liquidity

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital and maintain liquidity (Note 1).

Fair value

The Company has determined that the carrying value of its short-term financial assets and financial liabilities, measured at amortized costs including cash and accounts payable and accrued liabilities approximates their carrying value due to their short-term maturities.

Fair value hierarchy

The Company's investment portfolio is measured using the most reliable measure of fair value and range from level 1 to level 3 inputs. During the year ended June 30, 2026, there were no transfers between levels. The Company's measurement of the fair value of financial instruments as at June 30, 2026 and June 30, 2025 in accordance with the fair value hierarchy is as follows:

Investments	**Level 1**	**Level 2**	**Level 3**	**Total**
June 30, 2026	29,601,907	1,644,575	500,000	31,746,482
June 30, 2025	28,087,054	507,005	1,000,000	29,594,059

Note receivables	**Level 1**	**Level 2**	**Level 3**	**Total**
June 30, 2026	-	-	1,237,677	1,237,677
June 30, 2025	-	-	1,042,533	1,042,533

Bonus payable	**Level 1**	**Level 2**	**Level 3**	**Total**
June 30, 2026	-	-	-	-
June 30, 2025	-	2,576,000	-	2,576,000

Level 2 Hierarchy

The Company determines the fair value of the bonus payable based on the underlying NMG common shares.

The Company determines the fair value of its investment warrants based on the Black-Scholes valuation model, which uses a number of observable market-determined variables, and therefore is classified within Level 2 of the fair value hierarchy.

The fair values were determined using the following weighted average assumptions:

	June 30, 2026	June 30, 2025
Risk-free interest rate	2.82	2.60
Expected dividend yield	0%	0%
Expected share price volatility	121%	189%
Expected life of warrants in the years	2.54 years	1.5 years

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Fair value (continued)

Level 3 Hierarchy

The following table presents the changes in fair value measurements of financial instruments classified as Level 3 as at June 30, 2026 and 2025. These financial instruments are measured at fair value utilizing non-observable market inputs. The net realized and unrealized gain are recognized in the statements of income (loss).

	For the years ended June 30,	
	2026	2025
Balance, beginning of year	**$ 2,042,533**	**$ -**
Acquisition of investments	-	1,000,000
Acquisition of note receivable	-	889,050
Change in fair value	(268,470)	111,373
Foreign exchange	(36,386)	42,110
Balance, end of year	**$ 1,737,677**	**$ 2,042,533**

Investments

Within Level 3, the Company includes a private company investments that is not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies.

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as June 30, 2026:

Description	Fair value	Valuation technique	Significant unobservable input(s)	Range of significant unobservable inputs
Sand Minerals Inc.	$ 500,000	Recent financing	Marketability of shares	50% discount

The valuation was based on Sand Minerals Inc's most recent financing of $0.10. Management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at June 30, 2026. As at June 30, 2026, a +/- 10% change in the fair value of Sand Minerals Inc. will result in a corresponding +/- $50,000 change in income (loss) (June 30, 2025 - $100,000). Had the Company applied a marketability discount of 5%, it would have resulted in a corresponding change in fair value of approximately $25,000 (June 30, 2025 - $50,000) in income (loss).

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Note receivable

As at June 30, 2026, the fair value of the note receivable was estimated using probability-weighted scenarios with respect to discounted cash flow models for repayment at maturity and through profit sharing. Based on the various scenarios considered, the fair value of the note receivable as at June 30, 2026 was calculated to be $1,237,677.

Description	Fair value	Valuation technique	Significant unobservable input(s)	Range of significant unobservable inputs
Note receivable	$ 1,237,677	Probability-weighted scenarios discounted cash flows	Discount rate	10% discount

The Company's note receivable are denominated in Great British Pounds and are subject to fair value fluctuations. As at June 30, 2026, if the fair value of the Company's note receivable had increased/decreased by 10% with all other variables held constant, profit and loss for the year ended June 30, 2026, would have been approximately $123,768 (June 30, 2025 - $104,253) higher/lower. Similarly, as at June 30, 2026, the Company's reported shareholders' equity would have been approximately $123,768 (June 30, 2025 - $104,253) higher/lower as a result of a 10% increase/decrease in note receivable.

Significant inputs into the note receivable model are as follows:	June 30, 2026	June 30, 2025
Interest rate	20%	20%
Discount rate	10%	10%
Probability of repayment through profit share and redemption	50%	50%

Currency (foreign exchange)

The Company is exposed to currency risk by incurring certain expenditures in currencies other than the Canadian dollar. The Company has determined that there is currency risk related to it's note receivables which is denominated in GBP. Based on the note receivable as of June 30, 2026, an increase (decrease) of 10% in exchange rate would have resulted $123,768 (June 30, 2025 - $104,253) lower/higher net income (loss).

As of June 30, 2026, the Company maintained minor cash balances in foreign currency.

Interest rate

The Company’s cash balance is subject to interest rate cash flow risk, as it carries a variable rate of interest. The Company’s interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase.

Based on the cash as of June 30, 2026, an increase (decrease) of 1% in interest rates would not result in a significant change in the annual net income of the Company.

The Company’s accounts payable and accrued liabilities are non-interest bearing.

Sensitivity analysis

The Company's marketable securities are denominated in Canadian dollars and are subject to fair value fluctuations. As at June 30, 2026, if the fair value of the Company's marketable securities had increased/decreased by 10% with all other variables held constant, profit and loss for the year ended June 30, 2026, would have been approximately $3,174,648 lower/higher.