

CANEX Metals Inc.

Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the three months ended December 31, 2025

(Unaudited)

CANEX Metals Inc.

For the three months ended December 31, 2025
(Unaudited - Prepared by Management)

February 24, 2026

Notice to Reader

The condensed interim consolidated financial statements of CANEX Metals Inc. (“the Company”) for the three-month period ended December 31, 2025, are the responsibility of the Company’s management. These condensed interim consolidated financial statements have not been audited or reviewed on behalf of the shareholders by the independent external auditors of the Company.

The condensed interim consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

“Shane Ebert”

Shane Ebert
President/Director

“Chantelle Collins”

Chantelle Collins
Chief Financial Officer

CANEX Metals Inc.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	<u>December 31, 2025</u>	<u>September 30, 2025</u>
ASSETS		
Current Assets		
Cash (Note 5)	\$ 3,161,674	\$ 663,907
Accounts receivable (Note 6)	40,104	35,548
Prepaid expenses	68,524	74,241
	<u>3,270,302</u>	<u>773,696</u>
Non-current Assets		
Exploration and evaluation asset advances and deposits (Note 8)	797,060	526,479
Exploration and evaluation assets (Note 8)	6,289,688	6,296,930
	<u>7,086,748</u>	<u>6,823,409</u>
TOTAL ASSETS	\$ 10,357,050	\$ 7,597,105
EQUITY AND LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 9)	\$ 255,895	\$ 267,209
Non-current Liabilities		
Decommissioning obligation (Note 10)	52,545	52,558
TOTAL LIABILITIES	308,440	319,767
EQUITY		
Share capital (Note 11)	26,121,922	23,139,647
Reserves	2,503,770	2,483,928
Deficit	(18,577,082)	(18,346,237)
TOTAL EQUITY	10,048,610	7,277,338
TOTAL EQUITY AND LIABILITIES	\$ 10,357,050	\$ 7,597,105

Nature and continuance of operations (Note 1)

Subsequent events (Note 19)

Approved by the Board

"Shane Ebert"

Director

Shane Ebert

"Jean Pierre Jutras"

Director

Jean Pierre Jutras

See accompanying notes to the financial statements.

CANEX Metals Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the three months ended December 31

(Unaudited - Prepared by Management)

	<u>2025</u>	<u>2024</u>
Expenses		
General and administrative (Note 14)	\$ 215,862	\$ 165,093
Reporting to shareholders	12,728	4,806
Professional fees	4,841	4,413
Stock exchange and transfer agent fees	4,824	2,881
Accretion	214	1,141
	<u>238,469</u>	<u>178,334</u>
Operating loss	<u>(238,469)</u>	<u>(178,334)</u>
Interest and other	7,624	1,122
Realization of flow through premium liability	-	3,880
(Loss) gain from investments (Note 7)	-	(10,345)
	<u>7,624</u>	<u>(5,343)</u>
Net loss and comprehensive loss for the period	<u>\$ (230,845)</u>	<u>\$ (183,677)</u>
Basic and diluted income per share	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Weighted average shares outstanding – basic and diluted	<u>148,689,612</u>	<u>117,524,228</u>

Nature and continuance of operations (Note 1)

See accompanying notes to the financial statements.

CANEX Metals Inc.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

For the three months ended December 31

(Unaudited - Prepared by Management)

	<u>2025</u>	<u>2024</u>
Increase (decrease) in cash		
Operating activities		
Cash paid to suppliers and contractors	\$ <u>(228,214)</u>	\$ <u>(102,111)</u>
Cash used in operating activities (Note 17)	<u>(228,214)</u>	<u>(102,111)</u>
Investing activities		
Interest and other income received	7,622	1,124
Cash expended on exploration advances and deposits	(270,581)	(1,000)
Cash expended on exploration and evaluation asset additions (Note 17)	6,664	(36,953)
Cash used in investing activities	<u>(256,295)</u>	<u>(36,829)</u>
Financing activities		
Share capital issuance proceeds	3,000,000	437,002
Cash share issuance and transaction costs	(17,724)	(9,236)
Cash provided by financing activities	<u>2,982,276</u>	<u>427,766</u>
Increase in cash	2,497,767	288,826
Beginning of period	663,907	158,093
End of period	\$ <u>3,161,674</u>	\$ <u>446,919</u>

See accompanying notes to the financial statements

CANEX Metals Inc.

Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in Canadian Dollars)

(Unaudited - Prepared by Management)

	Common share capital	Equity- settled share based payment	Other Reserves*	Total Reserves	Deficit	Total
	\$	\$	\$	\$	\$	\$
Balance, September 30, 2024	21,450,899	215,289	2,055,780	2,271,069	(17,849,420)	5,872,548
Net and comprehensive loss for the period	-	-	-	-	(183,677)	(183,677)
Common share issuance – November 2024	135,000	-	-	-	-	135,000
Flow through share issuance – November 2024	302,002	-	-	-	-	302,002
Flow through share premium (Note 12)	(75,500)	-	-	-	-	(75,500)
Share issuance costs	(9,236)	-	-	-	-	(9,236)
Options expired	-	(37,417)	37,417	-	-	-
Options issued – November 2024	-	88,621	-	88,621	-	88,621
Balance, December 31, 2024	21,803,165	266,493	2,093,197	2,359,690	(18,033,097)	6,129,758
Net and comprehensive loss for the period	-	-	-	-	(313,140)	(313,140)
Share issuance – Property February 2025	20,000	-	-	-	-	20,000
Share issuance – June 2025	1,300,001	-	-	-	-	1,300,001
Share issuance – Property July 2025	30,000	-	-	-	-	30,000
Share issuance costs	(13,519)	-	-	-	-	(13,519)
Options issued – November 2024	-	72,538	-	72,538	-	72,538
Options issued – July 2025	-	51,700	-	51,700	-	51,700
Balance, September 30, 2025	23,139,647	390,731	2,093,197	2,483,928	(18,346,237)	7,277,338
Net and comprehensive loss for the period	-	-	-	-	(230,845)	(230,845)
Common share issuance – December 2025	3,000,000	-	-	-	-	3,000,000
Share issuance costs	(17,725)	-	-	-	-	(17,725)
Options issued – November 2024	-	19,842	-	19,842	-	19,842
Balance, December 31, 2025	26,121,922	410,573	2,093,197	2,503,770	(18,577,082)	10,048,610

*Other Reserves, is comprised of the aggregate of options and warrants that expired or were forfeited without exercise. These values were relieved from Common share capital, Equity-settled share based payment reserve and Warrants reserve respectively upon the expiry of the equity instrument.

See accompanying notes to the financial statements

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three months ended December 31, 2025

(Unaudited - Prepared by Management)

1. Nature and continuance of operations

CANEX Metals Inc. ("CANEX" or "the Company") is engaged in the business of mineral exploration and development in Canada. The Company was originally incorporated under the laws of the Province of Quebec, Canada and has been continued under the Alberta Business Corporations Act, Canada. The address of its primary office is Suite 1620, 734 – 7th Avenue SW, Calgary, Alberta, Canada, T2P 3P8. The Company's common shares are listed on the TSX Venture Exchange under the symbol CANX.

Since inception, the efforts of the Company have been devoted to the acquisition, exploration, and development of mineral properties. To date the Company has not received any revenue from mining operations and has not determined whether mineral properties contain ore reserves that are economically recoverable.

The Company incurred a net loss of \$230,845 during the three-month period ended December 31, 2025, (December 31, 2024 - \$183,677). The Company has a deficit of \$18,577,082 at December 31, 2025, (September 30, 2024 - \$18,346,237). The Company's ability to continue to explore and develop its mineral properties and to continue as a going concern is dependent upon its ability to raise additional equity financing. There is no assurance that the Company will be successful in achieving profitable operations given its early-stage exploration and no assurance that it will obtain financing. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments which could be significant should the Company be unable to continue as a going concern.

2. Basis of presentation

a) Basis of presentation

These unaudited condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting", using accounting policies consistent with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for decommissioning obligations and financial instruments. In addition, these statements have been prepared using the accrual basis of accounting except for cash flow information.

b) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned US subsidiary, Canexco Inc. ("Canexco"). Canexco was incorporated by the Company on June 5, 2019, in Arizona, USA, to conduct its exploration and development business in the USA. All intercompany transactions and balances have been eliminated on consolidation. Subsidiaries are those entities that the Company controls through its power to govern the financial and operating policies of the subsidiary. Subsidiaries are fully consolidated from the date control is obtained and are de-consolidated from the date control ceases.

3. Material accounting policies and future standards not yet adopted

The financial framework and material accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited annual consolidated financial statements for the year ended September 30, 2025. CANEX did not adopt any new accounting policies during the three months ended December 31, 2025.

Future standards not yet adopted include the Presentation and disclosure in Financial Statements (IFRS 18). IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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Three months ended December 31, 2025

(Unaudited - Prepared by Management)

3. Material accounting policies and future standards not yet adopted (continued)

accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is not yet able to determine the impact to the consolidated financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective as at December 31, 2025. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on its consolidated financial statements.

4. Significant accounting judgments and estimates

The preparation of financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. Circumstances could arise over the years that would require material revisions to these estimates. Changes in assumptions could have a material effect on the fair value of estimates.

These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Adjustments resulting from revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Critical estimates include:

- a) The carrying values of exploration and evaluation assets that are included in the statement of financial position, including the assumptions that are incorporated into the impairment assessments, and the amount of impairments that are included in the statement of loss and comprehensive loss. (Refer to Note 1 - "Nature of operations and continuance of operations")
- b) The estimate of the amount of decommissioning obligation and the inputs used in determining the net present value of the liabilities for decommissioning obligations included in the statement of financial position.
- c) The estimated fair value of share purchase options and broker warrants requires determining the most appropriate model as well as the applicable inputs.
- d) Judgment is required in determining whether or not deferred tax assets are recognized on the statement of financial position.
- e) Management's assessment of the Company's ability to continue as a going concern involves making judgements as to whether suitable conditions and events exist to support the Company's future operations and is reassessed at each reporting period.

5. Cash

Cash is comprised of:

	Dec 31, 2025	Sept 30, 2025
Current bank accounts	\$ 3,124,958	\$ 656,442
Cash held in foreign currencies	36,716	7,465
	\$ 3,161,674	\$ 663,907

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three months ended December 31, 2025

(Unaudited - Prepared by Management)

6. Accounts receivable

	Dec 31, 2025	Sept 30, 2025
Due from related parties	\$ 40	\$ -
Sales tax receivables	40,064	35,548
	\$ 40,104	\$ 35,548

7. Short-term investments

	Number of shares	Carrying Value
Balance at September 30, 2024	1,034,500	\$ 31,035
Valuation adjustment - (unrealized loss)	-	(10,345)
Balance at December 31, 2024	1,034,500	\$ 20,690
Cost base of shares sold	(1,034,500)	(93,536)
Valuation adjustment - recovery	-	72,846
Balance at September 30, 2025	-	\$ -

At period end December 31, 2025 the Company did not hold any short term investments.

