

MACKAY GOLD & SILVER CORP.

(formerly Drummond Ventures Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2026 AND 2025

(EXPRESSED IN US DOLLARS)

Independent Auditor's Report

To the Shareholders of Mackay Gold & Silver Corp.:

Opinion

We have audited the financial statements of Mackay Gold & Silver Corp. (the "Company"), which comprise the statement of financial position as at June 30, 2026, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred net losses during the year ended June 30, 2026. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Accounting for the Reverse Takeover ("RTO") Transaction

Key Audit Matter Description

As described in Note 4 to the consolidated financial statements, the Company entered into an agreement with Drummond Ventures Corp. during the year ended June 30, 2026 which was accounted for as a RTO transaction. We considered the accounting for the RTO transaction a key audit matter due to the judgement applied by management in concluding that this transaction did not represent a business under IFRS 3 Business Combinations, and the use of estimates by management in estimating the fair value of the consideration paid as part of the transaction.

Audit Response

We responded to this matter by performing audit procedures relating to the RTO transaction. Our audit work in relation to this included, but was not restricted to, the following:

- We obtained and examined the underlying agreements related to the transaction;
- We evaluated management's assessment on whether the acquisition represents an asset acquisition or a business combination under IFRS 3;
- We assessed the methodology used to estimate the fair value of the consideration paid as part of the transaction;
- We evaluated the fair value of the net assets of acquired as at the date of the RTO, in order to determine the accuracy of the listing expense; and
- We reviewed the presentation and adequacy of the related consolidated financial statements disclosures.

Other Matter

The consolidated financial statements for the year ended June 30, 2025 were audited by another auditor who expressed an unmodified opinion on those statements on April 6, 2026.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Vancouver, British Columbia

October 28, 2026

MNP LLP

Chartered Professional Accountants

Suite 2400 - 609 Granville Street, PO Box 10203 LCD Pacific Centre
1.877.688.8408 T: 604.685.8408 F: 604.685.8594 MNP.ca

MNP

MACKAY GOLD & SILVER CORP. (FORMERLY DRUMMOND VENTURES CORP.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2026 AND 2025
(Expressed in US Dollars)

		June 30, 2026		June 30, 2025
ASSETS				
Current assets				
Cash	$	59,844,238	$	1,131,264
Prepaid expenses		103,735		31,173
Amounts receivable		86,030		6,879
Total Assets	$	60,034,003	$	1,169,316
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	$	155,165	$	2,795,408
Loan (Note 8 and 9)		-		987,500
Total Liabilities	$	155,165	$	3,782,908
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital (Note 9)	$	77,375,479	$	6,523,665
Subscription received in advance (Note 9)		-		155,000
Reserves (Note 9)		2,751,659		-
Accumulated other comprehensive loss		(18,475)		-
Deficit		(20,229,825)		(9,292,257)
Total Shareholders' Equity (Deficiency)		59,878,838		(2,613,592)
Total Liabilities and Shareholders' Equity (Deficiency)	$	60,034,003	$	1,169,316

Nature of operations and going concern (Note 1)
Subsequent events (Note 14)

Approved and authorized for issue by the Directors on October 28, 2026:

"Darwin Green" Director *"Ron Ho"* Director

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

MACKAY GOLD & SILVER CORP. (FORMERLY DRUMMOND VENTURES CORP.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025
(Expressed in US Dollars)

	2026	2025
EXPENSES		
Consulting fees	$ 388,835	$ 377,552
Director fees (Note 10)	94,990	200,000
Exploration and evaluation expenses (Note 6)	3,616,222	4,154,149
General and administrative	204,615	51,279
Insurance	28,281	1,408
Interest	-	311,894
Marketing and advertising	344,911	2,779
Professional fees	821,580	177,006
Regulatory and filing fees	73,252	-
Salaries and wages (Note 10)	393,823	127,237
Share-based compensation (Note 9)	2,634,534	-
Loss before other items	(8,601,043)	(5,403,304)
OTHER ITEMS		
Listing expense (Note 4)	(2,414,959)	-
Unrealized loss on other investments (Note 5)	-	(250,000)
Foreign exchange loss	(5,119)	(5,549)
Other income	83,553	39
Net loss and comprehensive loss for the year	$ (10,937,568)	$ (5,658,814)
Loss per share – basic and diluted	$ (0.24)	$ (0.40)
Weighted average number of shares outstanding – basic and diluted	45,122,280	14,292,806

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

MACKAY GOLD & SILVER CORP. (FORMERLY DRUMMOND VENTURES CORP.)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025
(Expressed in US Dollars)

	Number of Shares	Share Capital	Share Subscriptions Received	Reserves	Accumulated Other Comprehensive Loss	Deficit	Total
Balance, June 30, 2024	**9,747,281**	**$ 486,865**	**$ 2,205,000**	**$ -**	**$ -**	**$ (3,633,443)**	**$ (941,578)**
Shares issued in private placements	10,880,012	5,440,006	(2,205,000)	-	-	-	3,235,006
Share issuance cost	-	(11,220)	-	-	-	-	(11,220)
Subscriptions received in advance	-	-	155,000	-	-	-	155,000
Shares issued for debt settlement	1,216,028	608,014	-	-	-	-	608,014
Net and comprehensive loss for the year	-	-	-	-	-	(5,658,814)	(5,658,814)
Balance, June 30, 2025	**21,843,321**	**$ 6,523,665**	**$ 155,000**	**$ -**	**$ -**	**$ (9,292,257)**	**$ (2,613,592)**
Shares issued in private placements	58,396,756	69,012,208	(155,000)	675,000	-	-	69,532,208
Shares issued for debt settlement	1,015,160	507,580	-	-	-	-	507,580
Shares issued for loans	2,031,250	987,500	-	-	-	-	987,500
Shares issued for mineral properties	200,000	170,000	-	-	-	-	170,000
Shares issued for finders fees	403,140	539,646	-	-	-	-	539,646
Shares issued for reverse takeover	1,708,333	2,391,666	-	45,475	-	-	2,437,141
Share issuance costs	-	(2,932,113)	-	172,761	-	-	(2,759,352)
Share-based compensation	-	-	-	1,959,534	-	-	1,959,534
Exercise of stock options	119,513	175,327	-	(101,111)	-	-	74,216
Foreign exchange translation	-	-	-		(18,475)	-	(18,475)
Net and comprehensive loss for the year	-	-	-	-	-	(10,937,568)	(10,937,568)
Balance, June 30, 2026	**85,717,473**	**$ 77,375,479**	**$ -**	**$ 2,751,659**	**$ (18,475)**	**$(20,229,825)**	**$ 59,878,838**

