

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(Unaudited)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Western Star Resources Inc. ("the Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the unaudited condensed interim consolidated financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for review of condensed interim consolidated financial statements by an entity's auditor.

WESTERN STAR RESOURCES INC.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)
(Unaudited)

As at	June 30, 2026 $	December 31, 2025 $
ASSETS		
Current		
Cash (Note 5)	**4,397,933**	46,211
Accounts receivable (Note 6)	**213,126**	75,161
Prepaids	**135,924**	25,079
Total current assets	**4,746,983**	146,451
Security deposit (Note 7)	**21,000**	21,000
Exploration and evaluation assets advance (Note 7)	**208,095**	-
Exploration and evaluation assets (Note 7)	**4,767,914**	1,228,777
Total assets	**9,743,992**	1,396,228
LIABILITIES		
Current		
Accounts payables and accrued liabilities (Note 8)	**311,791**	337,019
Subscription received in advance (Note 14)	**-**	105,000
Total liabilities	**311,791**	442,019
EQUITY		
Share capital (Note 10)	**13,926,461**	4,139,642
Reserves (Note 10)	**1,035,905**	441,230
Accumulated deficit	**(5,530,165)**	(3,626,663)
Total equity	**9,432,201**	954,209
Total liabilities and equity	**9,743,992**	1,396,228

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 13)

Approved on behalf of the Board of Directors on August 28, 2026:

"Blake Morgan" (signed)	**"Dallas Miller" (signed)**
Director	***Director***

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

WESTERN STAR RESOURCES INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)
(Unaudited)

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	**Six Months Ended June 30, 2026**	Six Months Ended June 30, 2025
	$	$	**$**	$
Consulting fees (Note 8)	**567,378**	-	**686,126**	**-**
Interest (Note 9)	**-**	4,845	**-**	4,845
Management fees (Note 8)	**73,000**	45,000	**133,000**	120,000
Marketing	**249,226**	1,038	**345,617**	1,813
Office and admin	**12,275**	635	**17,940**	754
Professional fees (Note 8)	**83,095**	35,373	**154,562**	103,972
Share-based payments (Note 8,10)	**-**	-	**472,996**	-
Travel	**53,753**	-	**61,555**	-
Transfer agent and filings fees	**18,925**	6,612	**31,706**	10,682
	1,057,652	93,503	**1,903,502**	242,066
Loss (gain) on settlement of debt (Note 10)	**-**	-	**-**	(8,725)
Loss and comprehensive loss	**1,057,652**	93,503	**1,903,502**	233,341
Loss per share - basic and diluted	**(0.03)**	(0.01)	**(0.06)**	(0.03)
Weighted average number of common shares - basic and diluted	**42,087,283**	8,038,280	**32,915,124**	7,373,282

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

WESTERN STAR RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Share Capital				
	Number of shares	**Amount**	**Reserves**	**Accumulated deficit**	**Total**
Balance at December 31, 2024	5,673,705	2,317,357	126,651	(2,052,730)	391,278
Shares issued for debt	1,745,000	200,675	-	-	200,675
Units issued for cash	3,700,000	555,000	-	-	555,000
Share issue costs	-	(9,215)	590	-	(8,625)
Loss for the period	-	-	-	(233,341)	(233,341)
Balance at June 30, 2025	11,118,705	3,063,817	127,241	(2,286,071)	904,987
Share based payments	-	-	313,989	-	313,989
Shares issued for debt	-	148,325	-	-	148,325
Shares issued for exploration and evaluation assets	3,500,000	927,500	-	-	927,500
Loss for the period	-	-	-	(1,340,592)	(1,340,592)
Balance at December 31, 2025	14,618,705	4,139,642	441,230	(3,626,663)	954,209
Units issued for cash	**27,528,014**	**6,739,801**	**-**	**-**	**6,739,801**
Share issue costs	**-**	**(493,202)**	**255,629**	**-**	**(237,573)**
Exercise of warrants	**1,897,088**	**459,270**	**-**	**-**	**459,270**
Exercise of options	**600,000**	**245,950**	**(133,950)**	**-**	**112,000**
Share based payments	**-**	**-**	**472,996**	**-**	**472,996**
Shares issued for exploration and evaluation assets	**8,000,000**	**2,835,000**	**-**	**-**	**2,835,000**
Loss for the period	**-**	**-**	**-**	**(1,903,502)**	**(1,903,502)**
Balance at June 30, 2026	**52,643,807**	**13,926,461**	**1,035,905**	**(5,530,165)**	**9,432,201**