At period end December 31, 2024, the Company held 1,034,500 shares of Homeland Nickle Inc. with a cost base of \$0.0904 per share.

On March 18, 2025, the Company sold the remaining 1,034,500 shares for net proceeds of \$51,208 and a net gain on sale of \$20,173.

8. Exploration and evaluation assets

Mineral properties are recognized in these financial statements in accordance with the accounting policies outlined in Note 3 (e) "Exploration and evaluation assets" of the annual audited financial statements for the year ended September 30, 2025. Accordingly, their carrying values represent costs incurred to date, net of recoveries, abandonments, and impairments. The recoverability of these amounts is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses, and rights; the ability of the Company to obtain necessary financing to complete the development of properties where necessary, and upon future profitable operations; or alternatively, upon the Company's ability to recover its costs through a disposition of its interests in its mineral exploration properties.

Louise Cu-Au Porphyry Project, British Columbia, Canada

On March 1, 2024, the Company entered into an option agreement to acquire six mineral claims totalling 5,362.95 hectares located in the Omineca Mining Division, British Columbia. Under the terms of the option agreement, the Company will either pay an aggregate of \$775,000 in common shares of CANEX or make cash payments. Future remaining commitments are scheduled as follows:

Due Date	Value of underlying Common Shares
March 1, 2026	\$50,000
March 1, 2027	\$90,000
March 1, 2028	\$200,000
March 1, 2029	\$400,000
Total future commitment	\$740,000

On April 8, 2024, the first option payment was made by issuing 200,000 common shares of the Company at a price of \$0.07 per share.

CANEX Metals Inc.

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Three months ended December 31, 2025

(Unaudited - Prepared by Management)

8. Exploration and evaluation assets

Louise Cu-Au Porphyry Project, British Columbia, Canada (continued)

On February 25, 2025, the second option payment was made by issuing 500,000 common shares of the Company at a price of \$0.04 per share and a cash payment of \$3,500.

Subsequent to the date of these condensed interim consolidated financial statements the Company made the third option payment as defined in the terms of the agreement. Further details of the transaction are contained below in Note 19 – Subsequent events.

The Vendor retains a 2.5% NSR (net smelter royalty) with CANEX having the right to buy back 40% of the NSR (1% of the 2.5% NSR) for \$1,500,000. A milestone bonus of \$50,000 in shares or cash will also be payable if CANEX drills over 4250 metres of core, and a second milestone bonus of \$50,000 in shares or cash will be payable if CANEX publishes a resource estimate with greater than 1.5 million contained ounces of gold.

On July 29, 2025, the Company acquired a 100% interest in three small claims located internal to the Louise Cu-Au Porphyry Project (Louise) by issuing 400,000 common shares to the Vendor. The shares are subject to a hold period of four months and a day from the date of regulatory approval. The Vendor retains a net smelter royalty of 1% which can be purchased by the Company at any time for \$500,000.

On September 25, 2025, applications for 2 new mining claims totaling 3350 hectares were approved, bringing the total claim size at Louise to 8806.1 hectares.

The gross costs and impairments recorded to the Louise property at December 31, 2025, are \$477,345 and \$nil respectively (September 30, 2025 - \$466,261 and \$nil).

Gold Range Property, Arizona, USA

On June 11, 2019, the Company's wholly owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Gold Range Property, Arizona, USA from a Prospector, the "Optionor". On June 11, 2023, the Company completed its payment and expenditure obligations and the 100% earn in was completed. The Optionor will retain a 2% NSR, half of which can be bought back by the Company for US\$500,000 and the remaining half for US\$1,000,000. The Gold Range Property is located in Mohave County, Arizona, USA.

On February 24, 2020, the Company's wholly owned subsidiary, Canexco Inc., entered into an arm's length Option Agreement to acquire a 100% interest in the Never Get Left Claim from Onyx Exploration Inc., the "Optionor". Under the terms of the agreement, the Company was committed to option payments totaling US\$90,000 over four years. On February 24, 2024, the Company made the final payment of \$49,314 (US\$30,000), extinguishing its payment obligations, and the 100% earn in was complete. The Optionor will retain a 2% NSR, half of which can be bought back by the Company for US\$500,000; the remaining half for US\$500,000. Additionally, the Company must pay 10% of any profits realized from the processing and recovery of metals from the existing leach pad materials located within the Optionor's claim.

On January 12, 2021, the Company, and its wholly owned subsidiary, Canexco Inc., signed a letter of intent allowing the Company to earn into the Excelsior Mine Property located adjacent to the Company's other Gold Range properties. On November 29, 2023, 8,694,170 common shares, valued at \$0.035 per share (total value - \$304,295) were issued plus US\$120,000 cash (CAD\$166,058) and the 100% earn in was completed. The Optionor will continue to hold a 1.5% NSR as outlined in the original agreement and the Company will retain a right of first refusal (ROFR), should this royalty ever be offered for sale. In addition, until August 31, 2030, should the Company be subject to any event that would impact the creditors rights that is not cured in 30 days, it will deliver the mine property back to the Vendor under the reversion clause of the agreement.

On June 9, 2025, the Company announced its intention to make a formal offer to acquire all of the issued and outstanding shares of Gold Basin Resources Corporation (Gold Basin) in a share for share exchange

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three months ended December 31, 2025

(Unaudited - Prepared by Management)

8. Exploration and evaluation assets

Gold Range Property, Arizona, USA (continued)

transaction. The assets of Gold Basin are directly adjacent to the existing Gold Range property, and the acquisition would consolidate a large oxide gold camp in northern Arizona. Subsequent to the date of these condensed interim consolidated financial statements, the Company announced that sufficient shares had been deposited under the offer and the process for take-up and payment has been initiated. Further details of the transaction are contained below in Note 19 – Subsequent events.

As of December 31, 2025, the Company holds 261 lode mining claims and 2 patented claims (approximately 1650 hectares) in respect of the Gold Range Property, including acquisitions via the option agreements noted above as well as staking. The gross costs and impairments recorded to the Gold Range Property at December 31, 2025, are \$5,812,343 and \$nil respectively (September 30, 2025 - \$5,830,669 and \$nil).

Gibson Prospect, British Columbia

On May 17, 2017, the Company had signed a purchase agreement and received exchange approval to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"). Gibson is 887 Ha in size and located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The Company also assumed the obligations of an underlying option agreement with Steven Scott. The gross costs and impairments recorded to the Gibson Prospect as at December 31, and September 30, 2025, are \$473,527 and \$473,527 respectively.

During the year ended September 30, 2021, the Company determined that further exploration on this property would no longer be a priority unless a third-party partner could be found to further advance the exploration program; however, the Company continues to hold claims which expire in January 2029. Accordingly, the Company recorded an impairment of the full amount of exploration expenditures to September 30, 2021. In December 2025, the Company received a further extension to meet its minimum exploration expenditures of \$500,000 to December 31, 2026. All other terms of the option agreement remain unchanged.

As at December 31, 2025, under the terms of the Agreement, the Company is committed to the following share issuances and minimum exploration expenditures:

	<u>Altius</u>	
	Share issues	Minimum Exploration Expenditures*
		(\$)
Expenditure commitment, on or before December 31, 2026	-	500,000
Following the completion of the Expenditure Commitment	1,240,000	-
Total remaining commitment	<u>1,240,000</u>	<u>500,000</u>

*as at December 31, 2025, the Company has incurred exploration expenditures of \$293,500

In addition, Altius will retain a right to purchase an underlying 1.5% NSR and preferential rights on any future royalties or streams granted on the Property. If the Company achieves measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the Underlying Agreement, Steven Scott is also entitled to the additional milestone bonuses of 1) \$25,000 in cash or securities upon a Bankable Feasibility Study; and 2) \$50,000 in cash or securities upon Commercial Production.

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three months ended December 31, 2025

(Unaudited - Prepared by Management)

8. Exploration and evaluation assets (continued)

Summary exploration and evaluation expenditures

A summary of exploration and evaluation expenditures by category for the three month period ended December 31, 2025, and year ended September 30, 2025, appear below:

	Arizona USA		BC Canada		Total
	Gold Range Property		Louise Property		
Three months ended December 31, 2025					
Exploration expenditures:					
Balance, September 30, 2025	\$ 4,393,117	\$	376,145	\$	4,769,262
Geological consulting	-		4,375		4,375
Field Costs	(18,380)		4,002		(14,378)
Analysis and other	-		2,335		2,335
Decommissioning	(226)		-		(226)
Balance, December 31, 2025	\$ 4,374,511		386,857		4,761,368
Property acquisition costs:					
Balance, September 30, 2025	\$ 1,437,552		90,116		1,527,668
Acquisition costs incurred	280		372		652
Balance, December 31, 2025	\$ 1,437,832		90,488		1,528,320
Total Exploration and evaluation assets, December 31, 2025	\$ 5,812,343		477,345		6,289,688
Year ended September 30, 2025					
Exploration expenditures:					
Balance, September 30, 2024	\$ 4,321,817	\$	5,860	\$	4,327,677
Geological consulting	9,402		49,309		58,711
Travel	2,321		8,459		10,780
Field Costs	20,821		6,707		27,528
Survey	-		301,510		301,510
Analysis and other	40,964		4,300		45,264
Decommissioning	(2,208)		-		(2,208)
Balance, September 30, 2025	\$ 4,393,117	\$	376,145	\$	4,769,262
Property acquisition costs:					
Balance, September 30, 2024	\$ 1,363,090	\$	22,734	\$	1,385,824
Acquisition costs incurred	74,462		67,382		141,844
Balance, September 30, 2025	\$ 1,437,552	\$	90,116	\$	1,527,668
Total Exploration and evaluation assets, September 30, 2025	\$ 5,830,669	\$	466,261	\$	6,296,930

Mineral property advances and deposits

	Dec 31, 2025	Sept 30, 2025
Gibson exploration deposit	\$ 10,000	\$ 10,000
Louise exploration deposit	1,000	1,000
Gold Range exploration deposit	41,164	41,164
Pre-takeover bid expenditures	744,896	474,315
	\$ 797,060	\$ 526,479

CANEX Metals Inc.

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(Unaudited - Prepared by Management)

8. Exploration and evaluation assets

Mineral property advances and deposits(continued)

Costs that relate directly to the acquisition of mineral interests are recorded as advances until such time as the transaction is completed. At that time, they will either be capitalized as part of the exploration asset acquired or expensed for the period if the acquisition is unsuccessful. Professional fees for legal, advisory, geological consulting and accounting are included in this category. Also, from time to time the Company is required to pay a deposit or bond to a government agency prior to their commencing exploration work on the mineral interest. The advances are held until reclamation work is complete and the Company makes application to have the deposit or bond returned.