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

MACKAY GOLD & SILVER CORP. (FORMERLY DRUMMOND VENTURES CORP.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2026 AND 2025
(Expressed in US Dollars)

		2026		2025
CASH FLOWS USED IN OPERATING ACTIVITIES				
Net and comprehensive loss for the year	$	(10,937,568)	$	(5,658,814)
Share-based compensation		2,634,534		-
Shares issued for mineral properties		170,000		-
Listing expense		2,414,959		-
Changes in working capital:				
Amounts receivable		(79,151)		(5,230)
Prepaid expenses		(72,562)		(1,205)
Accounts payable and accrued liabilities		(2,141,299)		2,801,846
Cash used in operating activities		**(8,011,087)**		**(2,863,403)**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Cash acquired from reverse takeover		30,819		-
Investment in Pelen LLC		-		(250,000)
Cash provided by (used in) investing activities		**30,819**		**(250,000)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued for cash		68,857,208		3,235,006
Proceeds from exercise of stock options		74,216		-
Share issuance costs paid in cash		(2,219,707)		-
Proceeds from subscriptions received		-		30,000
Proceeds from promissory notes		-		27,050
Proceeds from loan		-		700,000
Cash provided by financing activities		**66,711,717**		**3,992,056**
Effect of foreign exchange rate on cash		(18,475)		-
Change in cash		**58,712,974**		**1,128,653**
Cash, beginning		**1,131,264**		**2,611**
Cash, ending	**$**	**59,844,238**	**$**	**1,131,264**
Supplemental disclosures				
Interest paid	$	-	$	-
Income taxes paid	$	-	$	-
Non-cash transactions				
Shares issued for settlement of loans	$	987,500	$	435,644
Shares issued for settlement of accounts payable	$	207,581	$	172,370
Shares issued for outstanding director fees	$	300,000	$	-
Shares issued for finders fees	$	539,646	$	-
Shares issued for mineral properties	$	170,000	$	-
Shares issued for reverse takeover transaction	$	2,391,666	$	-

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

1. Nature of operations and going concern

Nature of business

Mackay Gold & Silver Corp. (the "Company") was incorporated under the British Columbia Business Corporations Act on March 28, 2018. On April 17, 2026, the Company changed its name from Drummond Ventures Corp. to Mackay Gold & Silver Corp. in connection with the completion of a reverse takeover transaction with Toro Silver Corp. ("Toro"). The Company's office is located at 405 - 375 Water Street, Vancouver, British Columbia, V6B 5C6. The principal business of the Company is exploration and development of mineral properties.

On April 17, 2026, the Company completed a three-cornered amalgamation with Toro and a wholly owned subsidiary of the Company, 1230507 B.C. LTD., pursuant to which the Company acquired all the issued and outstanding securities of Toro (the "Transaction") (Note 4). The Transaction constituted a reverse takeover of the Company by the shareholders of Toro. Following completion of the Transaction, the principal business of the Company became exploration and development of mineral properties.

Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company incurred net losses of $10,937,568 during the year ended June 30, 2026 (2025 - $5,658,814). The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financing or through other arrangements. These conditions indicate the existence of material uncertainty that may cast a significant doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2. Material accounting policies

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS Accounting Standards"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on October 28, 2026.

Comparative information

On April 17, 2026, the Company completed a reverse takeover transaction with Toro (Note 4). For accounting purposes, Toro was determined to be the acquirer and, accordingly, the Transaction has been accounted for as a reverse acquisition in accordance with IFRS 3, Business Combinations. As a result, these consolidated financial statements represent a continuation of the financial statements of Toro, with the net assets of the legal parent, Mackay Gold & Silver Corp. (formerly Drummond Ventures Corp.), recognized at fair value on the acquisition date.

2. Material accounting policies (continued)

Basis of preparation

These consolidated financial statements have been presented in US dollars, unless otherwise noted.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries Toro, and Mackay Precious Metals Inc. ("MPM") a corporation domiciled in Delaware USA and Comstock Northern Exploration LLC, ("CNEL") a limited liability company domiciled in Nevada. Through its subsidiaries, the Company holds leases over patented claims and unpatented mining claims required for its exploration and mining located in Storey and Lyon Counties, Nevada, USA.

All inter-company transactions have been eliminated upon consolidation.

Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in the current period.

Functional currency

The functional currency determination is based on management's assessment of the primary economic environment in which the entities operate. The functional currency of the Company is the Canadian dollar. The functional currency of its subsidiaries is the United States dollar. The reporting currency of the Company is the US dollar ("USD"). Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Any gains or losses on translation are recorded in profit or loss.

Critical accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements are discussed below:

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding short and long-term financing, investing and operating activities, and management's strategic planning. Management has applied judgment in the assessment of the Company continuing as a going concern by taking into account all available information. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate, as discussed in Note 1.

2. Material accounting policies (continued)

Control in acquisitions

At the time of acquisition, the Company assesses whether it has control or significant influence over the acquiree. When control exists, the Company consolidates the results of the acquired entity from the date of acquisition whereas when significant influence exists, the Company accounts for the investee using the equity method of accounting. Management applies judgment using qualitative factors to determine if they have the power to participate in financial and operating policy decisions of the investee.