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

WESTERN STAR RESOURCES INC.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)
(Unaudited)

For the six months ended June 30,	2026 $	2025 $
Operating activities		
Loss for the period	**(1,903,502)**	(233,341)
Non-cash items:		
Accrued interest	**-**	5,806
Loss (Gain) on settlement of debt	**-**	(8,725)
Share-based payments	**472,996**	-
Change in non-cash working capital		
Accounts receivable	**(69,965)**	(11,665)
Prepaid expenses	**(110,845)**	-
Accounts payable and accrued liabilities	**(224,800)**	14,145
Cash used in operating activities	**(1,836,116)**	(233,780)
Investing activities		
Exploration Advance	**(208,095)**	-
Exploration and evaluation assets	**(504,565)**	-
Cash used in investing activities	**(712,660)**	-
Financing activities		
Proceeds from issuance of equity for cash	**6,584,801**	555,000
Share issue costs	**(237,573)**	(8,625)
Proceeds from exercise of warrants	**459,270**	-
Proceeds from exercise of options	**94,000**	-
Funds from loan	**-**	30,000
Cash provided by financing activities	**6,900,498**	576,375
Increase (decrease) in cash	**4,351,722**	342,595
Cash, beginning of period	**46,211**	26,391
Cash, end of period	**4,397,933**	368,986
Supplemental cash flow information		
Shares issued associated with deferred financing costs	**-**	200,675
Shares issued for exploration and evaluation assets	**2,835,000**	-
Valuation of finders warrants	**199,572**	590
Fair value of stock options exercised	**133,950**	-
Share subscriptions in accounts receivable	**68,000**	-
Exploration and evaluation assets included in accounts payable	**199,572**	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Western Star Resources Inc. ("WS" or the "Company") was incorporated under the *Business Corporation Act* of British Columbia in Canada on July 20, 2020. The Company's head office is located Unit 1020-800 West Pender St. Vancouver BC V6C2V6. The Company is an exploration stage company and currently has interests in exploration properties in British Columbia, Canada. Substantially all of the Company's efforts are devoted to financing, exploring and evaluating these properties. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable. The Company's common shares traded on the Canadian Securities Exchange ("CSE") under the symbol ("WSR") and listed on the OTCQB Venture Market under the symbol ("WSRIF").

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at June 30, 2026, the Company had a working capital surplus of $4,435,192 (December 31, 2025 – working capital deficit of $295,568) had not yet achieved profitable operations and has an accumulated deficit of $5,530,165. The Company expects to incur further losses in the development of its business. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. Realization values may be substantially different from carrying values as shown and the Company's condensed interim consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

These condensed interim consolidated financial statements have been prepared using the going concern concept, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

2. BASIS OF PREPARATION

Statement of compliance and presentation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim consolidated financial statements, including International Accounting Standards ("IAS") 34 "Interim Financial Reporting".

These condensed interim consolidated financial statements does not include all of the information required of full annual financial statements and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim consolidated financial statements be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2025. The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2025.

Basis of measurement

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value. In addition, condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The Company's and its subsidiaries reporting and functional currency is the Canadian dollar.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Lish Ventures Inc. from the date of acquisition. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. All inter-company transactions and balances are eliminated in full.