9. Accounts payable and accrued liabilities

	December 31, 2025	September 30, 2025
Trade payables	\$ 221,212	\$ 202,248
Due to related parties	31,564	18,173
Accrued liabilities	3,116	46,800
Commodity taxes payable	3	(12)
	\$ 255,895	\$ 267,209

10. Decommissioning obligation

Changes in the decommissioning obligation:

	December 31, 2025	September 30, 2025
Balance, beginning of period	\$ 52,558	\$ 50,031
Accretion	214	4,734
Change in assumptions	(227)	(2,207)
Expenditures	-	-
	\$ 52,545	\$ 52,558

The above noted provision represents estimated costs to restore the Company's mineral property which includes the cost of filling trenches and revegetation as applicable. Management believes that there are no other significant legal obligations as at the respective period end dates for current and future decommissioning obligations. The period end present value of the decommissioning obligation was determined using a risk-free rate of 2.58% (September 30, 2025 – 2.47%). The estimated total undiscounted amount, using an inflation rate of 2.5% (September 30, 2025 – 2.5%) for the three-month period ended December 31, 2025, is \$52,547 (September 30, 2025 - \$53,594). The timing of future decommissioning costs is uncertain, as the costs will not be incurred until the Company gives up its legal right to explore the property or the current land use permits expire, at which time the reclamation must have been completed.

11. Share capital and stock options

a) Authorized

Unlimited number of common shares without par value

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

Three months ended December 31, 2025

(Unaudited - Prepared by Management)

11. Share capital and stock options (continued)

b) Issued and outstanding common share capital

	Shares	Value \$
Balance, as at September 30, 2025	146,950,482	23,139,647
Common shares – December 2025	20,000,000	3,000,000
Share issuance costs	-	(17,725)
Balance, as at December 31, 2025	166,950,482	26,121,922

	Shares	Value \$
Balance, as at September 30, 2024	114,380,737	21,450,899
Common shares – November 2024	3,000,000	135,000
Flow through shares – November 2024	5,033,365	226,502
Shares issued for property – February 2025	500,000	20,000
Common shares – June 2025	23,636,380	1,300,001
Shares issued for property – August 2025	400,000	30,000
Share issuance costs	-	(22,755)
Balance, as at September 30, 2025	146,950,482	23,139,647

Three month period ended December 31, 2025

On December 23, 2025, the Company announced the closing of a non-brokered private placement of 20,000,000 common shares for gross proceeds of \$3,000,000. The shares were issued at \$0.15 per share and are subject to a hold period of four months plus one day from the date of closing. No commissions were paid on the transaction and insiders purchased a total of 670,147 common shares.

Year ended September 30, 2025

On August 19, 2025, the Company received regulatory approval to issue 400,000 common shares in exchange for three additional mining claims internal to the Louise Cu-Au Porphyry Project. The transaction was valued at the closing CANEX share price on the date of issue.

On June 26, 2025, the Company announced the closing of a non-brokered private placement of 23,636,380 common shares for gross proceeds of \$1,300,001. The shares were issued at \$0.055 per share and are subject to a hold period of four months plus one day from the date of closing. No commissions were paid on the transaction, and insiders purchased a total of 1,139,054 common shares.

On February 25, 2025, the Company issued 500,000 common shares in accordance with the Louise option agreement and were valued at the closing CANEX share price on the date of issue.

During November 2024, the Company announced an equity financing for cash that closed in two tranches, November 14 and November 25, 2024. The non-brokered private placement consisted of 3,000,000 common shares and 5,033,365 flow through common shares for gross proceeds of \$437,002. Common shares were offered at \$0.045 per share and the flow through common shares were offered at \$0.06 per share. The tax benefit of the flow through common shares, renounced to shareholders, was determined to be \$75,500 and recorded as a current liability which was amortized through earnings as the critical mineral flow through mining expenditures were incurred.

During the period subsequent to the date of these financial statements there were no shares issued, and none cancelled and returned to treasury.

CANEX Metals Inc.

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(Expressed in Canadian Dollars)

Three months ended December 31, 2025

(Unaudited - Prepared by Management)

11. Share capital and stock options (continued)

c) Stock options outstanding

<u>Expiry</u>	<u>Number of options</u>		<u>Exercise Price</u>
	<u>Dec 31, 2025</u>	<u>Sept 30, 2025</u>	
May 1, 2027	1,462,500	1,462,500	\$0.18
July 11, 2026	400,000	400,000	\$0.06
November 25, 2029	5,200,000	5,200,000	\$0.05
July 14, 2030	700,000	700,000	\$0.08
	<u>7,762,500</u>	<u>7,762,500</u>	

The Company has implemented a 10% Rolling Stock Option Plan whereby 10% of the issued shares will be reserved for issuance under the stock based compensation plan ("the Plan"). Under the Plan, the options that have been granted expire at the earlier of five years from the grant date, the date at which the Directors determine, or 60 days from the date on which the optionee ceases to be a director, officer, employee or consultant. The exercise price of the options granted under the Plan will not be less than that from time to time permitted under the rules of the stock exchange or exchanges on which the shares are then listed, which price reflects trading values at that time.

d) Stock option transactions

Three month period ended December 31, 2025

	<u>Number of options</u>	<u>Weighted average exercise price</u>
Balance, September 30, 2025	7,762,500	\$0.08
Expired	-	-
Issued	-	-
Balance, December 31, 2025	<u>7,762,500</u>	<u>\$0.08</u>

Year ended September 30, 2025

	<u>Number of options</u>	<u>Weighted average exercise price</u>
Balance, September 30, 2024	2,572,500	\$0.13
Expired	(710,000)	(\$0.06)
Issued November 2024	5,200,000	\$0.05
Issued July 2025	700,000	\$0.08
Balance, September 30, 2025	<u>7,762,500</u>	<u>\$0.08</u>

During the period subsequent to the date of these financial statements, no stock options were issued nor expired and none were exercised.

12. Income tax information

Flow through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures. During the three months ended December 31, 2024, the

CANEX Metals Inc.

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(Unaudited - Prepared by Management)

12. Income tax information (continued)

Company received \$302,002 from the issue of flow-through shares, of which \$75,500 was attributed to a premium over the fair value of the shares issued and recorded as a liability for accounting purposes. Of this premium, \$3,880 was subsequently recognized in income as the related expenditures were incurred, and \$71,620 remained outstanding at December 31, 2024. At September 30, 2025, all qualifying expenditures had been made and no further obligation remains under the terms of the flow through agreement. Funds raised in connection with the flow-through shares must be spent on qualified mineral exploration and are restricted to Canadian Exploration Expenditures as defined in the Canadian Income Tax Act. The expenditures are renounced in favor of investors subscribing for flow through shares and the amounts are not available to the Company for income tax purposes.

13. Financial instruments

The following summarizes the categories of the various financial instruments:

	December 31, 2025	September 30, 2025
	<u>Carrying Value</u>	
Financial Assets		
Financial asset measured at amortized cost:		
Cash	\$ 3,161,674	\$ 663,907
Accounts receivable	40	-
	<u>\$ 3,161,714</u>	<u>\$ 663,907</u>
Financial Liabilities		
Financial liabilities measured at amortized cost:		
Accounts payable and accrued liabilities	\$ 255,888	\$ 267,217

The above noted financial instruments are exclusive of any sales tax. The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US\$ denominated liabilities. At December 31, 2025, the Company had US\$26,789, (CAD\$36,716) in a US denominated bank account (September 30, 2025 - US\$5,358, (CAD\$7,465)). The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of \$3,672 (September 30, 2025 - \$747).

14. General and administrative

	December 31, 2025	December 31, 2024
Administrative consulting fees	\$ 154,450	\$ 51,888
Stock-based compensation (Note 15)	19,841	88,621
Occupancy costs	6,366	5,671
Office, secretarial, supplies and other	18,996	13,605
Travel and promotion	10,650	219
Insurance	3,343	3,458
Directors' fees	1,500	1,000
Computer network and website maintenance	716	631
	<u>\$ 215,862</u>	<u>\$ 165,093</u>

CANEX Metals Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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Three months ended December 31, 2025

(Unaudited - Prepared by Management)

15. Stock-based payment transactions

During the three month period ended December 31, 2025, the Company did not issue any options, but recognized stock-based compensation related to options that were issued in November 2024, that will continue to vest over the following 12 months.

During the three month period ended December 31, 2024, the Company issued 5,200,000 options that may be exercised at \$0.05 per share to November 25, 2029. The options vest one third on issue, one third on the first anniversary date and the remainder on the second anniversary date. Stock based compensation is recognized each quarter based upon the portion that vests during the period. Vested options were valued at \$71,000 and the remainder at \$142,000 using the Black-Scholes Options Pricing model assuming a 5-year term, volatility of 151.03%, a risk free discount rate of 3.18% and a dividend rate of 0%, on the grant date, November 25, 2024.

Subsequent to the three month period ended December 31, 2025, the Company issued 1,000,000 options that vest immediately and may be exercised at \$0.225 over the next 5 years. Further details of the issuance can be found in Note 19 – Subsequent events to these condensed interim consolidated financial statements.

16. Related party balances and transactions and key management remuneration

The Company is considered a related party to Jade Leader Corp. (“Jade Leader”) by virtue of common officers and directors. In addition, related parties include members of the Board of directors, officers and their close family members. Vector Resources Inc., a company controlled by Shane Ebert, President, and director of CANEX; 635280 Alberta Ltd., a company controlled by Jean Pierre Jutras, an officer and director of CANEX are also considered related parties. The Company incurred the following amounts charged to (by) related parties:

Three months ended:		December 31, 2025	December 31, 2024
Key management remuneration:			
President and director	a \$	(33,950)	\$ (25,807)
Corporate secretary	b	(16,530)	(16,305)
Directors' fees	d	(1,500)	(1,000)
	\$	<u>(51,980)</u>	<u>\$ (43,112)</u>

Three months ended:		December 31, 2025	December 31, 2024
Other related party transactions:			
Jade Leader			
Office rent and operating costs paid	e \$	(6,684)	\$ (5,671)
General, administrative and secretarial costs paid	e \$	(1,941)	(1,711)
635280 Alberta Ltd.			
Geological consulting services	f \$	(1,925)	\$ (613)

CANEX Metals Inc.

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(Expressed in Canadian Dollars)

Three months ended December 31, 2025

(Unaudited - Prepared by Management)

16. Related party balances and transactions and key management remuneration (continued)

The following amounts were receivable from or due to related parties at the respective period ends:

Balances Receivable (Payable)	December 31,		September	
	2025		30, 2025	
Consulting fees:				
President and director	a	\$ (12,863)	\$	(6,615)
Chief Financial Officer	c	\$ -	\$	(2,310)
635280 Alberta Ltd.	f	\$ (689)	\$	(1,240)
Office rent and operating costs:				
Jade Leader	e	\$ -	\$	-
General and administrative and secretarial costs:				
Directors Fees	d	\$ (1,500)	\$	(500)
Jade Leader	e	\$ (1,946)	\$	(998)
Corporate secretary	b	\$ (7,702)	\$	(5,985)
President and director	a	\$ (6,825)	\$	(525)

Management compensation payable to “key management personnel” during the respective three-month periods is reflected in the table above and consists of consulting fees paid to the President, and the Corporate Secretary and directors’ fees. Officers and directors are also compensated through the granting of options. More detail on options granted during the current and prior period is contained in Note 15 – Stock-based payment transactions.