Investment in privately-held company

The Company's investment in Pelen LLC ("Pelen"), a privately-held company, is initially recorded at fair value at the acquisition date. At the end of each reporting period, the Company's management evaluates and updates the fair value of the investment, reflecting the updated valuations in the consolidated financial statements.

Valuation of private company investments can be challenging due to limited availability, reliability, or completeness of financial information from the investee. The fair value of these investments may rely on significant inputs that are not derived from observable market data. Adjustments to fair value, whether upward or downward, are made when supported by strong and objective evidence, such as a substantial equity financing event involving an independent investor or significant corporate, political, or operational developments that, in management's judgment, affect the investee's prospects and, consequently, its fair value. The use of this valuation approach may involve uncertainties and determinations based on the Company's judgment and any value estimated from these may not be realized or realizable.

The Company acquired 25% interest in Pelen, and has assessed that no control or significant influence resides with the Company considering the percentage of ownership interest and various other qualitative factors. Consequently, in accordance with accounting principles, the investment in Pelen is classified as a financial asset and accounted under IFRS 9, *Financial Instruments.*

Asset acquisitions

The Company evaluates acquisitions of assets and other similar transactions to assess whether or not the transaction should be accounted for as a business combination or asset acquisition by first applying a concentration test to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the concentration test is met, the transaction is accounted for as an asset acquisition. If the concentration test is not met, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs which would meet the definition of a business. Significant judgment is required in the application of the screen test or subsequently the assessment of inputs and processes to determine whether an acquisition is a business combination or an acquisition of assets.

2. Material accounting policies (continued)

Exploration and evaluation expenditures

The Company expenses its exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures includes acquisition costs and option payments relating to freehold properties, periodic payments to maintain leasehold rights and costs relating to evaluation activities. Such expenditures are carried forward up to commencement of production at which time it is capitalized and amortized over the life of the economically recoverable reserve. In the event that a project is abandoned, the capitalized costs related to that project are derecognized. Any loss arising from the derecognition of the capitalized costs is included in the consolidated statement of loss and comprehensive loss when the capitalized costs are derecognized.

Loss per share

Basic loss per share is computed by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to purchase common shares at the average market price during the period.

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issuance of common shares are recognized as a deduction from equity. Cash received from common shares yet to be issued is recorded as Subscription received in advance when a legal obligation to issue the shares exists. When the Company issues common shares and warrants together as units, value is allocated first to share capital based on the market value of common shares on the date of issue, with any residual value from the proceeds being allocated to the warrants.

If and when the stock options are exercised, the applicable amounts of reserves are transferred to share capital.

Financial instruments

Financial Instrument	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loan	Amortized cost

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), amortized cost, or fair value through other comprehensive income ("FVTOCI"). The Company determines the classification of its financial assets at initial recognition.

i. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

2. Material accounting policies (continued)

Financial instruments (continued)

ii. Fair value through other comprehensive income ("FVTOCI")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

iii. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

Financial liabilities
Financial liabilities are classified as either financial liabilities at amortized cost or FVTPL. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following five categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs
Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement
Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2. Material accounting policies (continued)

New accounting standards and interpretation

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted. The Company does not expect any material impact from adoption of this new standard.

Other accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements

3. Financial instruments

The Company's risk exposure and the impact on the Company's financial instruments are described below.

Financial instruments recognized at fair value in the statements of financial position have been prioritized into three levels as per the fair value hierarchy. 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.

Credit risk

Credit risk is the financial risk of non-performance of a contracted counter party. The Company's credit risk is primarily attributable to cash. The Company reduces its credit risk by maintaining its cash with reputable financial institutions.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk, and price risk.

(a) Interest rate risk
The Company has cash balances. The Company's current policy is to invest excess cash in guaranteed investment certificates or interest-bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy. Management believes interest rate risk to be minimal.

(b) Foreign currency risk
Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

(c) Price risk
The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements and the stock market in general to determine the appropriate course of action to be taken by the Company.

3. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at June 30, 2026, the Company has sufficient cash and receivables to settle liabilities of $155,165 due within the next twelve months (2025 - $3,782,908).

4. Reverse takeover transaction

On April 17, 2026, Toro, Drummond Ventures Corp. ("Drummond") and 1230507 B.C. LTD. ("Subco"), a wholly owned subsidiary of Drummond, completed a three-cornered amalgamation pursuant to an amalgamation agreement dated December 30, 2025, and amended on March 27, 2026. Under the terms of the Transaction, Toro amalgamated with Subco under the Business Corporations Act (British Columbia), with the amalgamated entity continuing as a wholly owned subsidiary of Drummond. Concurrently with the completion of the Transaction, Drummond changed its name to Mackay Gold & Silver Corp.

Pursuant to the Transaction, all issued and outstanding securities of Toro were exchanged for securities of the Company at an exchange ratio of one share of the Company for each Toro share held. Upon completion of the Transaction, the former shareholders of Toro held approximately 95.95% of the issued and outstanding common shares of the Company, while the former shareholders of Drummond held approximately 4.05%. As a result, the Transaction constituted a reverse takeover of Drummond by the shareholders of Toro.

For accounting purposes, Toro was determined to be the acquirer and Drummond was determined to be the acquiree. Accordingly, the Transaction has been accounted for as a reverse acquisition, with these consolidated financial statements representing a continuation of the financial statements of Toro. The net assets of Drummond were recognized at their estimated fair values at the acquisition date and the excess of the fair value of the consideration deemed transferred over the fair value of the identifiable net assets acquired was recognized as listing expense.

Consideration paid:	
Fair value of 1,708,333 common shares issued to Drummond shareholders	$ 2,391,666
Fair value of 43,333 stock options issued to Drummond option holders	45,475
Total consideration paid	$ 2,437,141
Assets acquired and liabilities assumed:	
Cash	$ 30,819
Accounts payable and accrued liabilities	(8,637)
Net assets assumed	$ 22,182
Transaction cost	**$ 2,414,959**

The fair value of the share purchase options was determined using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 79.84%, risk free rate of return of 2.78%, expected life of 2.18 years, and share price of $1.40. The volatility rate of 79.84% used in the pricing model was based on the average volatility of three comparable junior mining companies on the TSX Venture.

5. Acquisition of Comstock Northern Exploration LLC

On December 18, 2024, the Company entered into a Membership Interest Purchase Agreement ("MIPA") to terminate the Comstock Lease and purchase 100% membership interests of Comstock Northern Exploration LLC ("CNEL") and 25% membership interest of Pelen LLC ("Pelen") for $2,750,000 plus a continuing 1.5% NSR royalty (Note 3).

On June 6, 2025, the agreement was amended to increase the purchase price to $2,950,000 and extend payment terms. As of June 30, 2025, the Company paid $1,550,000 toward the acquisition, and the remaining $1,400,000 was paid in the year ended June 30, 2026.

At the date of acquisition, the Company determined that CNEL did not meet the definition of a business as defined under IFRS 3, Business Combinations, and the CNEL acquisition was accounted for as an asset acquisition. The consideration payable were expensed as property acquisition costs, consistent with the Company's accounting policy for exploration and evaluation expenditures.

As part of the MIPA, the Company also obtained 25% interest in Pelen, which owns 100% of a Nevada corporation, Sutro Tunnel Co. which holds the Sutro tunnel and 127 mining claims. At the time of acquisition, the Company accounted for its interest in Pelen as a financial instrument under IFRS 9, Financial Instruments, and valued at $250,000, since the Company does not have any significant influence over Pelen. During the year ended June 2025, the Company recognized an unrealized loss on this investment of $250,000.

6. Exploration and evaluation expenses

The following table shows the total expenditure on the Company's mineral properties during the years ended June 30, 2026 and 2025.

	Balance June 30, 2024	Fiscal 2025 Expenditures	Balance June 30, 2025	Fiscal 2026 Expenditures	Balance June 30, 2026
Comstock Property	**$**	**$**	**$**		
Property acquisition	31,000	3,475,000	3,506,000	2,889,922	6,395,922
Assay	4,558	-	4,558	-	4,558
Community relations	-	-	-	29,400	29,400
Geology expenses	7,948	-	7,948	53,847	61,795
Drilling	-	-	-	25,055	25,055
Professional fees	-	-	-	79,336	79,336
Technical consulting	-	-	-	61,597	61,597
Other expenses	-	-	-	1,602	1,602
Exploration equipment		-	-	5,467	5,467
Leases	3,051,354	679,149	3,730,503	469,996	4,200,499
Total	3,094,860	4,154,149	7,249,009	3,616,222	10,865,231

Through a series of acquisitions, leases and clam staking the Company has consolidated a 4274-acre mineral exploration property centered on the Comstock Gold-Silver District. Details for each are provided below.

6. Exploration and evaluation expenses (continued)

Comstock Property

On May 30, 2023, the Company entered into a 20-year mineral exploration and mining lease (the "Comstock Lease") with Comstock Inc..

The agreement required an initial payment of $1,250,000 and quarterly lease payments of $375,000 for the first 16 quarters, followed by $250,000 per quarter thereafter. Upon receipt of all necessary mining permits, ongoing quarterly payments would be treated as Advanced Minimum Royalties. The Company was also responsible for reimbursing all property carrying costs and agreed to a 1.5% Net Smelter Returns royalty on future production.

On December 18, 2024, the Company entered into a Membership Interest Purchase Agreement ("MIPA") to terminate the Comstock Lease and purchase all membership interests of Comstock Northern Exploration LLC (CNEL) for $2,750,000 plus a continuing 1.5% NSR royalty. The purchase consideration was later revised to $2,950,000 was fully paid as at June 30, 2026. This transaction transferred full ownership of the claims and related leases to the Company.

Wilson Property, Storey and Lyon Counties, Nevada

On December 5, 2024, the Company entered into a purchase and sale agreement with entities related to the estate of Art Wilson to acquire a portfolio of mining assets. The acquisition included 12 patented mining claims, 6 unpatented lode mining claims in the Ida Area (Storey and Lyon Counties), five fee parcels in the Gold Hill area, and related royalty interests (collectively, the "Wilson Property"). Additional mining claims, fee properties, and royalties located in Lyon County were designated for transfer to Comstock Inc. under the Non-Compete provision of the MIPA Agreement.

The Company agreed to acquire certain properties from Art Wilson for total consideration of $750,000, with $30,000 payable on signing (paid), $250,000 due by February 15, 2025, and $470,000 due by August 31, 2025. Closing was to occur upon payment of the final installment.

On February 18, 2025, the parties amended the agreement to increase the purchase price to $775,000. A subsequent amendment at closing removed two Gold Canyon parcels, added one new property, and reduced the purchase price by $62,000. The Company paid $305,000 toward the acquisition by June 30, 2025, and the remaining balance of $408,000 was paid during the year ended June 30, 2026.

Cosmopolitan Property, Storey County, Nevada

On June 30, 2025, the Company entered into an agreement to purchase two patented mining claims and one fee parcel lot along with associated mineral data, in Storey County, Nevada for $175,000. In August 2025, the payment was made by the Company and the transaction completed. The properties are located within and adjacent to the Comstock Property.

Claims Staked by the Company

During the years ended June 30, 2025 and June 30, 2026, 95 and 67 lode mining claims respectively, were staked by the Company on its own behalf. These claims are part of the Comstock Property.

6. Exploration and evaluation expenses (continued)

Comstock Property (continued)

Other Mineral Properties Acquired

On February 5, 2026, the Company completed the buy-out of one of its mineral lease properties in the Comstock District, consisting of 26 unpatented mining claims. Under the terms of the buy-out agreement, the Company made a $100,000 cash payment and issued 100,000 shares of the Company at a deemed price of $0.85 per share. Within ten years of the effective date of the agreement, if a National Instrument 43-101 measured and indicated mineral resource estimate totaling 1,000,000 gold equivalent ounces or greater is found on the acquired mining claims an additional payment of $750,000 payment will be made to the seller.

On February 26, 2026, the Company acquired a package of unpatented mining claims in the Comstock District by payment of $350,000. An additional cash payment of $50,000 is payable by September 30, 2026 (paid); and within ten years of the effective date of the agreement, if the Company reports a measured and indicated mineral resource totaling 500,000 gold equivalent ounces or greater on the acquired mining claims an additional $500,000 will be payable to the sellers.

On March 12, 2026, the Company acquired a package of patented and unpatented mining claims in the Comstock District for payment of $500,000 and issuance of 100,000 shares of the Company. An additional cash payment of $1,000,000 will be payable if the Company reports a measured and indicated mineral resource on the acquired mining claims totaling 1,000,000 gold equivalent ounces or greater within 10 years of the effective date of the agreement.

On May 21, 2026, the Company entered into a five year lease agreement on four patented mining claims in the Comstock District, under the following terms:

a) Initial Term – First year payment, upon signing $155,000 (paid); Second year $35,000; Third year $40,000; Fourth year $45,000; Fifth year $50,000.
b) Extension Term payments through tenth year - $50,000 per year
c) Extension Term payments through twentieth year - $75,000 per year
d) If commercial production is achieved before the end of the Initial or any Extension Term, the lease will continue for so long as Company maintains commercial production and pays all royalties and other amounts due.
e) Minimum Exploration Expenditures – During the Initial Term, Company shall incur a minimum of $1,000,000 in qualifying exploration expenditures, of which $500,000 shall be incurred by the end of the third year.
f) Royalty Payments – The Company shall pay a production royalty of 3% on all production from the leased claims.

On May 27, 2026, the Company, the Company acquired a patented mineral claim in the Comstock District by payment of $100,000.

Buy-out of Royalty Agreement on Comstock Claims

On January 20, 2026, the Company completed a buy-out of its December 18, 2024 royalty agreement with Comstock Inc., under which there was 1.5% NSR payable to Comstock Inc. on all 241 claims and lease properties The Company paid $1,100,000 to complete the transaction and eliminate the royalty obligations payable under the MIPA.

7. Promissory note payable

On June 30, 2024, the Company obtained a loan from Mexico Minerales y Metales Earth de C.V. ("Mexamin"), a company controlled by former directors of the company. Over the term of loan, the loan balance increased from an initial $300,030 to $395,235 including loan fees and interest. On June 4, 2025, the Company issued 871,288 shares to settle the promissory notes of $342,380 and accrued interest on the promissory notes of $93,264.

8. Loan facility from Mackay Bridge LLC

On December 6, 2024 the Company entered into a loan facility with Mackay Bridge LLC, ("Bridge") an arms-length party, for a total of $700,000. The interest on the loan was 2.5% per month, accrued monthly. The loan had a term of 6 months, extendable for up to a further 3-month on payment of a 5% extension fee. The funds were to be used for the purchase of the leased properties. As security of the loan, the Company entered into a share pledge agreement over the member shares of CNEL. On April 21, 2025, the Company received another $50,000 from Bridge under the terms of the loan facility.

On June 4, 2025, pursuant to the terms of a debt settlement agreement, the Company agreed to settle the loan principal and related items as shown below:

$750,000 Loan principal (1,500,000 shares of the Company, issued at $0.50 per share)

$125,000 Loan extension fees (250,000 shares of the Company, issued at $0.50 per share)

$112,500 Total interest on loan (281,250 shares of the Company, issued at $0.40 per share)

On July 9, 2025, the Company issued 2,031,250 shares to settle the loan principal, interest and extension fee (Note 9).

9. Share capital

The authorized share capital consists of an unlimited number of common shares without par value.

Private Placement Financings

In July 2024, the Company issued 4,410,000 shares at $0.50 per share for aggregate proceeds of $2,205,000.

In June 2025, the Company issued 1,216,028 shares at a deemed price of $0.50 per share, pursuant to a shares for debt settlement agreement (Note 7). Of the total amount, the Company issued 871,288 shares to settle the promissory note to Mexamin in the amount of $435,644 and 344,740 shares to settle outstanding accounts payable in the amount of $172,370 (Notes 7 and 9).

On July 3, 2025, the Company completed a private placement consisting of the issuance of 1,750,000 shares of the Company at a price of $0.50 per share for subscription proceeds of $875,000.

On July 24, 2025, the Company completed a private placement consisting of the issuance of 4,770,000 shares of the Company at a price of $0.50 per share for subscription proceeds of $2,385,000. In connection with this financing, the Company incurred a finders fee of $8,750, which was paid by the issuance of 17,500 shares of the Company at a price of $0.50 per share.

On August 7, 2025, the Company completed a private placement consisting of the issuance of 500,000 shares of the Company at a price of $0.50 per share, for subscription proceeds of $250,000.

On August 18, 2025, the Company completed a private placement consisting of the issuance of 765,000 shares of the Company at a price of $0.50 per share for subscription proceeds of $382,500. In connection with this financing, the Company incurred a finders fee of $5,000, which was paid by the issuance of 10,000 shares of the Company at a price of $0.50 per share.

On August 18, 2025, pursuant to the terms an employment agreement the Company completed a private placement with an officer and director of the Company, consisting of the issuance of 1,500,000 shares of the Company at a price of $0.05 per share for subscription proceeds $75,000. The difference between the fair market value of the Company's shares on the date of issuance and the subscription proceeds of $675,000 was recognised as share-based compensation.

On December 19, 2025, the Company completed a private placement consisting of the issuance of 1,090,000 shares of the Company at a price of $0.50 per share, for subscription proceeds of $545,000.

On January 30, 2026, the Company completed a private placement consisting of the issuance of 4,965,000 shares of the Company at a price of $0.85 per share, for subscription proceeds of $4,220,250.

On April 17, 2026, the Company completed concurrent financing along with the reverse takeover transaction in which the Company issued 43,056,756 shares of the Company at a price of $1.40 per share for subscription proceeds of $60,279,458. In connection with the financing, the Company issued 375,640 shares of the Company with a fair value of $525,896, 350,094 finders warrants with a fair value of $172,761 and paid $7,560 in cash to the finders. The fair value of the finders warrants was determined Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 81.68%, risk free rate of return of 2.74%, expected life of 2 years, and share price of $1.40. The volatility rate of 81.68% used in the pricing model was based on the average volatility of three comparable junior mining companies on the TSX Venture. Additionally, the Company incurred share issue costs of $2,022,001 in relation to the private placement.

9. Share capital (continued)

Shares Issued for Subscriptions Received

At June 30, 2025, the Company recorded $155,000 cash for share subscriptions received. During the year ended June 30, 2026, the Company issued 310,000 shares at $0.50 per share in fulfillment of these share subscriptions.

Shares for Debt Settlements

On July 9, 2025, the Company issued 2,031,250 shares valued at $987,500 to settle the loan principal, interest and extension fee (Note 8).

On August 18, 2025, the Company completed the following shares for debt settlements at a deemed price of $0.50 per share:

- 300,000 shares of the Company to settle an amount of $150,000 director fees owing to a director and two former directors of the Company.
- 300,000 shares of the Company to settle an amount of $150,000 in director fees and severance owing to the former CEO of the Company.
- 172,303 shares of the Company to settle amounts totaling $86,152 in account payable to arms length parties.

On December 19, 2025, the Company completed a shares for debt settlement at a deemed price of $0.50 per share, with the issuance of 192,857 shares of the Company to settle an aggregate amount of $96,429 due to two officers of the Company in lieu of salary amounts payable.

On December 30, 2025, the Company completed a shares for debt settlement at a deemed price of $0.50 per share, with the issuance of 50,000 shares of the Company to settle a $25,000 amount due to a consultant.

Shares for Mineral Properties

On February 5, 2026, the Company issued 100,000 shares valued at $85,000 to Renegade Mineral Holdings LLC to acquire one of its mineral lease properties in the Comstock District, consisting of 26 unpatented mining claims. Under the terms of the buy-out agreement, the Company made a $100,000cash payment and issued 100,000 shares of the Company at a deemed price of $0.85 per share.

On March 18, 2026, the Company issued 100,000 shares valued at $85,000 as partial consideration for the acquisition of patented and unpatented mining claims comprising part of the Comstock Property at a deemed price of $0.85 per share, pursuant to the mining claim purchase agreement with Leda Resources LLC.

Shares Issued for Reverse Takeover Transaction

On April 17, 2026, the Company issued 1,708,333 shares to the former shareholders of Drummond valued at $2,391,666 related to the reverse takeover transaction (Note 4).

Share Issued for Options Exercised

During the year ended June 30, 2026, the Company issued 119,513 shares pursuant to the exercise of 135,000 stock options for gross proceeds of $74,216. This includes the exercise of 50,000 options by way of net exercise for which 34,513 shares were issued without any proceeds from the option holder. The Company transferred $101,111 from its reserves to the share capital pursuant to the exercise of stock options.

9. Share capital (continued)

Stock Options (continued)

On December 3, 2025, the Company had issued a total of 2,675,000 incentive stock options exercisable at $0.50 per share for a total of 2,675,000 shares of the Company for a period of five years to officers, directors and consultants of the Company. The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following assumptions: expected dividend yield of 0%, expected volatility of 81.87%, risk free rate of return of 2.8%, expected life of 5 years, and share price of $0.50. The volatility rate of 81.87% used in the pricing model was based on the average volatility of three comparable junior mining companies on the TSX Venture. On April 17, 2026, the Company issued 2,675,000 incentive stock options in exchange for these stock options under the same terms.

These stock options were issued subject to the following vesting provisions: 25% vesting in four tranches, 6 months, 12 months, 18 months and 24 months after date of issuance, except for the options granted to a former director, which vest 50% on June 3, 2026 and the remaining 50% on December 3, 2026.

On January 25, 2026, the Company had issued a total of 165,000 incentive stock options exercisable at $0.50 per share for a total of 165,000 shares of the Company for a period of five years to consultants of the Company. The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following assumptions: expected dividend yield of 0%, expected volatility of 81.94%, risk free rate of return of 2.94%, expected life of 5 years, and share price of $0.50. The volatility rate of 81.94% used in the pricing model was based on the average volatility of three comparable junior mining companies on the TSX and TSX Venture Exchanges. These stock options were issued subject to the following vesting provisions: 25% vesting on June 3, 2026; 25% vesting on December 3, 2026; 25% vesting on June 3, 2027; and 25% vesting on December 3, 2027. On April 17, 2026, the Company issued 100,000 incentive stock options in exchange for these stock options under the same terms and 65,000 were cancelled.

On April 17, 2026, the Company issued 43,333 incentive stock options exercisable at $0.44 to the option holder of Drummond as a part of the consideration of the Transaction. The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following assumptions: expected dividend yield of 0%, expected volatility of 79.84%, risk free rate of return of 2.78%, expected life of 2.18 years, and share price of $1.40. The volatility rate of 79.84% used in the pricing model was based on the average volatility of three comparable junior mining companies on the TSX and TSX Venture Exchanges.

On April 17, 2026, the Company issued a total of 2,700,000 incentive stock options exercisable at $1.40 per share for a total of 2,700,000 shares of the Company for a period of five years to directors, officers and consultants of the Company. The fair value of these options on the date of grant was determined using the Black-Scholes option pricing model and the following assumptions: expected dividend yield of 0%, expected volatility of 82.27%, risk free rate of return of 3.04%, expected life of 5 years, and share price of $1.40. The volatility rate of 82.27% used in the pricing model was based on the average volatility of three comparable junior mining companies on the TSX and TSX Venture Exchanges.

These stock options are issued with vesting schedule of one-third vesting on the grant date, one-third on the first anniversary and the remaining vesting on the second anniversary of the grant date.

9. Share capital (continued)

Stock Options (continued)

The changes in the stock options during the year ended June 30, 2026 and 2025 are as follows:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, June 30, 2024 and 2025	-	-	-
Granted	5,583,333	$0.93	4.45
Cancelled	(65,000)	$0.50	4.58
Exercised	(135,000)	$0.76	3.12
Balance, June 30, 2026	5,383,333	$0.94	4.45

The balance of options outstanding as at June 30, 2026 was as follows:

Expiry date	Exercise Price	Remaining Life (years)	Options Outstanding	Unvested	Vested
December 3, 2030	$0.50	4.43	2,625,000	1,968,750	656,250
January 25, 2031	$0.50	4.58	100,000	75,000	25,000
April 17, 2031	$1.40	4.80	2,658,333	1,772,222	886,111

Share purchase warrants

On April 17, 2026, the Company issued 350,094 finders warrants in relation to the private placement dated April 17, 2026. Each finders warrant is exercisable for one common share of the company at an exercise price of $2.00 per share until April 17, 2028. The finders warrants were valued at $172,761 using Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%, expected volatility of 81.68%, risk free rate of return of 2.74%, expected life of 2 years, and share price of $1.40. The volatility rate of 82.27% used in the pricing model was based on the average volatility of three comparable junior mining companies on the TSX Venture.

The changes in the share purchase warrants during the years ended June 30, 2026 and 2025 are as follows:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance, June 30, 2024 and 2025	-	-	-
Granted	350,094	$2.00	1.80
Balance, June 30, 2026	350,094	$2.00	1.80

The balance of options outstanding as at June 30, 2026 was as follows:

Expiry date	Exercise Price	Remaining Life (years)	Warrants Outstanding
April 17, 2028	$2.00	1.80	350,094

9. Share capital (continued)

Restricted Stock Units ("RSU's")

On May 19, 2026, the Company granted 2,000,000 RSU's to directors and employees of the Company. The RSUs will vest in three equal tranches over a 36-month period on each of the first, second and third anniversaries of the date of grant. Once vested, each RSU entitles the holder thereof to receive either one common shares of the Company (each, a "Common Share"), the cash equivalent of one Common Share or a combination of cash and Common Shares, as determined by the Company in accordance with the terms of the Plan. These RSU's are recorded at fair value based on the Company's share price on the date of grant. During the year ended June 30, 2026, the Company recognised share-based compensation of $330,034 (2025 - $Nil) in respect of these RSU's.

10. Related party transactions

Key management includes directors and other key personnel, including the Chief Executive Officer ("CEO"), and Chief Financial Officer ("CFO"), who have authority and responsibility for planning, directing, and controlling the activities of the Company.

During the year ended June 30, 2026, the Company incurred salaries of $321,952 to the CEO of the Company and $89,706 to the CFO of the Company. Salaries incurred to the CEO and CFO were partly paid through the issuance of the 192,857 shares of the Company at a deemed price of $0.50 per share. In addition, the Company incurred director fees of $94,990 to the directors of the Company.

During the year ended June 30, 2026, the Company recognized share-based compensation related to the vesting of stock options and RSUs to certain officers and directors of the Company in the amount of $898,664 (2025 - $Nil) and $258,101 (2025 - $Nil), respectively.

On August 18, 2025, pursuant to the terms an employment agreement the Company completed a private placement with an officer and director of the Company, consisting of the issuance of 1,500,000 shares of the Company at a price of $0.05 per share for subscription proceeds $75,000. The difference between the fair market value of the Company's shares on the date of issuance and the subscription proceeds of $675,000 was recognised as share-based compensation.

For the month of June 30, 2025, the Company accrued salaries of $27,237 payable to new incoming officers of the Company, half of which are payable in cash and half of which were payable in shares (issued in the year ended June 30, 2026).

Repayments to Mexamin

Mexamin is a company controlled by two former directors of the Company. On June 4, 2025, the Company settled the following debts owed to Mexamin, totaling $608,014, by the issuance of 1,216,028 shares of the Company at a price of $0.50 per share:

Outstanding fees for advisory services	$	172,370
Promissory notes and accrued interest		435,644
	$	**608,014**

In July 2025, the Company paid $21,718 to Mexamin for an outstanding amount payable.

On June 4, 2025, the Company approved the payment of $50,000 each to four directors in respect of director fees earned to date, to be settled by the issuance of shares of the Company at a price of $0.50 per share (issued in the year ended June 30, 2026).

10. Related party transactions (continued)

CEO Termination and Settlement

On June 4, 2025, the Company approved a termination and settlement agreement with the Company's CEO and accepted his resignation as CEO of the Company.

Pursuant to the terms of termination and settlement agreement, the total amount owed by the Company to the CEO was $400,000 (the "Outstanding Balance"), representing the total amount of salary and severance owed under his employment agreement. The Company agreed to settle the Outstanding Balance as follows:

(a) $300,000 representing partial outstanding salary and expenses (the "Residual Amount") (paid during the year ended June 30, 2026); and

(b) $100,000 representing the six-month severance payment (converted into 200,000 common shares of the Company at a deemed issue price of $0.50 per share, and issued on August 18, 2025).

Ranchero Gold Corp. Loan and Repayment

Ranchero Gold Corp. ("Ranchero) had directors and officers that were also directors and officers of the Company in 2024 and 2025. In 2024, Ranchero paid for certain expenses the Company totaling CAD$31,050, subject to an interest rate of 15% per annum. In the year ended June 30, 2026, the total amount of the balance outstanding including interest of CAD$4,589 was settled by the Company by payment in cash.

11. Income taxes

a. Provision for income taxes

The reconciliation of the combined Canadian federal and provincial statutory rate of 27% to the effective tax rate is as follows:

	June 30, 2026	June 30, 2025
Loss before income taxes	10,937,568	$ 5,915,978
Expected income tax loss based on the statutory rate:	2,953,143	1,597,314
Adjustments to expected income tax loss:		
Tax rate differences	(233,136)	(280,655)
Share issuance costs	(761,697)	3,029
Change in deferred tax assets not recognized	(1,958,310)	(1,319,688)
Income tax expense	**$ -**	**$ -**

b. Deferred income tax

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

	June 30, 2026	June 30, 2025
Non-capital loss carry-forward	1,243,730	$ 494,652
Resource expenditures	2,296,726	1,626,548
Share issuance costs	483,151	3,029
Net deferred income tax assets	**$ 4,023,606**	**$ 2,124,229**

11. Income taxes (continued)

The non-capital loss carry forwards expire as noted in the table below.

	Canada	United States
2043	$ 30,172	$ -
2044	411,709	96,701
2045	1,238,387	98,442
	$ 1,680,268	**$ 195,143**

12. Capital Risk Management

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its business.

The Company's capital management objectives, policies and processes from inception May 17, 2022 to June 30, 2026 have remained unchanged.

13. Segmented Information

The assets and operations of the Company are located in United States. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

14. Subsequent events

Acquisition of Nevada Mining Assets of Comstock Inc.

Subsequent to the year ended June 30, 2026, the Company acquired all of the mining assets of Comstock Inc. ("Comstock") through the purchase of all of the membership interests of Comstock Mining LLC, Comstock Processing LLC, and Comstock Exploration and Development LLC, and all of the issued and outstanding shares of capital stock of Comstock Real Estate Inc. (collectively, the "Acquired Entities"). The Acquired Entities own or control all of Comstock's property interests and assets within the historic Comstock Mining District. On closing of the acquisition, Comstock also assigned to the Company the cash collateral for the reclamation surety bond on the American Flats processing facility and Lucerne Mine in the approximate amount of $4,000,000. In consideration for the acquisition of the Acquired Entities, on closing the Company paid $20,000,000 in cash to Comstock and the Company issued 2,000,000 common shares of the Company (the "First Tranche Shares") to Comstock. On or before December 21, 2027, the Company shall pay to Comstock $7,000,000 (the "Second Tranche Payment"), with up to $2,000,000 of the Second Tranche Payment payable in common shares of the Company.

14. Subsequent events (continued)

Acquisition of Nevada Mining Assets of Comstock Inc. (continued)

If, at any time on or prior to the date that is seven years after the closing date, (i) the Company makes a construction decision in respect of a mine on any of the properties, or (ii) a change of control of the Company for aggregate consideration of $500,000,000 or greater occurs, then the Company shall make a one-time payment to Comstock of $10,000,000 in cash (the "Contingent Payment") no later than 90 days following the occurrence of such triggering event.

Comstock retains a net smelter returns royalty (the "NSR Royalty") on the properties at a rate (the "Royalty Rate") of 1.5% less the existing royalty burden on such part of the properties as of the closing date; provided, that, with respect to any part of the properties situated in Lyon County, Nevada (a "Lyon County Parcel"), the Royalty Rate shall not be less than 0.5% unless the existing royalty burden on such Lyon County Parcel as of the closing date is greater than 2.25%, in which case the total royalty burden on such Lyon County Parcel including the NSR Royalty shall not exceed 2.75%. For the avoidance of doubt, if the existing royalty burden on a Lyon County Parcel as of the effective date is 2.75% or greater, the Royalty Rate applicable to such Lyon County Parcel would be 0%. The Company has the right at any time to repurchase 100% of the NSR Royalty for a payment of $3,500,000, provided that if the seven year period for the payment of the Contingent Payment has lapsed without the payment of the Contingent Payment, the royalty buyout payment shall be increased to $7,000,000.

Stock Options Exercised

Subsequent to the year ended June 30, 2026, the Company issued 50,000 shares from the exercise of 50,000 stock options at a price of $0.50 per share and received $25,000.

Stock Options Issued

Subsequent to the year ended June 30, 2026, the Company issued 375,000 stock options to employees of the Company pursuant to the Company's omnibus incentive plan, for the purchase of 375,000 shares of the Company at an exercise price of $2.24 per share for a period of five years.

Restricted Share Units Issued

Subsequent to the year ended June 30, 2026, the Company issued 60,000 restricted share units to an employee of the Company. Each RSU entitles the holder to acquire one share of the Company upon vesting. The RSU's are subject to the terms of the Company's omnibus incentive plan.

Acquisition of 392-Hectare Nevada Property

Subsequent to the year ended June 30, 2026, the Company completed a definitive agreement with two privately owned companies controlled by Mr. Hugh Roy Marshall (the "Seller") for the purchase of 100% of the Seller's mining properties within the Comstock District in Storey and Lyon counties, Nevada (the "Property"). Total consideration for the Property is $6,300,000, consisting of $2,000,000 cash (Paid) and the issuance of 934,575 shares ($2,000,000 value) of the Company (Issued), plus a further $2,300,000 in cash payable on the first anniversary of closing.

The Property consists of 39 patented mining claims and certain additional fee lands in Storey County, Nevada, 27 unpatented mining claims in Storey County, Nevada, and two unpatented mining claims in Lyon County, Nevada, totalling approximately 392 hectares, and is directly contiguous with the Company's existing land package. The Seller has a 2.0% net smelter returns royalty on the Property (the "NSR Royalty"). The NSR Royalty will not apply to any portion of the Property that is subject to an existing royalty as at the Effective Date. The Company may repurchase one-half of the NSR Royalty, being an undivided 1.0% royalty interest, at any time for $2,000,000, and will hold a right of first refusal in respect of the remaining 1.0% royalty interest.