New accounting standards issued but not yet effective

The following new accounting standards, amendments to standards and interpretations have been issued but are not effective during the year ended December 31, 2026:

On April 9, 2024, the IASB issued a new standard – IFRS 18, "Presentation and Disclosure in Financial Statements" with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
• the structure of the statement of profit or loss;
• required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
• enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial

2. BASIS OF PREPARATION (continued)

statements, but it might change what an entity reports as its 'operating profit or loss'. The Company is currently assessing the impact the new standard will have on its condensed interim consolidated financial statements.

Use of management estimates, judgments and measurement uncertainty

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The preparation of these condensed interim consolidated financial statements requires the Company to make judgements regarding the going concern of the Company and discussed in Note 1.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values include:

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of loss and comprehensive loss in the period when the new information becomes available.

Share-based compensation

The fair value of stock options and non-cash compensation are subject to limitations in Black-Scholes option pricing and fair value estimates that incorporate market data involving uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model has subjective assumptions, including the volatility of share prices, which can materially affect the fair value estimate. affect the fair value estimate.

Income taxes

The determination of the Company's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, management interprets tax legislation in Canada and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities, the deferral and deductibility of certain items and the interpretation of the treatment for tax purposes for exploration and development activities. The Company is subject to assessment by Canadian tax authorities, which may interpret legislation differently which may affect the final amount or timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Cash

Cash is comprised of cash on hand and cash on deposit with the Company's financial institution on which it earns variable amounts of interest.

Financial instruments

The following is the Company's accounting policy for financial assets and liabilities:

Financial assets:

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI"), or at amortized cost.

The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

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

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

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

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

Financial liabilities:

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Amortized cost: This category includes accounts payable and accrued liabilities, share subscriptions, and loans payable which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of loss and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

Exploration and evaluation assets

Pre-acquisition costs or property investigation costs are expensed in the period in which they are incurred. Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation are capitalized by property. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditures, in excess of estimated recoveries, are written off to income or loss. Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties. Ownership in mineral properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing. Management assesses for impairment indicators at each reporting date.

Impairment of tangible and intangible assets

Tangible and intangible assets with finite useful lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets' cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the statement of loss and comprehensive loss except to the extent it reverses gains previously recognized in other comprehensive loss/income. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in the statement of loss and comprehensive loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Share capital

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as a warrant reserve.

Share-based compensation

The Company uses the fair value-based method for measuring compensation costs. The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital .

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable relating to previous years.

Deferred tax is recognized in respect to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

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

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

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Decommissioning Liabilities

The Company is required to recognize a liability when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. As of June 30, 2026, the Company has not incurred any such obligations.

Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. Diluted loss per share assumes that the proceeds upon the exercise of the options and warrants are used to repurchase common shares at the average market price during the year. During the period ended June 30, 2026, all of the outstanding options and warrants were antidilutive.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

Foreign currency transactions

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of loss.

4. FINANCIAL RISK MANAGEMENT

Credit Risk

The Company's credit risk is primarily attributable to cash, accounts receivable and security deposits. The Company has no significant concentration of credit risk arising from operations. The Company's current policy is to invest excess cash in interest bearing deposits issued by its banking institutions.

The Company's maximum exposure to credit risk as at June 30, 2026, is the carrying value of cash, accounts receivables and security deposits. The majority of the Company's cash is held in Canadian chartered banks.

Market Risk

Foreign Currency Risk
The Company's exploration and evaluation activities are substantially denominated in Canadian dollars. The Company does not subject to significant foreign currency risk.

Equity Price Risk
Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company has no exposure to fair value fluctuations. The Company's financial instruments are not subject to equity price risk.

Interest Rate Risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to limited interest rate risk, as it only holds cash and does not have any interest-bearing debt as at June 30, 2026.