- a) The President and director of the Company billed for consulting services that were either expensed or, when his services related directly to mineral property exploration, capitalized to exploration and evaluation assets.
- b) The Corporate Secretary provides services to the Company on a contract basis.
- c) The Chief financial officer provides services to the Company on a contract basis.
- d) The Company pays directors who are not officers of the Company \$500 for meeting attendance in person or by telephone. As at December 31, 2025, there are three directors who are not officers and the amounts above reflect directors’ fees paid or payable for meetings attended during the above-noted periods.
- e) Jade Leader incurred certain administrative expenses on the Company’s behalf that are subsequently billed to the Company on a quarterly basis. Further, the Company incurred certain administrative costs on behalf of Jade Leader that are billed on a quarterly basis. The Company has leased office space from Jade Leader since April 1, 2015. Jade Leader and the Company share two common officers and two common directors.
- f) During the three-month period ended December 31, 2025 and 2024, geological consulting services were provided by 635280 Alberta Ltd.

Related party transactions were measured at the amounts agreed to by the transacting parties.

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17. Supplemental disclosure statement of cash flows

Reconciliation of cash used in operating activities to operating loss:

Three months ended December 31,

	<u>2025</u>		<u>2024</u>
Operating loss	\$ (238,469)	\$	(178,334)
Stock based compensation	19,841		88,621
Accretion	214		1,141
Changes in assets and liabilities pertaining to operations:			
Accounts receivable	(4,555)		(3,934)
Prepaid expenses	5,718		2,813
Accounts payable and accrued liabilities	(10,963)		(12,418)
Cash used in operating activities	\$ (228,214)	\$	(102,111)

Reconciliation of cash expended on exploration and evaluation assets:

Three months ended December 31,

	<u>2025</u>		<u>2024</u>
Change in exploration assets	\$ 7,241	\$	(33,560)
Decommissioning asset	(227)		(8,950)
Changes in assets and liabilities pertaining to exploration and evaluation assets:			
Accounts receivable	-		(2,126)
Accounts payable and accrued liabilities	(350)		7,683
Cash expended on exploration and evaluation assets	\$ 6,664	\$	(36,953)

18. Segment disclosures

During the three-month periods ended December 31, 2025, and December 31, 2024, and the year ended September 30, 2025, the Company was only engaged in mineral exploration, and all exploration activities were undertaken in Canada and/or the United States. Activities undertaken in both countries were similar in nature. As at December 31, 2025, the value of non-current assets associated with United States operations is \$5,853,507 (September 30, 2025 - \$5,871,833) including exploration and evaluation asset advances and deposits of \$41,164 (September 30, 2025 - \$41,164) and exploration and evaluation assets of \$5,812,343 (September 30, 2025 - \$5,830,669). All remaining non-current assets are associated with Canadian operations. Consequently, segmented information is not presented in these financial statements. Refer to Note 8 – “Exploration and evaluation assets” for details of the carrying amounts of these assets at the respective period ends.

19. Subsequent events

On January 10, 2026, the Company issued 1,000,000 options that may be exercised at \$0.225 per share to January 10, 2031. The options vest immediately and were valued at \$206,200 using the Black-Scholes Options Pricing model assuming a 5-year term, volatility of 151.63%, a risk free discount rate of 2.92% and a dividend rate of 0%.

On January 29, 2026, the Company announced that more than 51% of the Gold Basin shares had been deposited under the CANEX Offer and the process for take-up and payment has been initiated after which CANEX will become the controlling shareholder. The Company had also announced the mandatory 10-day extension of the offer in accordance with Canadian Securities Law. Upon the final deadline on February 10, 2026, 73,026,822 Gold Basin common shares had been tendered representing 54.04% of issued and outstanding shares.

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19. Subsequent events (continued)

On February 12, 2026, the Company further announced that the Supreme Court of British Columbia ordered that an annual general meeting of the shareholders of Gold Basin Resources Corporation be held on March 16, 2026, where CANEX will nominate a slate of highly qualified and experienced directors to the board of Gold Basin, and whose election is assured by CANEX's majority position.

On February 19, 2026, the Company made the third required option payment on the Louise Property of \$50,000 by issuing 185,186 shares at a notional price of \$0.27 per share. In March 2024, the Company entered into an option agreement to acquire the Louise Cu-Au Porphyry Project in British Columbia, Canada for total consideration of \$775,000 in common shares of CANEX or cash. To date, \$85,000 of the total commitment has been retired by issuing common shares of the Company under the terms of the option agreement.

CANEX Metals Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2025

The following management discussion and analysis (MD&A) is management's assessment of the results and financial condition of CANEX Metals Inc. ("CANEX" or "the Company") for the three months ended December 31, 2025. The information included in this MD&A, with an effective date of February 24, 2026, should be read in conjunction with the condensed interim consolidated financial statements as at and for three months ended December 31, 2025, and related notes thereto. CANEX Metal's common shares trade on the TSX Venture Exchange under the symbol "CANX". The Company's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("SEDAR+") and can be accessed at www.sedarplus.ca.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards) as at and for the three months ended December 31, 2025. The Company has consistently applied the same accounting policies throughout all periods presented. The Company's accounting policies are provided in Note 3 "Material accounting policies" to the annual audited consolidated financial statements at September 30, 2025. All dollar amounts are in Canadian dollars, unless otherwise noted.

The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") for CANEX Metals' exploration projects in the following MD&A is Dr. Shane Ebert, P. Geo., a Professional Geologist, registered in the Province of British Columbia and the President and Director of CANEX Metals. The scientific and technical information concerning such properties contained herein has been reviewed by Dr. Ebert.

Statements and/or financial forecasts that are unaudited and not historical, including without limitation, exploration budgets, data regarding potential mineralization, exploration results and future plans and objectives, are to be regarded as forward-looking statements that are subject to risks and uncertainties that can cause actual results to differ materially from those anticipated. Such risks and uncertainties include risks related to the Company's business including but not limited to general market and economic conditions, limited operating history, continued industry and public acceptance, regulatory compliance, potential liability claims, additional capital requirements and uncertainty of obtaining additional financing and dependence on key personnel. Actual exploration and administrative expenditures can differ from budget due to unforeseen circumstances, changes in the marketplace that will cause suppliers' prices to change, and additional findings that will dictate that the exploration plan be altered to result in more or less work.

All forward-looking information is stated as of the effective date of this document and is subject to change after this date. There can be no assurance that forward-looking information will prove to be accurate and future events and actual results could differ materially from those anticipated.

1. Principal Business of the Company

CANEX Metals, including its wholly owned subsidiary, Canexco Inc. ("Canexco"), is engaged exclusively in the business of mineral exploration and development and, as the Company has no mining operations and no earnings there from, it is considered to be in the exploration stage. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the existence of economically recoverable mineral reserves; the acquisition and maintenance of appropriate permits, licenses and rights; the ability of the Company to obtain financing to complete the development of the mineral properties where necessary and upon future profitable production; or, alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The Company's philosophy is to acquire projects at the grass roots level and advance them to a point where partners can be brought in to further the properties to the stage where a mine is commercially feasible, or the property can be sold outright.

The Company has no operating income and no earnings; exploration and operating activities are financed by the sale of common shares. None of the Company's mineral properties are in production. Consequently, the Company's net income is a limited indicator of its performance and potential.

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2. Highlights

- CANEX prevails in proxy battle for control of Gold Basin
- On February 12, 2026, the Company announced that the Supreme Court of British Columbia ordered that the annual general meeting of the shareholders of Gold Basin Resources Corporation be held on March 16, 2026, where CANEX will nominate a slate of highly qualified and experienced directors to the board of Gold Basin, and whose election is assured by CANEX's majority position.
- On January 29, 2026, CANEX announced that it had satisfied the statutory minimum tender requirements for its offer to acquire all of the issued and outstanding common shares of Gold Basin Resources Corporation ("Gold Basin") and is proceeding to take-up and pay for shares tendered under the offer. Following the take up CANEX will become the controlling shareholder of Gold Basin and will address and rectify regulatory deficiencies, install a new board of directors, settle debts and lawsuits, and work to facilitate a Subsequent Acquisition Transaction (as defined in the Original Offer and Circular) and then work to unlock the potential of the consolidated Arizona district.
- On December 23, 2025, The Company announced the closing of a non-brokered common share private placement. Under the terms of the financing CANEX issued 20,000,000 common shares at \$0.15 per share for total gross proceeds of \$3,000,000. The offering, resulted in a new insider, Eric Fier, acquiring 10% of the Company. Proceeds will be used to advance the district consolidation opportunity, for exploration at the Company's Gold Range and Louise projects and for general working capital.
- On February 19, 2026, the Company made the third in a series of required annual option payments for the Louise Cu-Au porphyry deposit in British Columbia by issuing 185,186 common shares of the company at a notional price of \$0.27 for total consideration of \$50,000. To date \$85,000 of the total \$775,000 acquisition obligation has been retired.
- In conjunction with the Company's response to Gold Basin directors' circular, on October 27, 2025, CANEX published an independent technical report for the Gold Range Project. The report is posted on the Company's website and under the Company's profile on SEDAR+. Interested parties should read the report in its entirety. The independent qualified author concludes that *"The Gold Range project presents a compelling exploration opportunity within a well understood geological framework and deposit model. The evidence supports a structurally controlled, multi-episodic mineralizing system with the potential to host both high-grade vein-hosted and bulk-tonnage oxide gold resources. Continued exploration is warranted and should focus on expanding known zones drill testing structural intersections and alteration halos and advancing regional targeting within the broader Gold Basin District"*.
- On August 28, 2025, the Company formally commenced its offer to acquire all of the issued and outstanding common shares of Gold Basin by way of a take-over bid. The offer was originally open for acceptance until December 12, 2025, but has been extended several times to accommodate Gold Basin shareholders who experienced difficulties in the tender process as Gold Basin has no transfer agent. The offer provided Gold Basin shareholders with 0.592 of a common share in the capital of CANEX in exchange for each Gold Basin share.
- On July 31, 2025, the Company announced that based on the geophysical survey recently completed over the Louise Copper-Gold Porphyry Project (Louise Project or Louise) in BC, two new previously unknown high chargeability targets have been identified west and below the historic Louise Project deposit. The Company continues to study the results and will determine next steps to advance this discovery.

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- To consolidate the Company's land position for the Louise Project on June 12, 2025, CANEX applied to stake 4.8 kilometers of additional strike length along the western projection of the geophysical trend. On July 29, 2025, the Company entered into a claim purchase agreement on three claims that sit internal to the Louise claim block for total consideration of 400,000 CANEX shares. The Vendor retains a 1% net smelter return royalty which can be bought back by CANEX for \$500,000. In addition, on July 30, 2025, CANEX applied to stake 2.5 kilometres of additional strike length along the eastern projection of the geophysical trend.
- On June 26, 2025, the Company closed a non-brokered private placement for 23,636,380 common shares at \$0.055 per share for gross proceeds of \$1,300,001. No commissions were paid, and the shares are subject to a four month hold period. Insiders purchased a total of 1,139,054 shares in connection with the private placement. Proceeds will be used to advance the consolidation process at the Gold Range property, exploration at Gold Range and Louise Projects and for general working capital.
- On June 9, 2025, the Company announced its intention to make a formal offer to acquire all of the issued and outstanding shares of Gold Basin Resources Corporation (Gold Basin) in exchange for shares in CANEX. The transaction is notionally valued at \$5.52 million and is subject to obtaining necessary regulatory approvals. Gold Basin holds assets that are directly adjacent to and on trend with the CANEX Gold Range Property.