Fair Value

Cash, and accounts receivables are measured at amortized cost which approximates fair value due to their short-term nature. Accounts payable and accrued liabilities, share subscriptions and loans payable are measured at amortized cost which also approximates fair value due to their short-term nature.

The fair value hierarchy has the following levels:
- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

As at June 30, 2026, the Company does not have any financial instruments measured at fair value and that require classification within the fair value hierarchy.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2026, the Company had current assets of $4,746,983 (December 31, 2025 - $46,211) and current liabilities of $311,791 (December 31, 2025 - $442,019). The Company's trade and other payables are subject to normal trade terms. As at June 30, 2026, the Company had a working capital surplus of $4,435,192 (December 31, 2025 – working capital deficit of $295,568).

5. CASH

The balance at June 30, 2026 consists of cash on deposit with Canadian banks in general interest-bearing accounts totaling $4,397,933 (December 31, 2025 - $46,211).

6. ACCOUNTS RECEIVABLE

The Company's accounts receivable arise from harmonized sales tax ("GST/HST") due from the Canadian government and funds owed from the issuance of shares.

	As at June 30 2026	As at December 31 2025
GST/HST receivable	$ 145,126	$ 75,161
Subscriptions receivable	68,000	-
Total trade and other receivables	**$ 213,126**	$ 75,161

7. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration assets for the Company are segregated as follows:

	Western Star Claims	**Mount Anderson**	**Rowland Project**	**White Star Project**	**Eagle Point Project**	**Total**
Balance, December 31, 2024	$ 206,277	$ 157,560	$ -	$ -	$ -	$ 363,837
Acquisition costs – cash	75,000	-	20,000	-	-	95,000
Acquisition costs – share payments	927,500	-	-	-	-	927,500
Impairment	-	(157,560)	-	-	-	(157,560)
Balance, December 31, 2025	$ 1,208,777	$ -	$ 20,000	$ -	$ -	$ 1,228,777
Acquisition costs – cash	-	-	60,529	97,588	150,000	308,117
Acquisition costs – share payments	-	-	205,000	1,170,000	1,460,000	2,835,000
Geological	15,575	-	93,747	-	286,698	396,020
Impairment	-	-	-	-	-	-
Balance, June 30, 2026	**$ 1,224,352**	**$ -**	**$ 379,276**	**$ 1,267,588**	**$ 1,896,698**	**$ 4,767,914**

7. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES (continued)

Western Star Claims

On July 28, 2020, the Company acquired a 100% interest in certain mineral claims covering property located in British Columbia, Canada from an arms-length individual (the "Vendor"). According to the sale and purchase agreement, the Company agreed to:

- pay to the Vendor the sum of $20,000 on signing (Paid);
- pay to the Vendor the sum of $50,000 within 365 days from signing (extended - see below);
- perform $80,000 worth of exploration work by Vendor on the property within 3 months of signing (Completed);
- a net smelter return ("NSR") royalty of 1.5% shall be retained by the Vendor of which the NSR can be purchased from the Seller at any time for $1,500,000.

The Company has posted a security deposit in the form of a guaranteed investment contract ("GIC") of $21,000 (2024 - $21,000) with Bank of Montreal and signed the safe keeping agreement with the Ministry.

On March 18, 2021, the Company amended the sale & purchase agreement with the Vendor by inserting an addendum to the agreement to extend the payment date for the remaining purchase price of $50,000 till September 18, 2022. The Company entered into a further amendment to the purchase agreement, dated December 8, 2022, removing the requirement to make the $50,000 cash payment on the anniversary of the agreement, and instead requiring the $50,000 cash payment to be made within 13 months of the listing of the common shares of the Company on a stock exchange. The remaining purchase price of $50,000 for mineral claims is due on March 9, 2024 (paid).

On July 7, 2025, the Company entered into a separate mineral property acquisition agreement with an arm's-length individual to acquire additional contiguous mineral licenses forming part of the Western Star Claims. As consideration, the Company issued 3,500,000 common shares valued at $927,500 and paid $75,000 in cash.

During the period ended June 30, 2026, the Company advanced $58,095 toward future exploration activities on the Western Star Claims. This amount has been recorded as an exploration and evaluation assets advance on the Company's condensed interim consolidated statement of financial position.

7. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES (continued)

Mount Anderson Property

On September 13, 2023, the Company entered into an agreement to acquire the Mount Anderson property in the Yukon. Pursuant to the agreement, the Company acquired the Mount Anderson property by issuing an aggregate of 142,857 common shares valued at $150,000 to the vendors and granted a 1% NSR royalty in respect of commercial production from the property. During the year ended December 31, 2025, the Company determined that it would focus on other projects and as a result recorded an impairment on the Mount Anderson Property of $157,560.

Rowland Project

The Company entered into an agreement to acquire the past-producing Rowland Project located in the Jarbidge mining district of Nevada. Western Star may acquire all rights, title, and interest in the underlying option agreement to earn a 100% interest in the Rowland Project.

Under the terms of the agreement, total consideration for the assignment of the option consists of cash payments totaling $60,000 and the issuance of 1,000,000 common shares of the Company, payable as follows:

- $20,000 non-refundable, payable within five business days of signing; (Paid)
- $40,000, payable upon receipt of conditional approval of the transaction by the Canadian Securities Exchange (Paid);
- 1,000,000 common shares, issuable upon closing (Issued with a fair value of $205,000).

In addition, the Company is obligated to issue or pay deferred milestone consideration upon the achievement of certain technical and exploration milestones, including:

- 500,000 shares upon expanding the claim area and identifying specified tungsten (WO_3) rock chip grades;
- 1,000,000 shares upon completing drilling or trenching meeting defined WO_3 mineralization thresholds;
- $500,000, payable in cash or shares at the Company's election, upon completion of a NI 43-101 or JORC-compliant resource estimate outlining at least 5 million tonnes at $\geq$0.7% WO_3.

The vendors will retain a 1.5% NSR royalty, of which 1.0% may be repurchased by the Company for $1,000,000 at any time.

The underlying option agreement requires the following payments to earn a 100% interest in the property:

- US$15,000 on or before July 1, 2026 (Paid);
- US$15,000 on or before July 1, 2027;
- US$20,000 on or before July 1, 2028.

Upon completion of these payments, the Company may exercise its option to acquire a 100% interest, subject to an underlying 0.5% production royalty.

During the period ended June 30, 2026, the Company advanced $150,000 toward future exploration activities on the Rowland Project. This amount has been recorded as an exploration and evaluation assets advance on the Company's condensed interim consolidated statement of financial position.

7. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES (continued)

White Star Project

On May 19, 2026, the Company entered into an asset purchase agreement to acquire a 100% interest in the White Star tungsten project, a tungsten-molybdenum skarn property located in Elko county, Nevada, adjacent to the company's existing Rowland tungsten project.

In exchange for the White Star Property, the Company will pay cash payments totaling USD $70,000 and will issue an aggregate of 3,000,000 common shares of the Company, payable as follows:

- USD $70,000 non-refundable, payable within five business days of signing; (USD $35,000 paid, USD $35,000 paid subsequent to period-end)
- 3,000,000 common shares, issuable upon closing (Issued with a fair value of $1,170,000).

The acquisition of the White Star Project did not meet the definition of a business under IFRS 3- *Business Combinations*, and as a result, the acquisition was accounted for under IFRS 2 – *Share-based Payments*, by recognizing the fair value of the shares issued as part of the exploration and evaluation asset. No other assets or liabilities were acquired as part of the acquisition.

Eagle Point Project

On June 13, 2026, the Company entered into an asset purchase agreement to aquired a 100% interest in the past-producing tungsten mine, located in the Granite Pass area of the Little Hatchet mining district in Hidalgo county, New Mexico, USA.

In exchange for the Eagle Point Property, the Company will pay cash payments totaling $150,000 and will issue an aggregate of 4,000,000 common shares of the Company, payable as follows:

- $150,000 on closing (Paid, subsequent to period-end);
- 4,000,000 common shares, issuable upon closing (issued with a fair market value of $1,460,000)

The sellers will retain a 1.5% NSR royalty, of which 1.0% may be repurchased by the Company for $1,000,000 at any time.

The acquisition of the Eagle Point Project did not meet the definition of a business under IFRS 3- *Business Combinations*, and as a result, the acquisition was accounted for under IFRS 2 – *Share-based Payments*, by recognizing the fair value of the shares issued as part of the exploration and evaluation asset. No other assets or liabilities were acquired as part of the acquisition.

8. RELATED PARTY DISCLOSURES

Related party transactions were conducted in the normal course of operations and have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these condensed interim consolidated financial statements are listed below.

As at June 30, 2026, $70,456 (December 31, 2025 - $213,713) was included in accounts payable and accrued liabilities owing to directors and officers of the Company in relation to services and reimbursement of expenses.

Paid or accrued professional fees of $44,750 (2025 - $45,000) to the Chief Financial Officer of the Company.

Paid or accrued management fees of $110,000 (2025 - $120,000) to a company controlled by the Chief Executive Officer of the Company.

Paid or accrued professional fees of $13,000 (2025 - $Nil) to the former Corporate Secretary of the Company.

Paid or accrued consulting fees of $12,500 (20265 - $Nil) to the current Corporate Secretary of the Company.

Paid or accrued management fees of $23,000 (2025 - $2,500) to directors of the Company.

During the period ended June 30, 2026, the Company issued 1,250,000 (2025 – Nil) stock options to the officers and directors of the Company valued at $276,970 (2025 - $Nil) and recorded as share-based payments.

During the period ended June 30, 2026, a Director of the Company exercised 100,000 stock options with an exercise price of $0.18. The proceeds were received subsequent to period-end and $18,000 was recorded in accounts receivable as at June 30, 2026.

Key management personnel comprise the Company's board of directors and executive officers. Other than those disclosed above, no other remuneration was paid to key management personnel during the periods ended June 30, 2026 and 2025.

9. LOAN

During the year ended December 31, 2025, the Company entered into a loan agreement with a 3rd party. The Company received $30,000 with interest of $5,000 on signing and 12% per annum due on demand. The Company has recorded interest expense of $Nil (December 31, 2025 - $6,039) for the period ended June 30, 2026. During the year ended December 31, 2025, the Company repaid $33,000, representing a portion of the principal and interest owing. As at June 30, 2026, the remaining outstanding balance under the loan agreement is classified within accounts payable and accrued liabilities.

10. SHARE CAPITAL

Common Shares

The Company's authorized share capital consists of an unlimited number of common shares and with no par value.

The following is a summary of share issuances during the period ended June 30, 2026:

On January 14, 2026, the Company issued 1,000,000 common shares valued at $205,000 in connection with the Rowland Project (Note 7).

On February 23, 2026, the Company completed a non-brokered private placement and issued 20,307,254 units at a price of $0.15 per unit for gross proceeds of $3,046,088, of which $105,000 was received during the year ended December 31, 2025. Each unit consists of one common share and one share purchase warrant exercisable at $0.30 per share until February 23, 2028. The Company has allocated $3,046,088 to common shares and $Nil to share purchase warrants by applying the residual value method.

In consideration for the services provided by the finders, the Company paid the finders fees in cash commission and other expenses of $124,629 and issued 820,887 share purchase warrants. Each share purchase warrant is exercisable into one common share of the Company at a price of $0.30 per share until February 23, 2028. The 820,887 share purchase warrants have a fair value of $148,663. The weighted average fair value per warrant was $0.18. The fair value of the warrants is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 2 years, risk-free rate of 2.43%, and volatility of 104.53%.

On May 11, 2026, the Company completed a non-brokered flow-through private placement of 833,334 units at a price of $0.06 per unit for gross proceeds of $500,000. Proceeds from the offering will be used to incur eligible Canadian exploration expenses (CEE) that are flow-through mining expenditures (as such term is defined in the Income Tax Act (Canada)) related to the company's Western Star project and will be used as deemed appropriate for qualifying expenses for the critical mineral tax credit (CMETC).

On May 11, 2026, the Company completed a non-brokered private placement of 6,387,426 units at a price of $0.05 per unit for gross proceeds of $3,193,713, of which $50,000 was recorded in accounts receivable as the proceeds were received subsequent to period-end. Each unit consists of one common share and one-half share purchase warrant exercisable at $0.75 per share until May 11, 2028. The Company has allocated $3,193,713 to common shares and $Nil to share purchase warrants by applying the residual value method.

In consideration for the services provided by the finders, the Company paid the finders fees in cash commission and other expenses of $112,944 and issued 255,950 share purchase warrants. Each share purchase warrant is exercisable into one common shares of the Company at a price of $0.75 per share until May 11, 2028. The 255,950 share purchase warrants have a fair value of $106,966. The weighted average fair value per warrant was $0.42. The fair value of the warrants is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 2 years, risk-free rate of 2.96%, and volatility of 105.31%.

On June 15, 2026, the Company issued 3,000,000 common shares valued at $1,170,000 in connection with the White Star Project (Note 7).

On June 30, 2026, the Company issued 4,000,000 common shares valued at $1,460,000 in connection with the Eagle Point Project (Note 7).

10. SHARE CAPITAL (continued)

The Company issued 1,269,333 common shares for the exercise of warrants with an exercise price of $0.30 for gross proceeds of $380,800. The Company issued 627,744 common shares for the exercise of warrants with an exercise price of $0.125 for gross proceeds of $78,469.

The Company issued 400,000 common shares for the exercise of options with an exercise price of $0.18 for gross proceeds of $72,000. The fair value of the stock options of $92,271 was reclassified from reserves to share capital. The Company issued 200,000 common shares for the exercise of options with an exercise price of $0.20 for gross proceeds of $40,000. The fair value of the stock options of $41,679 was reclassified from reserves to share capital.

The following is a summary of share issuances during the year ended December 31, 2025:

On February 7, 2025 the Company settled debt of $209,400 owed to certain officers and directors of the Company by issuing 1,745,000 common shares valued at $349,000 resulting in a gain of $8,725.

In June 2025, the Company closed two tranches in a non-brokered private placement for gross proceeds of $555,000 through the sale of 3,700,000 units. The Company has allocated $555,000 to common shares and $Nil to share purchase warrants by applying the residual value method. Each unit consists of one common share and one-common shares purchase warrant. Each whole warrant entitles the holder to purchase one common share of the company at a price of $0.30 per share until June 11, 2027 or June 24, 2027.

In consideration for the services provided by the finders, the Company paid the finders fees in cash commission and other expenses of $8,625 and issued 8,000 share purchase warrants. Each share purchase warrant is exercisable into one common share of the company at a price of $0.30 per share until Jan. 24, 2027. The 8,000 share purchase warrants have a fair value of $590. The weighted average fair value per warrant was $0.07. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 2 years, risk-free rate of 2.61% and volatility of 100%.

On July 7, 2025, the Company entered into a mineral property acquisition agreement to acquire additional contiguous mineral licenses forming part of the Western Star Claims. As consideration, the Company issued 3,500,000 common shares valued at $927,500 (Note 7).

10. SHARE CAPITAL (continued)

Warrants

The outstanding warrants as at June 30, 2026, are comprised as follows:

Date of Expiry	Type	No. of Warrants	Exercise Price $	Weighted average life (years)
January 2, 2027	Warrants	134,685	1.05	0.51
September 26, 2026	Warrants	816,666	0.13	0.24
June 11, 2027	Warrants	1,893,333	0.30	0.95
June 24, 2027	Warrants	545,334	0.30	0.98
February 23, 2028	Warrants	21,128,141	0.30	1.65
February 23, 2028	Warrants	3,449,663	0.75	1,87
Total		**27,967,822**	**0.35**	**1.57**

Continuity of the warrants to purchase common shares is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2024	1,579,106	$ 0.200
Issued	3,708,000	0.300
Balance, December 31, 2025	5,287,106	$ 0.270
Issued	24,577,804	0.363
Exercised	(1,897,088)	0.242
Balance, June 30, 2026	**27,967,822**	**$ 0.354**

10. SHARE CAPITAL (continued)

Options

The Company has adopted an incentive stock option plan and approved by the Company's Annual General Meeting dated August 2, 2022 (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

As at June 30, 2026, the following stock options were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance, December 31, 2024	114,286	$ 0.595
Granted	1,400,000	0.190
Expired	(114,286)	0.595
Balance, December 31, 2025	1,400,000	$ 0.190
Granted	2,150,000	0.298
Exercised	(600,000)	0.187
Balance, June 30, 2026	**2,950,000**	**$ 0.267**

The outstanding stock options at June 30, 2026, are comprised as follows:

Date of Expiry	**No. of Options**	**Exercise Price $**	**Weighted average life (years)**
July 31, 2028	600,000	0.18	2.09
October 8, 2028	200,000	0.20	2.28
February 17, 2029	150,000	0.27	2.64
February 25, 2029	2,000,000	0.30	2.66
Total	2,950,000	0.27	2.52

The fair value of the options was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

10. SHARE CAPITAL (continued)

	June 30, 2026	December 31, 2025
Risk-free interest rate	**2.39%**	2.68%
Expected price volatility	**127.02%**	190.97%
Expected life	**3 years**	3 years
Expected dividend yield	**-**	-

During the period ended June 30, 2026, the Company recorded share-based payment expenses of $472,996 (2025 - $Nil) in relation to vesting stock options in share-based payment in the statements of loss and comprehensive loss.

Escrow Shares and Warrants

As at June 30, 2026, Nil common shares of the Company were held in escrow. Under the Escrow Agreement, 10% of the escrowed common shares will be released from escrow on February 9, 2023 and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following February 9, 2023.

11. SEGMENTED INFORMATION

Operating Segments

At June 30, 2026, the Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada and the United States.

An operating segment is defined as a component of the Company:
- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

Geographic Information

The Company currently has one reportable segment for the period ended June 30, 2026, being the exploration and evaluation of mineral properties in Canada and the United States as disclosed in Note 7.

12. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include all components of shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional

12. CAPITAL MANAGEMENT (continued)

properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended June 30, 2026.

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and to obtain sufficient funding to further the identification of mineral deposits.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner. The Company invests all capital that is surplus to its immediate operational needs in interest bearing accounts with a Canadian financial institution.

13. SUBSEQUENT EVENTS

Subsequent to the period ended June 30, 2026, the Company:

- On July 2, 2026, the Company commenced a normal course issuer bid ("NCIB") whereby the Canadian Securities Exchange ("CSE") approved the purchase of the Company's publicly-traded common shares. At the time of the NCIB CSE approval the Company had 48,643,717 common shares issued, of which 38,422,950 common shares represented its public float. The Company is entitled to purchase up to a maximum of 3,842,295 shares, representing 10% of its public float, over the one-year period of this NCIB. The NCIB expires on July 2, 2027.
- On July 15, 2026, the Company, in accordance with its stock option plan, granted to certain of its directors, officers, employees and consultants incentive stock options to purchase up to an aggregate of two million common shares exercisable on or before July 15, 2029, at a price of 30 cents per share.