3. Mineral Properties

Gold Range Property, Arizona, USA

The Gold Range Property is in Northern Arizona within an area that has seen historic lode and placer gold production but limited modern gold exploration. CANEX first became interested in the Gold Range property in 2019, following the discovery of a quartz vein containing abundant visible gold by a local prospector in an area termed the Discovery Zone. Subsequent mapping and soil and rock sampling identified a 1000-metre-long linear trend of historic workings and exposed quartz veins centered around the Adit zone. Additional programs of surface sampling, mapping, trenching, airborne magnetic and lidar surveying, along with reverse circulation drilling have resulted in further expansion of the claim holdings and the recognition of a 4-kilometre-long mineralized corridor stretching from the Eldorado to Excelsior to WestGold Zones.

As of December 31, 2025, the Gold Range Property consists of 261 lode mining claims and 2 patented claims and is approximately 1650 hectares in size. The Company has drilled 15,412 metres in 138 holes and defined bulk tonnage oxide mineralization at the Excelsior, Eldorado, Malco, Central, and WestGold Zones. The oxide gold zones extend to surface and positive bottle roll metallurgical test work suggests mineralization is amenable to low cost heap leach extraction.

On June 9, 2025, the Company announced its intention to make a takeover bid to acquire all of the outstanding shares of Gold Basin in exchange for shares in CANEX. On August 19, 2025, CANEX received partial revocation of the cease trade order imposed on Gold Basin by the British Columbia Securities Commission allowing CANEX to proceed with making the bid and on August 28, 2025, CANEX filed the Offer and Take-over Bid Circular for Gold Basin and formally commenced the take-over bid. The offer provides Gold Basin shareholders with 0.592 of a common share in the capital of CANEX in exchange for each Gold Basin share held by such shareholders and was open for acceptance until December 12, 2025. Several extensions were announced to allow Gold Basin shareholders who had difficulty with the process due to the lack of a Gold Basin transfer agent to tender to the offer. On January 29, 2026, CANEX announced that it had satisfied the statutory minimum tender requirement for its offer to acquire all of the issued and outstanding common shares of Gold Basin, had waived all remaining conditions to the offer, and was proceeding to take-up and pay for the tendered shares. Following the share take-up CANEX will become the controlling shareholder of Gold Basin and will take the required steps needed to complete consolidation and begin work to unlock the potential of the oxide-gold district in northern

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Arizona. The proposed combination of the two companies would consolidate a large oxide gold camp in Northern Arizona.

Over the past five years CANEX has been advancing its Gold Range property, making new gold discoveries and drill defining gold zones along a 4.0 kilometer mineralized trend that continues onto Gold Basin's claims and is the longest defined gold trend in the district, extending at least 6.5 kilometres across both properties. To support the takeover offer, CANEX commissioned an independent third party evaluation of the Gold Range project which was published on October 27, 2025. The report provides a review of this project, highlighting the history, geology and exploration results completed to date. The independent qualified author concludes that *"The Gold Range project presents a compelling exploration opportunity within a well understood geological framework and deposit model. The evidence supports a structurally controlled, multi-episodic mineralizing system with the potential to host both high-grade vein-hosted and bulk-tonnage oxide gold resources. Continued exploration is warranted and should focus on expanding known zones drill testing structural intersections and alteration halos and advancing regional targeting within the broader Gold Basin District"*. The report is available on the CANEX website at www.canexmetals.ca and under the Company's profile on SEDAR+ at sedarplus.ca.

During 2024 the Company successfully obtained a permit amendment to allow for drill testing of the new WestGold discovery, and the permits allows for an additional 34 pads located across the property. In March 2024 CANEX completed a field program focusing on refining drill targets in the WestGold area.

Highlights from the March 2024 surface exploration project at the Gold Range Project in Arizona include collecting 151 surface rock and soil samples, detailed mapping at the significantly expanded WestGold target and three new zones have been identified where assays from all three zones have returned high-grade gold mineralization. Areas of particular interest include:

- Surface chip sampling in the eastern part of the Gold Range property returned 19.4 g/t gold over 3 metres in a zone that has never been drill tested.
- A new zone of high-grade mineralization was identified 300 metres north of the Excelsior deposit, in the east-central part of the property, returning 11.2 g/t gold from a grab sample.
- A new zone of quartz veining and gold mineralization was discovered in the west-central part of the Gold Range property with a grab sample from a poorly exposed area returning 5.05 g/t gold.
- Grab samples of quartz veins in the WestGold area have returned grades up to 6.67 g/t gold and mineralized halos surrounding larger quartz veins have returned 0.97 g/t over 2 metres and 0.66 g/t gold over 3 metres in chip samples, confirming the presence of bulk tonnage targets at the zone.

Mapping has expanded the exploration target at WestGold to an area 800 metres by 400 metres and WestGold is now the largest exploration target on the Gold Range property. The zone is fully permitted, and drill testing can commence as markets strengthen.

On February 24, 2024, the Company completed an option agreement and acquired 100% ownership in the Never Get Left Prospect claim by making the final option payment of \$US30,000 (\$CAD40,581). Under the terms of the agreement the optionor will retain a 2% NSR. Canexco can purchase half (1%) of the NSR for \$US500,000 and the remaining half (1%) for an additional \$US500,000.

Prior period drilling highlights from across the Gold Range Property include:

- Hole GR21-57: 1.0 g/t gold over 59.45 metres (Excelsior)
- Hole GR21-37: 1.6 g/t gold over 35.1 metres (Excelsior)
- Hole GR21-46: 2.2 g/t gold over 18.3 metres (Excelsior)
- Hole GR22-82: 9.7 g/t gold over 1.5 metres (Excelsior)
- Hole GR22-90: 1.2 g/t gold over 12.19 metres (Excelsior)
- Hole GR23-131: 4.1 g/t gold over 6.1 metres (Excelsior)
- Hole GR22-97: 1.4 g/t gold over 6.1 metres (East of Excelsior)
- Hole Gr23-127: 2.3 g/t gold over 3.1 metres (East of Excelsior)

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Hole GR22-91: 0.6 g/t gold over 27.44 metres (Central)
Hole GR22-110: 1.1 g/t gold over 27.4 metres (Shaft)
Hole GR21-25: 1.3 g/t gold over 21.3 metres (Eldorado)
Hole GR20-4: 10 g/t gold over 1.5 metres (Eldorado)
Hole GR23-118: 0.2 g/t gold over 54.9 metres (WestGold)
Hole GR23-120: 0.7 g/t gold over 35 metres (WestGold)

During 2023 the Company completed surface exploration programs at Gold Range, a LiDar and air photo survey, and drill tested three new target areas defined previously, including WestGold, the zones parallel to Excelsior, and the new Shaft discovery. The WestGold target contains the largest and highest-grade gold in soil anomaly defined on the Gold Range property to date and the Company's drill test of that target has resulted in a new and potentially very significant gold discovery that continues to be an important focus for the Company.

On November 29, 2023, the Company and its 100% owned Arizona subsidiary Canexco Inc. announced the completion of the Excelsior Mine Property 100% purchase as defined in the Amended Excelsior Mine Property Option Agreement. Under the amended agreement CANEX earned a 100% interest in the Excelsior Mine Property in exchange for issuing 8,694,170 CANEX shares and paying US\$120,000 (CAD\$166,058) in cash. The Vendors will retain a 1.5% NSR and CANEX retains a right of first refusal on the sale of the royalty. In addition, until August 31, 2030, should the Company be subject to any event that would impact the creditors rights that is not cured in 30 days, they will deliver the mine property back to the Vendor under the reversion clause of the agreement. The Excelsior Mine Property consists of 11 lode mining claims and 2 patented mining claims covering 3 past producing historic gold mines located within the Company's larger Gold Range Project in Arizona. CANEX has drilled 72 holes into the main Excelsior deposit, defining a moderately dipping gold mineralized zone up to 400 meters long by 20 to 60 metres wide, that has been traced at least 100 metres down dip.

Operational highlights for the last eight quarters:

- CANEX achieves the statutory minimum tender requirement for its offer for Gold Basin and begins the process to take-up shares tendered to the offer – January 2026
- The Company released an independent technical report commissioned to review the Company's Gold Range project and the broader Gold Basin District. Report indicates further exploration is warranted – October 2025
- The Company files offer and takeover bid circular for Gold Basin and formally commences takeover bid – August 2025
- CANEX receives partial revocation of cease trade order imposed on Gold Basin by the British Columbia Securities Commission allowing CANEX to proceed with making a takeover bid of Gold Basin – August 2025
- The Company announces intention to make a takeover bid to acquire all of the outstanding shares of Gold Basin Resources – June 2025
- Field mapping and soil sampling identified 3 new zones in WestGold – March 2024
- The Company acquires 100% ownership in the Never Get Left Claim – February 2024
- Amended exploration permit received – March 2024

The gross costs and impairments recorded for the Gold Range Property at December 31, 2025, are \$5,812,343 and \$nil, respectively (September 30, 2025 - \$5,830,669 and \$nil).

Louise Cu-Au Porphyry Project, British Columbia

In March 2024, the Company entered into an option agreement, with no spending requirements, to earn a 100% interest in the Louise Project subject to certain scheduled option payments. The project offers a low-risk, high value opportunity with untested discovery potential that can be advanced as market conditions allow. The property is located approximately 35 kilometres west of Smithers, in west central British

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Columbia, it is road accessible and previous drilling has returned strong copper and gold grades including 0.41% copper and 0.40 g/t gold over 158 metres and several holes indicating increasing grades with depth.

During 2024, in conjunction with signing the agreement, CANEX advanced \$8,733 to the optionor to stake certain claims that are contained within the 5,362.94 hectare optioned property and subject to the terms of the agreement. Remaining obligations under the option agreement are discussed below in Section 7 a), Contractual Obligations.

The Company assembled and analyzed the historic data for the Louise Project and announced the results of this work on September 24, 2024. Highlights included:

- Historic drilling has identified a mineralized zone that is 1000 metres long by 400 metres wide and currently extends to a depth of approximately 300 metres.
- Strong copper and gold grades occur in the system highlighted by hole LL04-03 which returned an interval of 158 metres grading 0.41% copper and 0.40 g/t gold starting at 53.5 metres downhole.
- Past work largely focused in and around the original surface discovery area and only extends to about 300 metres deep, with some drill holes ending in mineralization.
- Data suggests potential for a copper and gold target below and lateral to the existing resource.

To better understand the district scale potential of this porphyry system, CANEX proposed a deep looking induced polarization (IP) survey that can potentially look up to 1000 metres deep and extend that survey across 6 to 7 kilometres of strike length.

During November 2024, CANEX closed, in two tranches, a non-brokered financing, as discussed in 2) Highlights, 4) Operating results and 5) Liquidity and Capital Resources, to fund this project. FT share proceeds of \$302,002 were used for general exploration expenditures at the Louise Project which constituted Canadian Exploration Expenses within the meaning of subsection 66.1(6) of the Income Tax Act (Canada) (the "Tax Act"), that qualify as "critical mineral flow through mining expenditures" within the meaning of the Tax Act. During year ended September 30, 2025, the Company incurred the required \$302,002 of qualifying expenditures through a geophysical survey and there are no remaining commitments under the Tax Act.

On December 10th, 2024, CANEX announced receipt of an exploration permit for the Louise Cu-Au porphyry project in British Columbia allowing the Company to conduct surface geophysical surveying over the target area.

During May and June 2025, Simcoe Geoscience conducted a geophysical survey at the Louise Project using their Alpha IPTM wireless time domain distributed induced polarization technology. A total of 36.9 line kilometres on nine lines were surveyed; each line was 4100 metres long and spaced 400 metres apart. The survey used a 100-metre dipole spacing with a dipole-pole-dipole (reverse & forward) configuration enabling double data density to be acquired providing high definition and resolution.

A new and previously unknown chargeability target has been identified two kilometres west of the historic Louise deposit and has been named the West Louise Target. In addition, a steeply dipping zone of high chargeability has been identified below and to the north of the historic Louise deposit and has been termed the Louise Deep Target. The Louise Deep Target is interpreted to have potential to host the mineralized roots of the historic Louise system and shows continuity to roughly 1000 metres below surface, the limit of the geophysical survey. Neither the West Louise nor Louise Deep targets have been drill-tested previously.

Highlights:

- The West Louise Target is located two kilometres west of the historic Louise resource and correlates with a low-level surface Cu-Mo-Au-As geochemical anomaly in a flat area covered by glacial till.
- The West Louise Target is defined by chargeability values from 15 to >20 mV/V over an area 600 metres wide by 400 to 500 metres deep and extending at least 800 meters along strike, with the

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anomaly remaining open to the west. The anomaly comes to surface on line 1E and starts around 150m below surface on line 2E.

- The West Louise Target contains similar chargeability and resistivity values as the historic Louise deposit and has never been identified or drill tested previously. The target could represent a new porphyry centre with potential to host copper-gold mineralization similar to that at the Louise deposit.
- The Louise Deep Target contains a sub vertical zone of high chargeability located below and immediately north of the Louise deposit. This target is 700 metres wide and extends to 1000 metres below surface, the depth limit of the geophysical survey. This target could be the conceptual “main body” of the Louise Project that is partially offset from the resource area along the Terminator Fault. Identifying this target was a key objective of the survey.
- CANEX has purchased three small claims located internal to the Louise claim block by issuing 400,000 shares to the vendor. In addition, CANEX has staked a further 4.8 kilometres of strike length along the western projection and 2.5 kilometres of strike length along the eastern projection of the geophysical trend.

The gross costs and impairments recorded for the Louise Project at December 31, 2025, are \$477,345 and \$nil, respectively. (September 30, 2025 - \$466,261 and \$nil).

Gibson Prospect, British Columbia

In 2017 the Company entered into an option agreement with owner Altius Resource Inc. (“Altius”) to acquire a 100% interest in the Gibson property located in central British Columbia, approximately 95 kilometres northwest of Fort St. James. The Company conducted surface mapping and sampling, trenching, and drilled 10 holes into the Gibson property in 2017 and 2018.

This work resulted in strong precious metal results including:

Hole G18-01: 0.81 g/t gold and 40 g/t silver over 31.5 metres from 33.5 metres depth
Trench 1: 1.6 g/t gold and 175 g/t silver over 12.0 metres
Hole G18-01: 3.7 g/t gold and 321 g/t silver over 2.5 metres from 54 metres depth
Hole G18-01: 11.9 g/t gold and 301 g/t silver over 1.0 metres from 64 metres depth
Hole G18-03: 2.7 g/t gold and 872g/t silver over 0.5 metres from 19 metres depth

The Company has identified promising precious metal potential at Gibson and the mineralized zone remains open in all directions under shallow cover.

During the year ended September 30, 2021, the Company determined that further exploration on this property, would no longer be a priority unless a third-party partner could be found to further advance the exploration program; however, the Company continues to hold claims which expire in January 2029. Accordingly, the Company recorded an impairment of the full amount of exploration expenditures to September 30, 2021. In August 2024, the Company received a further extension to meet its minimum exploration expenditures to December 31, 2026. All other terms of the option agreement remain unchanged. For more information, refer to Section 7 b), Contractual Obligations below.

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Operating results

A summarized statement of operations appears below to assist in the discussion that follows:

Three months ended, December 31	2025	2024
General and administrative	\$ 215,862	\$ 165,093
Reporting to shareholders	12,728	4,806
Professional fees	4,841	4,413
Stock exchange and transfer agent fees	4,824	2,881
Accretion	214	1,141
Interest and other (income)	(7,624)	(1,124)
Realization of flow through premium liability	-	(3,880)
(Gain) loss on short-term investments	-	10,347
Net and comprehensive loss	\$ 230,845	\$ 183,677

The most significant changes in expenditure follow:

- Variances in general and administrative expenditures and professional fees are examined in further detail in the chart below.
- Reporting to shareholders' expenditures during the three months ended December 31, 2025, and 2024, include fees for filing the annual audited financial statements. The increase for three months ended December 31, 2025, relates to the timing of the AGM. The most recent was held in the current quarter October 30, 2025, and the previous year was held in the fourth quarter of 2025.
- Stock exchange and transfer agent fees relate to the Company's equity and the fees charged to maintain the company's shareholder list and fees paid to the TSXV. The amount is influenced by the value of the equity, number of transactions and number of shares outstanding as well as activity in the company that requires exchange approval. Costs incurred during three months ended December 31, 2025, were higher than the comparative period in 2024 as additional costs were incurred for filing fees on the equity issue that closed in the current quarter.
- Accretion, when material is recorded on a quarterly basis. Changes in interest rates, inflation or the magnitude of anticipated future reclamation costs will influence the recording of the estimated expense.
- Interest and other income include interest earned from a high interest savings account and foreign exchange gains and losses incurred on US\$ denominated transactions. The variance between the current and comparative periods relates to higher and lower bank balances and higher and lower interest rates during the comparative periods as well as a gain of \$9.5k on the sale of equipment that is no longer required for use at the Gold Range Property in Arizona.
- Realization of flow through premium liability relates to the tax benefit renounced to shareholders on the issuance of flow-through common shares (FT shares). During the year ended September 30, 2025, the Company issued FT shares and determined the premium to market on the issue to be \$75,500. This amount was recorded as a liability until such time as the qualifying expenditures were made on the Louise project. The amount is amortized to earnings in proportion to the qualifying exploration expenditures made during the period. At December 31, 2025, all obligations had been previously satisfied and fully amortized. At December 31, 2024, \$15,530 in critical mineral flow through mining expenditures within the meaning of the Income Tax Act (Canada) were made and \$3,880 of the liability was recognized in earnings.
- Prior to three months ended December 31, 2025, the remaining shares in Homeland Nickel Inc were sold and no short term investments remain. During the three months ended December 31, 2024, the Company recognized an unrealized loss of \$10,345 on the mark to market valuation of then outstanding, short-term investments.

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General and administrative expenses

Three months ended December 31,	2025	2024
Administrative consulting fees	\$ 154,450	\$ 51,888
Share based compensation	19,841	88,621
Occupancy costs	6,366	5,671
Office, secretarial and supplies	18,996	13,605
Travel and promotion	10,650	219
Insurance	3,343	3,458
Directors' fees	1,500	1,000
Computer network and website maintenance	716	631
Total	\$ 215,862	\$ 165,093

- Administrative consulting fees, which consist of fees for the controller, geological consulting, and services provided by other consultants, have significantly increased for the three months ended December 31, 2025, compared to December 31, 2024. The Company is actively advancing the Louise Project and working on the expansion of the Gold Range Project through a takeover bid. The President and a geological consultant have increased their billable time during the three months ended December 31, 2025, to evaluate and make recommendations for exploiting these opportunities.
- Stock-based compensation relates to the recognition of the value, vesting over time, of certain options issued during the period and any issued in prior periods. During the three months ended December 31, 2025, the Company did not issue any options and the amount above relates to options issued in prior periods that vest over time. During the three months ended December 31, 2024, the Company granted, pursuant to its stock option plan, a total of 5,200,000 incentive stock options to existing directors, officers, and consultants of the Company. The options are exercisable at a price of \$0.05 per share for five years, with a portion vesting immediately and the remaining vesting over a two year period. These incentive options replace 3,285,000 options that expired during 2024. Vested options were valued at \$71,000 and the remainder at \$142,000 using the Black-Scholes Options Pricing model assuming a 5-year term, volatility of 151.03%, a risk free discount rate of 3.18% and a dividend rate of 0%.
- Occupancy costs are slightly higher, period over period, due to an increase in the base rate that came into effect on September 1, 2025, in conjunction with the renewal of the rental agreement for a further 12 month period. Base rent has increased by \$243 to \$2,228 per month, a 12% increase over the previous term.
- Office and secretarial fees, which relate primarily to contract administrative services and office supplies, have increased for the three month period ended December 31, 2025, consistent with more activity in the Company during this period compared to the prior period. Issuing shares and advancing the takeover offer for Gold Basis were activities that contributed significantly to the increase.
- Travel and promotion costs have also increase in the three months ended December 31, 2025, relating to corporate travel associated with promoting the equity issue during the period and advancing the takeover offer for Gold Basin.
- The Company pays directors who are not officers of the Company \$500 for meeting attendance. There are currently three directors who are not officers and the amounts above reflect the directors' fees paid or payable for meetings attended during the above-noted periods.

Professional fees

Three months ended December 31,	2025	2024
Audit and accounting	\$ 3,381	\$ 3,292
Legal and filing fees	1,460	1,121
Total professional fees	\$ 4,841	\$ 4,413

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The following summarizes the components of professional fees included in the statement of net and comprehensive loss:

- Accounting fees incurred during the current and comparative three months ended December 31, 2025, include costs associated with the annual filing of the US tax returns for Canexco.
- Legal fees relate to fees charged for filing news releases and general corporate matters and are higher during 2025 compared to 2024 due to the increased activity in the Company and the need to obtain associated legal advice.

5. Liquidity and Capital Resources

The Company's working capital position at December 31, 2025, was \$3,014,407 (September 30, 2025 - \$506,487), an improvement of \$2,507,920. Significant changes to working capital are discussed below:

- The Company used \$228,214 to cover the cost of operations during the three months ended December 31, 2025, compared to \$102,111 for the comparative period 2024. The variances are consistent with the factors described in Section 4) Operating results.
- During the three months ended December 31, 2025, the Company invested \$263,917 of cash in exploration and evaluation activities. Of this, \$270,581 related to the costs associated with the takeover bid of Gold Basin. The remainder relates to the sale of superfluous equipment at the Gold Range, Excelsior Mine Property, geological consulting at the Louise Project and changes in working capital. During the three months ended December 31, 2024, the Company invested \$37,953 of cash in exploration and evaluation activities. Of this, \$28,130 was spent on the Louise project for geological consulting and analysis as well as First Nations consultation. \$8,823 related to exploration and acquisition at the Gold Range Property, Arizona, USA, \$1,000 was a deposit required by the Government of BC in conjunction with approval to undertake exploration activities on the Louise project and changes in working capital for the period. See Note 8 - "Exploration and evaluation assets" of the condensed interim consolidated financial statements at December 31, 2025, which accompany this document and Section 3) "Mineral properties" for more information.
- During the three months ended December 31, 2025, the Company received \$3,000,000 as proceeds on a non-brokered private placement share issuance and incurred \$17,724 in share issuance costs. During the three months ended December 31, 2024, the Company received \$437,002 as proceeds on a non-brokered private placement share issuance and incurred \$9,236 in share issuance costs.

The Company is continually investigating financing options. The continuing operations of the Company are dependent upon its ability to obtain adequate financing or to commence profitable operations in the future. The Company feels that it has sufficient working capital to finance general and administration, other operating expenses, and current activities at the properties for approximately the next full year. However, increases in activity levels, new property acquisitions, and any additional exploration on its mineral properties will require additional financing. There can be no assurance that the Company will be successful in obtaining financing. Refer to Note 1 "Nature of operations and continuance of operations" to the condensed interim consolidated financial statements at December 31, 2025, that accompany this document.

6. Financing

Three months ended December 31, 2025

On December 23, 2025, the Company announced the closing of a non-brokered private placement of 20,000,000 common shares for gross proceeds of \$3,000,000. The shares were issued at \$0.15 per share and are subject to a hold period of four months plus one day from the date of closing. No commissions were paid on the transaction, and insiders purchased a total of 670,147 common shares.

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Three months ended December 31, 2024

During October 2024, the Company announced an equity financing for cash that closed in two tranches, November 14 and November 25, 2024. The non-brokered private placement consisted of 3,000,000 common shares and 5,033,365 flow through common shares for gross proceeds of \$437,002. Common shares were offered at \$0.045 per share and the flow through common shares were offered at \$0.06 per share. The tax benefit of the flow through common shares, renounced to shareholders, was determined to be \$75,500 and recorded as a current liability which was amortized through earnings as the critical mineral flow through mining expenditures were incurred.

7. Contractual Obligations

a) On March 5, 2024, the Company announced it had signed an Option Agreement to acquire a 100% interest in the Louise Project located in west central British Columbia. The agreement was signed on March 1, 2024, and received Exchange approval on April 9, 2024.

The remaining commitments are as follows:

	<u>Shares or Cash</u>
Upon regulatory approval	\$10,000
March 1, 2025	\$25,000
March 1, 2026	\$50,000
March 1, 2027	\$90,000
March 1, 2028	\$200,000
March 1, 2029	\$400,000
Total commitment	<u>\$775,000</u>
Payments made in shares or cash	<u>(\$85,000)</u>
Total remaining commitment	<u>\$690,000</u>

On February 19, 2026, the third option payment of \$50,000 for the Louise Project was made by issuing 185,186 common shares of the Company at a notional price of \$0.27 per common share. Under the terms of the Option agreement dated March 1, 2024, the number of shares issued was calculated using the volume-weighted average ("VWAP") trading price on the exchange for the 30 trading days ending five trading days prior to the issuance of shares. As the VWAP fell below \$0.05 per share, the difference in value between the calculation and \$0.05 per share was paid in cash. On February 25, 2025, the second option payment of \$25,000 for the Louise Project was made by issuing 500,000 common shares of the Company and making a cash payment of \$3,500. On April 9, 2024, the Company made the first option payment of \$10,000 by issuing 200,000 shares at a notional price of \$0.05 per share. The transaction was valued at \$14,000 based upon the closing trading price of the shares on the payment date. In addition, there is a milestone bonus in shares or cash if CANEX drills over 4250 metres of core, and a second milestone bonus of \$50,000 in shares or cash if CANEX publishes a resource estimate with greater than 1.5 million contained ounces of gold. The Optionor will retain a NSR of 2.5% of which 1% can be purchased by CANEX for \$1.5 million.

On July 29, 2025, the Company acquired a 100% interest in three small claims located internal to the Louise Cu-Au Porphyry Project by issuing 400,000 common shares to the Vendor. The shares are subject to a hold period of four months and a day from the date of regulatory approval. The Vendor retains a net smelter royalty of 1% which can be purchased by the Company at any time for \$500,000.

b) On April 4, 2017, the Company announced it had signed a Letter of intent to acquire a 100% interest in the Gibson property from Altius Resources Inc. ("Altius"). Gibson is 887 Ha in size and located in central British Columbia. The purchase agreement was executed on May 12, 2017, and received Exchange approval on May 17, 2017.

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The remaining commitments of the agreement are as follows:

	<u>Altius</u>	
	Share issues	Minimum Exploration Expenditures*
		(\$)
Expenditure commitment, on or before December 31, 2025	-	500,000
Following the completion of the Expenditure Commitment	1,240,000	-
Total remaining commitment	<u>1,240,000</u>	<u>500,000</u>

* as at December 31, 2025, the Company has incurred exploration expenditures of \$293,500

In addition, Altius will retain a right to purchase an underlying 1.5% NSR and preferential rights on any future royalties or streams granted on the Property. If the Company achieves measured and indicated mineral resources in excess of 1 million gold equivalent ounces, a Milestone Payment of 1,275,000 shares will be issued to Altius. Altius will have a pro rata right to participate in future equity financings of the Company for two years.

Pursuant to the Underlying Agreement, Steven Scott is also entitled to the additional milestone bonuses of 1) \$25,000 in cash or securities upon a Bankable Feasibility Study; and 2) \$50,000 in cash or securities upon Commercial Production. The agreement has been amended to allow the Company to meet minimum exploration expenditures by December 31, 2026. All other terms of the agreement remain unchanged.

c) Other commitments remaining on 100% owned property are as follows:

<u>Optionor</u>	<u>Property</u>	<u>Commitment</u>	<u>Buy-out</u>
Gieske	Gold Range Property	2% NSR	\$500k first 1%, \$1M 2 nd 1%
Onyx	Never Get Left Claim	2% NSR	\$500k first 1%, \$500k 2 nd 1%
Silmar of Arizona	Excelsior Claim	1.5% NSR	Right of First Refusal on Sale

In addition to the above, CANEX has committed to a reversion agreement to August 30, 2030, on the Excelsior Claim, whereby the Company, if subject to any event that would impact the optionors rights, if not cured in 30 days, would deliver the property back to the Optionor.

8. Exploration Expenditures

Refer to "Exploration and evaluation assets," Note 8 to the condensed interim consolidated financial statements as at December 31, 2025.

9. Off-Balance Sheet Transactions

There are no off-balance sheet transactions to report.

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10. Selected Quarterly Financial Information

The following selected financial data has been extracted from the unaudited interim consolidated financial statements for the fiscal periods indicated and should be read in conjunction with those unaudited financial statements.

Three months ended	Dec 31 2025 (Q1 2026)	Sept 30 2025 (Q4 2025)	June 30 2025 (Q3 2025)	Mar 31 2025 (Q2 2025)	Dec 31 2024 (Q1 2025)	Sep 30 2024 (Q4 2024)	Jun 30 2024 (Q3 2024)	Mar 31 2024 (Q2 2024)
	\$	\$	\$	\$	\$	\$	\$	\$
Loss before impairment of exploration and evaluation assets	(238,469)	(234,012)	(124,787)	(60,394)	(178,334)	(92,456)	(45,782)	(63,929)
Impairment of exploration and evaluation assets	-	-	-	-	-	-	-	-
Operating loss	(238,469)	(234,012)	(124,787)	(60,394)	(178,334)	(92,456)	(45,782)	(63,929)
Interest and other income	7,624	2,778	500	637	1,124	1,764	2,281	2,307
Gain (loss) on short-term investments	-	-	-	30,518	(10,347)	(10,345)	(15,517)	(31,035)
Realization of flow through premium liability	-	-	69,290	2,330	3,880	-	-	-
Comprehensive profit (loss)	(230,845)	(231,234)	(54,997)	(26,909)	(183,677)	(101,037)	(59,018)	(92,657)
Basic and diluted earnings (loss) per share	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Generally, the most significant influence on the variability of profit or loss is the amount of stock-based compensation, the amount of exploration and evaluation asset impairments or recoveries, and gains or losses on short-term investments. Options issued during Q1 2025 and Q4 2025 negatively impacted earnings for the quarter without impacting cashflow. Impacting the current quarter, Q1 2026, as well as Q4 and Q3 2025, the Company has undertaken two significant projects to advance the Louise Project and Gold Range properties. The result is an increase in general and administrative expenses related to consulting fees for the President, outside geological support and corporate secretarial services as well as increases in audit and accounting fees.

The timing of the impairments and gains on sale of the Company's exploration and evaluation assets cannot be predicted in advance and will vary from one reporting period to the next. As a result, there may be dramatic changes in the financial results and balance sheet position reported by the Company on a period-by-period basis.

Interest and other reflect foreign exchange gains and losses incurred on a US dollar denominated bank account held by the Company to conduct its business in the United States as well as interest earned on bank balances during the period.

Occasionally the Company receives common shares in publicly traded Companies as partial consideration for the sale of mineral property interests. The sale of Homeland Nickel Inc common shares during Q2 2025 positively impacted earnings in that periods when the sale proceeds net of the cost of the shares and the reversal of prior period valuation losses resulted in a gain on the sale of these securities.

The Company's improved working capital position is the result of the equity issues in Q1 2026, Q3 2025 and Q1 2025.

11. Directors and Officers

Shane Ebert	<i>Director and President</i>	Gregory Hanks	<i>Director</i>
Jean Pierre Jutras	<i>Director and Vice-President</i>	Lesley Hayes	<i>Director</i>
Barbara O'Neill	<i>Corporate Secretary</i>	Blair Schultz	<i>Director</i>
Chantelle Collins	<i>Chief Financial Officer</i>		

12. Related Party Transactions and Key Management Remuneration

Related party transactions for the three months ended December 31, 2025, and 2024, are disclosed and explained in Note 16 to the condensed interim consolidated financial statements as at December 31, 2025, that accompany this MD&A.

13. Share Capital and Equity Reserves

Refer to Note 11 in the consolidated financial statements dated December 31, 2025, as well as the condensed interim consolidated statement of changes in equity that accompany this MD&A for common share capital and stock option transactions for the three months ended December 31, 2025, and balances as at that date.

On December 23, 2025, the Company announced the closing of a non-brokered private placement of 20,000,000 common shares for gross proceeds of \$3,000,000. The shares were issued at \$0.15 per share and are subject to a hold period of four months plus one day from the date of closing.

14. Financial Instruments

The carrying value of the Company's financial instruments, consisting of cash and cash equivalents, accounts receivable (net of sales tax) and accounts payable and accrued liabilities approximate their fair value due to the short-term nature of the instruments.

It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The carrying value of financial assets and liabilities measured at amortized cost approximates fair value due to the short-term nature of the instruments.

The Company undertakes transactions denominated in US currency through its exploration in the US; consequently, it is exposed to exchange rate fluctuations. The Company will acquire US funds from time to time to settle US\$ denominated liabilities. At December 31, 2025, the Company had US\$26,789, (CAD\$36,716) in a US denominated bank account (September 30, 2025 - US\$5,358, (CAD\$7,465)). The effect of a foreign currency increase or decrease of 10% on this cash holding would result in an increase or decrease of \$3,672 (September 30, 2025 - \$747).

15. Financial risk management

a) Credit risk

Credit risk is the risk of financial loss to the Company if counterparties to a financial instrument fail to meet their contractual obligations. The Company's financial instruments that could be subject to credit risk consist of receivables. The Company has had a history of prompt receipt of their receivables and considers credit risk to be low on these instruments as at December 31, 2025, and 2024.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity risk is the utilization of budgets, to attempt to maintain sufficient liquidity in order to meet operational and exploration requirements, as well as property acquisition commitments. The Company raises capital through equity issues and its ability to do so is dependent on a number of factors including market acceptance, stock price and exploration results. The Company is continually investigating financing options. The Company feels that it has sufficient working capital to finance general and administrative, other operating expenses and current property activities for approximately the full year, assuming similar activity levels to the previous year. Additional financing will be required to fund new property acquisitions and future exploration programs. There can be no assurance that the Company will be successful in obtaining financing. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern. The consolidated financial statements do

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not include any adjustments which could be significant should the Company be unable to continue as a going concern.

c) Market risk

The Company's equity investments are subject to market price risk. These investments were received as partial proceeds for the sale of mineral property interests. The Company does not invest excess cash in equity investments. The investments in common shares and warrants are recorded at fair value at the respective period ends with the resultant gains or losses recorded in earnings. The price or value of these investments can vary from period to period. During the year ended September 30, 2025, the Company sold all the remaining equity investments and no longer has any exposure to this risk.

The Company has not yet developed producing mineral interests; it is not exposed to commodity price risk associated with developed properties at this time.

d) Interest rate risk

The Company has no debt facilities and has minimal amounts of interest income; it is not exposed to significant interest rate risk at this time.

e) Foreign exchange risk

The Company undertakes transactions denominated in US currency; consequently, it is exposed to exchange rate fluctuations. The Company has disclosed US\$ commitments pertaining to royalty rights in Section 7- Contractual Obligation. Refer to Section 14 - Financial Instruments for the foreign exchange risk associated with the foreign denominated cash balances held in US\$ at December 31, 2025, and 2024.

16. Subsequent Events

On January 10, 2026, the Company issued 1,000,000 options that may be exercised at \$0.225 per share to January 10, 2031. The options vest immediately and were valued at \$206,200 using the Black-Scholes Options Pricing model assuming a 5-year term, volatility of 151.63%, a risk free discount rate of 2.92% and a dividend rate of 0%.

On January 29, 2026, the Company announced that more than 51% of the Gold Basin shares had been deposited under the CANEX Offer and the process for take-up and payment has been initiated after which CANEX will become the controlling shareholder. The Company had also announced the mandatory 10-day extension of the offer in accordance with Canadian Securities Law. Upon the final deadline on February 10, 2026, 73,026,822 Gold Basin common shares had been tendered representing 54.04% of issued and outstanding shares.

On February 12, 2026, the Company further announced that the Supreme Court of British Columbia ordered that an annual general meeting of the shareholders of Gold Basin Resources Corporation be held on March 16, 2026, where CANEX will nominate a slate of highly qualified and experienced directors to the board of Gold Basin, and whose election is assured by CANEX's majority position.

On February 19, 2026, the Company made the third required option payment on the Louise Property of \$50,000 by issuing 185,186 shares at a notional price of \$0.27 per share. In March 2024, the Company entered into an option agreement to acquire the Louise Cu-Au Porphyry Project in British Columbia, Canada for total consideration of \$775,000 in common shares of CANEX or cash. To date, \$85,000 of the total commitment has been retired by issuing common shares of the Company under the terms of the option agreement.

17. Outlook

The Company's primary objective is to discover mineral resources in economic quantities capable of supporting an operating mine. Should the Company discover such a promising property, it would likely attempt to ally with a more senior mining company that might option-in on the property or purchase the property outright, as the Company does not have expertise in operating a mine.

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Canex Metals successfully prevailed in its proxy contest for Gold Basin, securing shareholder support to advance its strategic vision for the district. Over the coming months and potentially several quarters, Canex intends to transition board leadership, align governance, and formally advance the combination of the two companies into a single, unified entity. The objective is to consolidate the neighboring assets, streamline development strategy, and unlock the combined value of the properties to establish a scalable Northern Arizona oxide gold camp.

At the Gold Range property, the WestGold target contains the largest and highest-grade gold in soil anomaly defined to date and the Company's drill test of that target has resulted in a new and potentially very significant gold discovery that will be an important focus for the Company moving forward. Upon the conclusion of the Gold Basin acquisition, CANEX will look to announce detailed exploration, and if required, funding plans, to aggressively explore the consolidated Arizona district.

At the Louise Project, the Company has completed a modern deep looking induced polarization (IP) survey to explore the district across 6 to 7 kilometres of strike length and to depths up to 1000 metres to fully assess the district potential surrounding the known historic resource. Based on the results of this survey two new previously unknown high chargeability targets have been identified west and below the historic Louise Project deposit. The Company completed a surface exploration program consisting of mapping, prospecting, and surface sampling. The Company is now focusing on permitting to allow drill testing of the two new high priority chargeability targets. Once drill permits are received the Company will announce plans to fund and drill test both priority targets at Louise.

With respect to the Gibson Prospect, to date the Company has expended \$293,500 on exploration activities. Due to limited resources, including manpower, the Company has focussed its attention on exploration activities on the Gold Range property and the Louise Project as discussed above. The Company continues to hold core claims which expire January 2029, keeping possibilities open for the Company to find a third-party partner to further the exploration program.

The Company continues to actively search for new early-stage exploration opportunities and avenues for growth in stable jurisdictions within North America. The Company has not entered into any business combination, acquisition, or similar agreements except as noted above.

18. Risks

The business and operations of the Company are subject to numerous risks, many of which are beyond the Company's control. The Company considers the risks set out below to be some of the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers to be material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operation (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. Given the nature of the mining business, the limited extent of the Company's assets and the present stage of exploration, the following risk factors, among others, should be considered:

- **Exploration, development, and operating risks**

The Company is in the process of exploring its properties and has not yet determined whether its properties contain economically recoverable reserves and, therefore, does not generate any revenues from production. The recovery of expenditures on mineral properties and the related deferred exploration expenditures are dependent on the existence of economically recoverable mineralization, the ability of the Company to obtain financing necessary to complete the exploration and development

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of its properties, and upon future profitable production, or alternatively, on the sufficiency of proceeds from disposition. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

- **Substantial capital requirements and liquidity**

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures and operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operation and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

- **Fluctuating mineral prices**

The economics of mineral exploration are affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, the Company may determine that it is impractical to continue a mineral exploration operation. Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Company's properties.

- **Regulatory, permit and license requirements**

The current or future operations of the Company require permits from various governmental authorities, and such operations are and will be governed by laws and regulations concerning exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in development and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for facilities and the conduct of exploration and development operations on the Properties will be obtainable on reasonable terms, or that such laws and regulation will not have an adverse effect on any exploration or development project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in exploration and development operations may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mineral companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or exploration and development costs, or require abandonment or delays in the development of new or existing properties.

- **Financing risks and dilution to shareholders**

The Company has limited financial resources, no operations, and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to

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obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity which will result in dilution to the Company's shareholders.

- **Title to properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to its properties will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Optionors or the Company, as the case may be does not have title to its properties could cause the Company to lose any rights to explore, develop and mine any minerals on its properties without compensation for its prior expenditures relating to its properties.

- **Competition**

The mineral exploration and development industry is highly competitive. The Company will have to compete with other mining companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the acquisition of mineral claims, leases and other mineral interest as well as for the recruitment and retention of qualified employees and other personnel. Failure to compete successfully against other mining companies could have a material adverse effect on the Company and its prospects.

- **Reliance on management and dependence on key personnel**

The success of the Company will be largely dependent upon the performance of its directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

- **Environmental risks**

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increase capital expenditures and operating costs.

- **Conflicts of interest**

Certain of the Directors and Officers of the Company are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such Directors and Officers of the Company may become subject to conflicts of interest. Canadian corporate laws provide that in the event that a Director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contact or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under those laws. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable Canadian corporate laws.

- **Uninsurable risks**

Exploration, development, and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods,

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earthquakes and other environmental occurrences, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could have an adverse impact on the Company's results of operations and financial condition and could cause a decline in the value of the Company's shares.

- **Litigation**

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

18. Critical Accounting Estimates

The most significant accounting estimate for the Company relates to the carrying value of its exploration and evaluation assets. Exploration and evaluation assets consist of the capitalized costs of exploration and mining concessions. Acquisition and leasehold costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment. The estimated values of exploration and evaluation assets are evaluated by management on a regular basis to determine whether facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. Reference is made to project economics, including the timing of the exploration and/or development work, the work programs and exploration results experienced by the Company and others, financing, the extent to which optionees have committed, or are expected to commit to, exploration on the property and the imminent expiry of the right to explore, among other factors. When it becomes apparent that the carrying value of a specific property will not be realized, an impairment provision is made for the estimated decline in value.

The Company's estimate for decommissioning obligations is based on existing laws, contracts and other policies. The value of the obligation is based on estimated future costs for abandonments and reclamations which require certain assumptions to be made. By their nature, these estimates are subject to measurement uncertainty.

Another significant accounting estimate relates to valuing stock-based compensation. The Company uses the Black-Scholes Option Pricing Model. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted and vested during the year.

The Company estimates the fair value of its short-term equity investments at the end of each period as they are carried at fair value in the Balance Sheet. The Company uses the closing price of the common shares on the period-end date. The price at which these instruments can ultimately be sold will vary from these estimates due to the timing of their sale, the volume of trading in the securities at any given time and changes in the market over time, among other factors.

19. New Accounting Policies

The Company did not adopt any new accounting policies during the three months ended December 31, 2025.

Future standards not yet adopted include the Presentation and Disclosure in Financial Statements (IFRS 18). IFRS 18 will replace IAS 1, Presentation of Financial Statements which aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about

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management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to adopt IFRS 18 before that date. The Company is not yet able to determine the impact to the consolidated financial statements from the adoption of this standard.

Certain pronouncements were issued by the IASB but are not yet effective at December 31, 2025. The Company intends to adopt these standards when they become effective but does not expect these amendments to have a material effect on its consolidated financial statements.

20. Other

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca