



## **FINANCIAL REVIEW**

**Six months ended June 30, 2025**



(An Exploration Stage Company)

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**For the six months ended June 30, 2025**

**(Unaudited – Prepared by Management)**

**(Expressed in Canadian Dollars)**

## **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 of the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed the unaudited condensed interim financial statements for the six months ended June 30, 2025. These condensed interim financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

**RACKLA METALS INC.**

(An Exploration Stage Company)

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)**

(Expressed in Canadian Dollars)

	June 30, 2025	December 31, 2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash (Note 4)	\$ 10,012,587	\$ 3,264,346
Equity investments (Note 5)	657	2,439
Taxes receivable	46,045	19,817
Prepaid expenses and deposits (Note 13)	397,969	50,416
	10,457,258	3,337,018
<b>Non-current assets</b>		
Deposits (Note 13)	231,507	104,907
Property and equipment (Note 6)	235,666	133,032
Exploration and evaluation assets (Note 7)	949,389	949,389
	1,416,562	1,187,328
<b>TOTAL ASSETS</b>	<b>\$ 11,873,820</b>	<b>\$ 4,524,346</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 176,070	\$ 157,284
Due to related parties (Note 13)	46,195	41,247
Current portion of lease liabilities (Note 9)	32,819	20,618
Other liability (Note 10)	788,666	196,828
	1,043,750	415,977
<b>Non-current liabilities</b>		
Lease liabilities (Note 9)	138,138	81,321
<b>Total liabilities</b>	<b>1,181,888</b>	<b>497,298</b>
<b>Shareholders' equity</b>		
Share capital (Note 11)	28,776,657	21,156,847
Other equity reserves (Note 11)	1,327,817	1,039,498
Accumulated other comprehensive loss	(59,093)	(57,311)
Deficit	(19,353,449)	(18,111,986)
<b>Total shareholders' equity</b>	<b>10,691,932</b>	<b>4,027,048</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 11,873,820</b>	<b>\$ 4,524,346</b>

**APPROVED BY THE BOARD OF DIRECTORS AND AUTHORIZED FOR ISSUE ON AUGUST 28, 2025:***"Simon Ridgway"*

Simon Ridgway, Director

*"William Katzin"*

William Katzin, Director

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

**RACKLA METALS INC.**

(An Exploration Stage Company)

**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS (UNAUDITED)**

(Expressed in Canadian Dollars)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>EXPLORATION EXPENDITURES</b> (Notes 8 and 13)	\$ 312,342	\$ 652,213	\$ 430,545	\$ 830,411
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>				
Amortization (Note 6)	11,751	6,341	23,382	11,792
Consulting fees	36,458	-	36,458	25,000
Directors' fees	27,500	10,000	27,500	10,000
Interest expense on lease liability (Note 9)	3,017	492	5,382	1,092
Legal and audit fees	5,103	6,885	5,103	8,003
Management fees (Note 13)	27,000	10,500	54,000	21,000
Office and administrative (Note 13)	27,909	29,005	58,539	55,503
Salaries and benefits (Note 13)	46,149	63,315	88,075	115,603
Share-based payments (Note 12)	394,354	-	394,354	13,691
Shareholder communications (Note 13)	158,267	90,468	277,769	203,728
Transfer agent and regulatory fees (Note 13)	4,644	3,714	16,168	12,588
Travel and accommodation (Note 13)	11,413	15,555	33,067	27,563
	753,565	236,275	1,019,797	505,563
	(1,065,907)	(888,488)	(1,450,342)	(1,335,974)
Interest income	42,013	13,363	60,843	22,896
Part XII.6 tax (Note 10)	(812)	-	(812)	-
<b>Loss before income taxes</b>	<b>(1,024,706)</b>	<b>(875,125)</b>	<b>(1,390,311)</b>	<b>(1,313,078)</b>
Recovery on flow-through share liability (Note 10)	33,733	64,143	46,562	79,492
<b>Net loss for the period</b>	<b>\$ (990,973)</b>	<b>\$ (810,982)</b>	<b>\$ (1,343,749)</b>	<b>\$ (1,233,586)</b>
<b>Other comprehensive loss</b>				
Items that will not be reclassified subsequently to profit or loss:				
Fair value loss on equity investments (Note 5)	(94)	-	(1,782)	-
<b>Total comprehensive loss</b>	<b>\$ (991,067)</b>	<b>\$ (810,982)</b>	<b>\$ (1,345,531)</b>	<b>\$ (1,233,586)</b>
Basic and diluted loss per share	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.02)
Weighted average number of common shares outstanding	130,272,692	77,935,401	118,955,523	74,658,044

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

# RACKLA METALS INC.

(An Exploration Stage Company)

## CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

			Other equity reserves						
	Number of common shares	Share capital	Share-based payments	Share purchase warrants	Compensation options	Accumulated other comprehensive income (loss)	Deficit	Total	
Balance, December 31, 2023	71,380,686	\$ 16,237,918	\$ 789,008	\$ 105,690	\$ 94,421	\$ (58,249)	\$ (14,944,630)	\$ 2,224,158	
Net loss for the period	-	-	-	-	-	-	(1,233,586)	(1,233,586)	
Shares issued on private placements	26,130,478	3,919,572	-	-	-	-	-	3,919,572	
Share issuance costs	-	(193,081)	-	37,731	-	-	-	(155,350)	
Fair value of forfeited options	-	-	(1,043)	-	-	-	1,043	-	
Share-based payments	-	-	13,691	-	-	-	-	13,691	
Balance, June 30, 2024	97,511,164	19,964,409	801,656	143,421	94,421	(58,249)	(16,177,173)	4,768,485	
Net loss for the period	-	-	-	-	-	-	(1,934,813)	(1,934,813)	
Shares issued on private placements	10,000,000	1,200,000	-	-	-	-	-	1,200,000	
Share issuance costs	-	(7,562)	-	-	-	-	-	(7,562)	
Fair value gain on equity investments	-	-	-	-	-	938	-	938	
Balance, December 31, 2024	107,511,164	21,156,847	801,656	143,421	94,421	(57,311)	(18,111,986)	4,027,048	
Net loss for the period	-	-	-	-	-	-	(1,343,749)	(1,343,749)	
Shares issued on private placements	15,705,002	2,355,750	-	-	-	-	-	2,355,750	
Options exercised	50,000	7,000	-	-	-	-	-	7,000	
Warrants exercised	26,673,625	5,334,726	-	-	-	-	-	5,334,726	
Share issuance costs	-	(120,207)	-	38,792	-	-	-	(81,415)	
Transfer of other equity reserve on exercise of warrants	-	37,586	-	(37,586)	-	-	-	-	
Transfer of other equity reserve on exercise of options	-	4,955	(4,955)	-	-	-	-	-	
Fair value of expired warrants	-	-	-	(145)	-	-	145	-	
Fair value of forfeited options	-	-	(102,141)	-	-	-	102,141	-	
Fair value loss on equity investments	-	-	-	-	-	(1,782)	-	(1,782)	
Share-based payments	-	-	394,354	-	-	-	-	394,354	
<b>Balance, June 30, 2025</b>	<b>149,939,791</b>	<b>\$ 28,776,657</b>	<b>\$ 1,088,914</b>	<b>\$ 144,482</b>	<b>\$ 94,421</b>	<b>\$ (59,093)</b>	<b>\$ (19,353,449)</b>	<b>\$ 10,691,932</b>	

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

**RACKLA METALS INC.**

(An Exploration Stage Company)

**CONDENSED INTERIM STATEMENTS OF CASH FLOWS (UNAUDITED)**

(Expressed in Canadian Dollars)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
<b>Cash provided by (used in):</b>				
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	\$ (990,973)	\$ (810,982)	\$ (1,343,749)	\$ (1,233,586)
Items not involving cash:				
Amortization	11,751	6,341	23,382	11,792
Recovery on flow-through share liability	(33,733)	(64,143)	(46,562)	(79,492)
Share-based payments	394,354	-	394,354	13,691
	(618,601)	(868,784)	(972,575)	(1,287,595)
Changes in non-cash working capital items:				
Taxes receivable	(21,607)	(21,184)	(26,228)	152,876
Prepaid expenses	(234,788)	41,734	(347,553)	124,900
Accounts payable and accrued liabilities	31,525	184,366	18,786	(110,149)
Due to related parties	(22,227)	(17,001)	4,948	(14,188)
	(865,698)	(680,869)	(1,322,622)	(1,134,156)
<b>FINANCING ACTIVITIES</b>				
Proceeds from issuance of capital stock	8,328,876	4,656,184	8,335,876	4,656,184
Share issuance costs	(81,415)	(155,350)	(81,415)	(155,350)
Repayment of lease obligations, net	(9,222)	(4,427)	(15,921)	(8,744)
	8,238,239	4,496,407	8,238,540	4,492,090
<b>INVESTING ACTIVITIES</b>				
Long-term deposits	(126,600)	-	(126,600)	-
Purchase and lease of equipment	(41,077)	(27,000)	(41,077)	(27,000)
	(167,677)	(27,000)	(167,677)	(27,000)
<b>Increase in cash</b>	7,204,864	3,788,538	6,748,241	3,330,934
Cash, beginning of period	2,807,723	724,067	3,264,346	1,181,671
<b>Cash, end of period</b>	<b>\$ 10,012,587</b>	<b>\$ 4,512,605</b>	<b>\$ 10,012,587</b>	<b>\$ 4,512,605</b>

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

# **RACKLA METALS INC.**

(An Exploration Stage Company)

## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

---

### **1. CORPORATE INFORMATION**

Rackla Metals Inc. (the "Company") is pursuing opportunities related to exploration of mineral resource properties. The Company was incorporated in the Province of British Columbia on September 20, 2011, and its common shares are listed on the TSX Venture Exchange ("TSX-V") under the symbol RAK.

The address of the Company's corporate office and principal place of business is Suite 1000, 1111 Melville Street, Vancouver, BC V6E 3V6, Canada.

### **2. BASIS OF PREPARATION**

These condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* under IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements follow the same accounting policies and methods of application as the most recent annual financial statements of the Company. These condensed interim financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the Company's most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

#### **Basis of Measurement**

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

The presentation and functional currency of the Company is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the condensed interim financial statements are disclosed in Note 3.

#### **Ability to Continue as a Going Concern**

These financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Realization values may be substantially different from the carrying values shown and these 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. Such adjustments could be material. At June 30, 2025, the Company has not yet achieved profitable operations, has an accumulated deficit of \$19,353,449 (December 31, 2024: \$18,111,986) since inception, and is expected to incur further losses in the development of its business, all of which raise significant doubt about its ability to continue as a going concern. The Company will periodically have to raise additional financing in order to acquire and conduct work programs on mineral properties and meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. While the Company has been successful in securing funding in the past, there is no assurance that it will be able to do so in the future.



## **RACKLA METALS INC.**

(An Exploration Stage Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

---

#### **3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key areas of judgment applied in the preparation of the condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- i) Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
- ii) The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company.

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

In respect of costs incurred for its investment in exploration and evaluation assets, management has determined the acquisition costs that have been capitalized may not be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including access to financing to further exploration and development, geologic and metallurgic information, economics assessment/studies, accessible facilities, and existing permits.

- iii) Although the Company has taken steps to identify any decommissioning liabilities related to mineral properties in which it has an interest, there may be unidentified decommissioning liabilities present.
- iv) The Company applies judgment in determining whether a lease contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.
- v) The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its operating expenditures, meet its liabilities for the subsequent year, and to fund planned contractual exploration programs, involves significant judgment based on historical experiences and other factors including expectation of future events that are believed to be reasonable under the circumstances.

The key estimates applied in the preparation of the condensed interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- i) Option pricing models require the input of highly subjective assumptions, including the expected price volatility and options expected life. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options.

## RACKLA METALS INC.

(An Exploration Stage Company)

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

#### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS *(cont'd)*

Key estimates *(cont'd)*

- ii) The Company uses estimation in determining the incremental borrowing rate used to measure a lease liability. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations is estimated using a discount rate similar to the Company's specific borrowing rate.

#### 4. CASH

Cash at banks is held in interest-bearing and non-interest-bearing accounts. As at June 30, 2025, the Company's cash in hand totaled \$10,012,587 (December 31, 2024: \$3,264,346), of which \$3,511,655 (December 31, 2024: \$1,673,034) is reserved for flow-through eligible activities during the 2025 and 2026 fiscal years (Note 10).

#### 5. EQUITY INVESTMENTS

As of June 30, 2025, equity investments consisted of 18,750 common shares of Bronco Resources Corp. ("Bronco"), a public company, and 200,000 common shares of Voyager Gold Corp. ("Voyager"), a private company with a common director. The private company shares were initially measured at fair value and subsequently written down to \$1.

As at June 30, 2025, the carrying amount for the equity investments was \$657 (December 31, 2024: \$2,439).

During the period ended June 30, 2025, there was a decrease in fair value of the Bronco shares by \$1,782 (2024: increase in fair value of \$938). This amount was recorded as a fair value loss in other comprehensive income (loss).

	Bronco	Voyager	Total
Balance, December 31, 2023	\$ 1,500	\$ 1	\$ 1,501
Change in fair value	938	-	938
Balance, December 31, 2024	2,438	1	2,439
Change in fair value	(1,782)	-	(1,782)
<b>Balance, June 30, 2025</b>	<b>\$ 656</b>	<b>\$ 1</b>	<b>\$ 657</b>

# RACKLA METALS INC.

(An Exploration Stage Company)

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

### 6. PROPERTY AND EQUIPMENT

	Computer equipment	Camp equipment	Field equipment	Leasehold improvements	Vehicles (Note 9)	Right-of-use assets (Note 9)	Total
<b>Cost</b>							
Balance, December 31, 2023	\$ 2,996	\$ -	\$ -	\$ -	\$ -	\$ 41,982	\$ 44,978
Additions	-	-	-	7,326	27,000	94,926	129,252
Balance, December 31, 2024	2,996	-	-	7,326	27,000	136,908	174,230
Additions	3,338	5,104	10,635	-	22,000	84,939	126,016
<b>Balance, June 30, 2025</b>	<b>\$ 6,334</b>	<b>\$ 5,104</b>	<b>\$ 10,635</b>	<b>\$ 7,326</b>	<b>\$ 49,000</b>	<b>\$ 221,847</b>	<b>\$ 300,246</b>
<b>Accumulated amortization</b>							
Balance, December 31, 2023	\$ 449	\$ -	\$ -	\$ -	\$ -	\$ 14,014	\$ 14,463
Charge for the year	764	-	-	120	3,600	22,251	26,735
Balance, December 31, 2024	1,213	-	-	120	3,600	36,265	41,198
Charge for the period	392	128	266	721	3,800	18,075	23,382
<b>Balance, June 30, 2025</b>	<b>\$ 1,605</b>	<b>\$ 128</b>	<b>\$ 266</b>	<b>\$ 841</b>	<b>\$ 7,400</b>	<b>\$ 54,340</b>	<b>\$ 64,580</b>
<b>Carrying amounts</b>							
At December 31, 2024	\$ 1,783	\$ -	\$ -	\$ 7,206	\$ 23,400	\$ 100,643	\$ 133,032
<b>At June 30, 2025</b>	<b>\$ 4,729</b>	<b>\$ 4,976</b>	<b>\$ 10,369</b>	<b>\$ 6,485</b>	<b>\$ 41,600</b>	<b>\$ 167,507</b>	<b>\$ 235,666</b>

### 7. EXPLORATION AND EVALUATION ASSETS

The Company has capitalized the following acquisition costs of its mineral property interests during the period ended June 30, 2025:

	Tombstone Gold Belt	Gossan, Yukon	Total
Balance, December 31, 2023	\$ 946,552	\$ 16,420	\$ 962,972
Acquisition costs - cash	1,881	-	1,881
Write-off acquisition costs	(15,464)	-	(15,464)
Balance, December 31, 2024	932,969	16,420	949,389
<b>Balance, June 30, 2025</b>	<b>\$ 932,969</b>	<b>\$ 16,420</b>	<b>\$ 949,389</b>

Details of the Company's mineral property interests are disclosed in full in the financial statements for the year ended December 31, 2024. Significant mineral property transactions that have occurred since December 31, 2024 are the following:

#### *Grad Property*

During the 2024 fiscal year, the Company staked five claims for the Grad Property in the Tombstone Gold Belt in the Northwest Territories and recorded acquisition costs totalling \$1,881. Subsequent to June 30, 2025, the Company has staked an additional four claims, bringing the total number of Grad claims held to nine.

**RACKLA METALS INC.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

**8. EXPLORATION EXPENDITURES**

During the six-month period ended June 30, 2025, the Company incurred the following exploration expenditures:

	<b>Tombstone Gold Belt Projects</b>	<b>Other</b>	<b>Total</b>
Administration	\$ 150	\$ 4,079	\$ 4,229
Assays	5,353	-	5,353
Camp expense	26,191	2,700	28,891
Equipment rentals	6,500	-	6,500
Field expense	45,056	1,166	46,222
Geological fees	70,679	18,936	89,615
Geophysical surveys	2,800	-	2,800
Licenses and taxes	10,541	201	10,742
Repairs and maintenance	48,277	-	48,277
Salaries and benefits	107,050	31,599	138,649
Shipping	45,016	-	45,016
Transportation	50,665	16,790	67,455
	418,278	75,471	493,749
<b>Expenditure recoveries</b>	-	(63,204)	(63,204)
	<b>\$ 418,278</b>	<b>\$ 12,267</b>	<b>\$ 430,545</b>

During the six-month period ended June 30, 2024, the Company incurred the following exploration expenditures:

	<b>Tombstone Gold Belt Projects</b>	<b>Gossan, Yukon</b>	<b>Other</b>	<b>Total</b>
Administration	\$ 2,074	\$ 35	\$ 91	\$ 2,200
Assays	9,606	-	6,622	16,228
Camp expense	202,953	-	961	203,914
Community relations	1,000	-	500	1,500
Field expense	38,244	-	3,811	42,055
Geological fees	86,139	124	41,487	127,750
Geophysical	21,403	-	-	21,403
Licenses and taxes	18,031	918	-	18,949
Salaries and benefits	129,553	5,067	43,154	177,774
Shipping	30,712	-	-	30,712
Transportation	160,323	47	27,556	187,926
	<b>\$ 700,038</b>	<b>\$ 6,191</b>	<b>\$ 124,182</b>	<b>\$ 830,411</b>

**RACKLA METALS INC.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

**9. LEASE LIABILITIES**

The Company has a four-year lease agreement, beginning May 1, 2025, for an excavator used for exploration activities. During the period ended June 30, 2025, the Company recognized \$84,939 for a right-of-use asset ("ROU asset") (Note 6) and \$84,939 for a lease liability. The lease liability was measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate of 12%.

The Company had a two-year lease agreement, beginning May 1, 2023, for a vehicle used for exploration activities. The Company recognized \$41,982 for a ROU asset and \$35,344 for a lease liability. During the period ended June 30, 2025, upon the expiry of the lease, the Company purchased the vehicle for the buyout value of \$22,000 (Note 6).

The Company co-signed with two related parties, Radius Gold Inc. ("Radius") and Volcanic Gold Mines Inc. ("Volcanic"), a lease agreement for shared headquarter office space in Vancouver, British Columbia. The term of the lease is five years, commencing on January 1, 2025, with the Company taking early possession of the office space in December 2024. During the 2024 fiscal year, the Company recognized \$94,926 for a ROU asset (Note 6) and \$94,926 for a lease liability.

	<b>Excavator</b>	<b>Office lease</b>	<b>Vehicle</b>	<b>Total</b>
Lease liability recognized as of December 31, 2023	\$ -	\$ -	\$ 24,374	\$ 24,374
Lease liability recognized during the year	-	94,926	-	94,926
Lease payments	-	-	(19,672)	(19,672)
Lease interest	-	597	1,714	2,311
Lease liability recognized as of December 31, 2024	-	95,523	6,416	101,939
Lease liability recognized during the period	84,939	-	-	84,939
Lease payments	(4,382)	(10,364)	(6,557)	(21,303)
Lease interest	800	4,441	141	5,382
<b>Lease liability recognized as of June 30, 2025</b>	<b>\$ 81,357</b>	<b>\$ 89,600</b>	<b>\$ -</b>	<b>\$ 170,957</b>
Current portion	\$ 17,946	\$ 14,873	\$ -	\$ 32,819
Long-term portion	63,411	74,727	-	138,138
	<b>\$ 81,357</b>	<b>\$ 89,600</b>	<b>\$ -</b>	<b>\$ 170,957</b>

**RACKLA METALS INC.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

**10. OTHER LIABILITY**

Other liability is the liability portion of flow-through shares issued.

	Issued on Sep 19, 2023	Issued on May 30, 2024	Issued on Jun 11, 2024	Issued on April 23, 2025	Total
Balance at December 31, 2023	\$ 71,649	\$ -	\$ -	\$ -	\$ 71,649
Liability incurred on flow-through shares issued	-	500,000	236,612	-	736,612
Settlement of flow-through share liability on incurring expenditures	(71,649)	(500,000)	(39,784)	-	(611,433)
Balance at December 31, 2024	-	-	196,828	-	196,828
Liability incurred on flow-through shares issued	-	-	-	638,400	638,400
Settlement of flow-through share liability on incurring expenditures	-	-	(46,562)	-	(46,562)
<b>Balance at June 30, 2025</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,266</b>	<b>\$ 638,400</b>	<b>\$ 788,666</b>

Other liabilities arise on the issuance of flow-through shares when the price of each flow-through share exceeds the market value of non-flow-through common shares at that time. This premium paid is recorded as a flow-through share liability. The flow-through share liability is settled as eligible flow-through expenditures are incurred with the offset being recorded as a recovery on flow-through share liability in comprehensive income or loss.

On September 19, 2023, the Company closed a flow-through private placement by issuing 5,769,000 common shares at a deemed price of \$0.274 per share for gross flow-through proceeds of \$1,580,706. The flow-through shares were issued at a premium of \$144,225 over market value. During the 2024 fiscal year, the Company had fulfilled its commitment of \$1,580,706 and recorded a Part XII.6 tax expense of \$10,587. During the period ended June 30, 2025, an additional Part XII.6 tax expense of \$812 was recorded.

On May 30, 2024, the Company closed a flow-through private placement by issuing 8,333,333 common shares at a price of \$0.21 per share for gross flow-through proceeds of \$1,750,000. The flow-through shares were issued at a premium of \$500,000 over market value. During the 2024 fiscal year, the Company had fulfilled its commitment of \$1,750,000.

On June 11, 2024, the Company closed a flow-through private placement by issuing 11,830,611 common shares at a price of \$0.17 per share for gross flow-through proceeds of \$2,011,204. The flow-through shares were issued at a premium of \$236,612 over market value. As at June 30, 2025, the Company had incurred \$733,949 of its commitment. The remaining commitment of \$1,277,255 in exploration expenditures is subject to the look-back rule and must be incurred by December 31, 2025.

On April 23, 2025, the Company closed a flow-through private placement by issuing 10,640,000 common shares at a price of \$0.21 per share for gross flow-through proceeds of \$2,234,400. The flow-through shares were issued at a premium of \$638,400 over market value. As at June 30, 2025, the Company had incurred \$Nil of its commitment. The remaining commitment of \$2,234,400 in exploration expenditures and must be incurred by December 31, 2026.

If the Company does not spend its remaining flow-through funds in compliance with the Government of Canada flow-through regulations, it may be subject to indemnification or other claims by the flow-through subscribers.

## **RACKLA METALS INC.**

(An Exploration Stage Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

---

#### **11. SHARE CAPITAL AND RESERVES**

##### **(a) Common Shares**

The Company is authorized to issue an unlimited number of common shares without par value.

During the period ended June 30, 2025 the following share capital activity occurred:

- i) The Company closed a charity flow-through private placement financing of 10,640,000 units at \$0.21 per unit for gross proceeds of \$2,234,400. Each unit consists of one common share and one-half of a warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company as a price of \$0.15 for one year. The gross proceeds for the flow-through shares were bifurcated with \$1,596,000 being allocated to share capital and \$638,400 being charged as other liability (Note 10).

The Company closed a private placement financing of 5,065,002 units at \$0.15 per unit for gross proceeds of \$759,750. Each unit consists of one common share and one-half of a warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company as a price of \$0.15 for one year.

In connection with these financings, the Company paid cash finders' fees totalling \$35,962, issued 239,750 share purchase warrants with the same terms as the private placement warrants, and incurred other cash costs totalling \$43,420. The fair value of the finders' fee warrants was \$38,792 and was recorded as share issuance costs and an offset to other equity reserve. The fair value of each finders' fee warrant has been estimated as of the date of the issuance using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 2.6%, dividend yield of 0%, volatility of 143% and expected life of one year.

- ii) A total of 26,673,625 warrants with an exercise price of \$0.20 per share were exercised for gross proceeds of \$5,334,726.
- iii) A total of 50,000 stock options were exercised for proceeds of \$7,000.

During the period ended June 30, 2024 the following share capital activity occurred:

- i) The Company closed a flow-through private placement financing of 8,333,333 units at \$0.21 per unit for gross proceeds of \$1,750,000. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share exercisable for one year at a price of \$0.20. The gross proceeds for the flow-through shares were bifurcated with \$1,250,000 being allocated to share capital and \$500,000 being charged as other liability.
- ii) The Company closed a flow-through private placement financing of 11,830,611 units at \$0.17 per unit for gross proceeds of \$2,011,204. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share exercisable for one year at a price of \$0.20. The gross proceeds for the flow-through shares were bifurcated with \$1,774,592 being allocated to share capital and \$236,612 being charged as other liability.
- iii) The Company closed a private placement financing of 5,966,534 units at \$0.15 per unit for gross proceeds of \$894,980. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share exercisable for one year at a price of \$0.20. Share issuance costs associated with this financing totalled \$5,294.

**RACKLA METALS INC.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

**11. SHARE CAPITAL AND RESERVES (cont'd)****(b) Share Purchase Warrants**

The following is a summary of changes in share purchase warrants from January 1, 2024 to June 30, 2025:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
Balance, December 31, 2023	16,876,500	\$0.38
Issued	26,675,725	\$0.20
Expired	(6,307,500)	\$0.35
Balance, December 31, 2024	37,244,725	\$0.26
Issued	8,092,251	\$0.15
Exercised	(26,673,625)	\$0.20
Expired	(2,100)	\$0.20
<b>Balance, June 30, 2025</b>	<b>18,661,251</b>	<b>\$0.29</b>

During the period ended June 30, 2025, \$37,586 (2024: \$Nil) was transferred from reserves to share capital due to the exercise of warrants and \$145 (2024: \$Nil) was transferred from reserves to deficit due to the expiry of warrants.

As at June 30, 2025, the following share purchase warrants were outstanding:

<b>Expiry date</b>	<b>Number of warrants</b>	<b>Exercise price</b>
September 19, 2025	10,569,000	\$0.40
April 23, 2026	8,092,251	\$0.15
	<b>18,661,251</b>	

**(c) Compensation Options**

During the 2023 fiscal year, a total of 456,140 compensation options with an exercise price of \$0.25 per option were granted. Each compensation option is exercisable until September 19, 2025 to purchase one common share of the Company and one share purchase warrant. Each share purchase warrant is exercisable to purchase one common share of the Company at \$0.40 until September 19, 2025.

Compensation options outstanding as of June 30, 2025 totaled 456,140 (December 31, 2024: 456,140).



**RACKLA METALS INC.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

**12. SHARE-BASED PAYMENTS****Option Plan Details**

The Company has in place a stock option plan (the “Plan”) that allows the Board of Directors to grant incentive stock options to the Company’s officers, directors, employees, and consultants. The exercise price of stock options granted is determined by the Board of Directors at the time of the grant in accordance with the terms of the Plan and the policies of the TSX-V. Options vest on the date of granting unless stated otherwise. Options granted to investor relations consultants vest in accordance with TSX-V regulation. The options are for a maximum term of ten years.

**Share Purchase Options**

The following is a summary of changes in options for the period ended June 30, 2025:

Expiry date	Exercise price	Opening balance	During the period			Closing balance	Vested and exercisable
			Granted	Exercised	Expired / forfeited		
January 9, 2025	\$0.365	200,000	-	-	(200,000)	-	-
May 2, 2029	\$0.10	395,000	-	(10,000)	-	385,000	385,000
May 27, 2030	\$0.14	25,000	-	-	-	25,000	25,000
January 9, 2033	\$0.365	2,130,000	-	-	(190,000)	1,940,000	1,940,000
March 4, 2034	\$0.15	140,000	-	(40,000)	-	100,000	100,000
April 3, 2035	\$0.20	-	890,000	-	-	890,000	890,000
April 16, 2035	\$0.25	-	1,000,000	-	-	1,000,000	1,000,000
		<b>2,890,000</b>	<b>1,890,000</b>	<b>(50,000)</b>	<b>(390,000)</b>	<b>4,340,000</b>	<b>4,340,000</b>
<b>Weighted average exercise price</b>		<b>\$0.32</b>	<b>\$0.23</b>	<b>\$0.14</b>	<b>\$0.37</b>	<b>\$0.27</b>	<b>\$0.27</b>

The following is a summary of changes in options for the period ended June 30, 2024:

Expiry date	Exercise price	Opening balance	During the period			Closing balance	Vested and exercisable
			Granted	Exercised	Expired / forfeited		
January 9, 2025	\$0.365	200,000	-	-	-	200,000	200,000
May 2, 2029	\$0.10	405,000	-	-	(10,000)	395,000	395,000
May 27, 2030	\$0.14	25,000	-	-	-	25,000	25,000
January 9, 2033	\$0.365	2,130,000	-	-	-	2,130,000	2,130,000
March 4, 2034	\$0.15	-	140,000	-	-	140,000	140,000
		<b>2,760,000</b>	<b>140,000</b>	<b>-</b>	<b>(10,000)</b>	<b>2,890,000</b>	<b>2,890,000</b>
<b>Weighted average exercise price</b>		<b>\$0.32</b>	<b>\$0.15</b>	<b>-</b>	<b>\$0.10</b>	<b>\$0.32</b>	<b>\$0.32</b>

During the period ended June 30, 2025, \$4,955 (2024: \$Nil) was transferred from reserves to share capital due to the exercise of options and \$102,141 (2024: \$1,043) was transferred from reserves to deficit due to the expiry and forfeiture of options.

## **RACKLA METALS INC.**

(An Exploration Stage Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

---

#### **12. SHARE-BASED PAYMENTS** *(cont'd)*

##### **Fair Value of Options Issued During the Period**

The weighted average fair value at grant date of 1,890,000 options granted during the period ended June 30, 2025 was \$0.21 per option. The fair value at grant date of 140,000 options granted during the period ended June 30, 2024 was \$0.10 per option.

The weighted average remaining contractual life of the options outstanding at June 30, 2025 is 8.20 years (December 31, 2024: 7.00 years).

During the period ended June 30, 2025, the weighted average share price on the day the options were exercised was \$0.23. No options were exercised during the period ended June 30, 2024.

##### *Options Issued to Employees*

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

##### *Options Issued to Non-Employees*

Options issued to non-employees are measured based on the fair value of the goods or services received at the date of receiving those goods or services. If the fair value of the goods or services received cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

The weighted average model inputs for options granted during the period ended June 30, 2025 included a risk-free interest rate of 3.05%, dividend yield of 0%, volatility of 105% and expected life of ten years. The model inputs for options granted during the period ended June 30, 2024 included a risk-free interest rate of 3.34%, dividend yield of 0%, volatility of 100% and expected life of ten years.

The expected volatility is based on the historical volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

##### **Expenses Arising from Share-based Payments Transactions**

Total expenses arising from the share-based payment transactions related to the granting of stock options and recognized as part of share-based payments expense during the period ended June 30, 2025 was \$394,354 (2024: \$13,691).

As of June 30, 2025, there were no unrecognized costs related to share-based payment awards.

**RACKLA METALS INC.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

**13. RELATED PARTY TRANSACTIONS**

The Company had transactions during the periods ended June 30, 2025 and 2024 with related parties consisting of directors, officers and the following companies with common directors:

<b>Related party</b>	<b>Nature of transactions</b>
Gold Group Management Inc. ("Gold Group")	Shared office and administrative related charges
Radius	Shared office lease
Volcanic	Shared office lease
Mill Street Services Ltd. ("Mill Street")	Management services
Hephaestus Consulting Services Inc. ("Hephaestus")	Directors' fees

Balances and transactions with related parties not disclosed elsewhere in these condensed interim financial statements are as follows:

- (a) During the periods ended June 30, 2025 and 2024, the Company reimbursed Gold Group for the following costs:

	<b>Three months ended June 30,</b>		<b>Six months ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
General and administrative expenses:				
Office and administration	\$ 14,967	\$ 24,006	\$ 32,386	\$ 43,579
Salaries and benefits	45,727	62,870	87,653	115,158
Shareholder communications	9,224	2,696	27,797	14,747
Transfer agent and regulatory fees	22	856	2,937	2,269
Travel and accommodation	11,414	8,544	21,456	15,336
	<b>\$ 81,354</b>	<b>\$ 98,972</b>	<b>\$ 172,229</b>	<b>\$ 191,089</b>
Exploration expenditures	<b>\$ 4,676</b>	<b>\$ 77,539</b>	<b>\$ 24,167</b>	<b>\$ 132,946</b>

Gold Group is owned by the Chief Executive Officer of the Company and is reimbursed by the Company for certain shared costs and other business-related expenses paid by Gold Group on behalf of the Company. Salaries and benefits costs paid to Gold Group for the period ended June 30, 2025 include those for the Chief Financial Officer and Corporate Secretary (2024: include those for Chief Financial Officer, Corporate Secretary, and former Vice President Corporate Development).

- (b) Deposits as of June 30, 2025 consist of \$61,000 (December 31, 2024: \$61,000) paid to Gold Group and are related to the shared office and administrative services agreement with Gold Group. Upon termination of the agreement, the deposits, less any outstanding amounts owing to Gold Group, are to be refunded to the Company.
- (c) Amounts due to related parties as of June 30, 2025 consist of \$34,616 (December 31, 2024: \$38,747) due to Gold Group, \$4,079 to Radius for shared exploration costs (December 31, 2024: \$Nil), \$7,500 due to current Directors for directors' fees (December 31, 2024: \$Nil), and \$Nil (December 31, 2024: \$2,500) due to a former Director of the Company for directors' fees. The balance due to Gold Group is collateralized by a deposit and the balance due to others were unsecured, non-interest bearing and due on demand.

These transactions are measured at fair value of the services rendered.

**RACKLA METALS INC.**

(An Exploration Stage Company)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

**13. RELATED PARTY TRANSACTIONS (cont'd)****Key management compensation**

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include certain directors and officers. Key management compensation comprises:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Exploration expenditures:				
Geological fees	\$ 18,000	\$ -	\$ 36,000	\$ -
Salaries and benefits	48,000	48,000	96,000	96,000
General and administrative expenses:				
Management fees	27,000	10,500	54,000	21,000
Salaries and benefits	9,750	27,718	19,283	50,637
Share-based payments (value of stock options granted and vested)	77,769	-	77,769	-
	<b>\$ 180,519</b>	<b>\$ 86,218</b>	<b>\$ 283,052</b>	<b>\$ 167,637</b>

**14. COMMITMENT**

The Company has entered into a shared operating lease agreement for its office premises and paid a security deposit of \$3,907. The term of the lease is five years, commencing January 1, 2025 and includes an early termination option whereby the Company and the other two co-signers of the lease agreement can terminate the lease upon the third anniversary date with a payment equal to two months gross rent. The Company's portion of annual commitments under the lease, if the early termination option is not exercised, are as follows:

2025	\$ 19,363
2026	40,798
2027	43,759
2028	41,612
2029	44,648
	<b>\$ 190,180</b>

## **RACKLA METALS INC.**

(An Exploration Stage Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

---

#### **15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company is exposed to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these condensed interim financial statements.

##### **General Objectives, Policies and Processes**

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management. The Board of Directors receives periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

##### **(a) 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 prices affecting the Company are comprised of the following types of risk: interest rate risk and equity price risk. The Company is not exposed to the risk related to the fluctuation of foreign currency rates.

##### *Interest Rate Risk*

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to not be significant.

##### *Equity Price Risk*

Equity price risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Company's equity investments are exposed to equity price risk due to the potentially volatile and speculative nature of the businesses in which the equity investments are held. The common shares held in Bronco and Voyager are monitored by management with decisions on sale taken at Board level. A 10% change in fair value of the shares would result in a \$65 increase or decrease in comprehensive loss.

##### **(b) Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and equity investments. The Company limits exposure to credit risk by maintaining its cash with chartered Canadian financial institutions. The Company does not have cash or equity investments that are invested in asset-based commercial paper.

## **RACKLA METALS INC.**

(An Exploration Stage Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

---

#### **15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)**

##### **(c) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. At June 30, 2025, the Company had working capital of \$9,413,508 (December 31, 2024: \$2,921,041). All of the Company's financial liabilities, with the exception of a flow-through and Part XII.6 tax liabilities (Note 10) and lease liabilities (Notes 9 and 14), have contractual maturities of less than 45 days and are subject to normal trade terms.

##### **Determination of Fair value**

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. All financial instruments at June 30, 2025 are carried at amortized cost, apart from the equity investment in a public company with shares in an active market of \$656 (December 31, 2024: \$2,438), which is carried at fair value. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The statement of financial position carrying amounts for cash, accounts payables and accrued liabilities, and due to related parties approximates fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

##### **Fair Value Hierarchy**

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The equity investment in Bronco is based on a quoted price and is therefore considered to be Level 1.

The equity investment in Voyager was recorded at fair value when it was received and assessed for impairment as at June 30, 2025 and December 31, 2024. This investment is considered to be Level 3.

## **RACKLA METALS INC.**

(An Exploration Stage Company)

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

---

#### **16. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as all components of equity. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administrative costs, the Company will spend its existing capital resources and aim to raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional 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 on-going 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, 2025. The Company's investment policy is to hold cash in interest-bearing bank accounts and/or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company currently is not subject to any externally imposed capital requirements. The Company expects its current capital resources to be sufficient to cover its existing flow-through expenditure commitment and cover corporate operating costs and other potential exploration and/or mineral property acquisition costs through the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including the level of exploration activity and possible property acquisition opportunities.

#### **17. SEGMENTED REPORTING**

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities. All of the Company's long-term assets and operations are in Canada.

#### **18. EVENTS AFTER THE REPORTING DATE**

Subsequent to June 30, 2025, the following events which have not been disclosed elsewhere in these financial statements have occurred:

- i) A total of 585,000 options with exercise prices ranging from \$0.14 to \$0.365 per share were exercised for gross proceeds of \$139,500.
- ii) A total of 5,890,575 warrants with exercise prices ranging from \$0.15 to \$0.40 per share were exercised for gross proceeds of \$2,307,886.
- iii) A total of 347,000 compensation options with an exercise price of \$0.25 per unit were exercised for gross proceeds of \$86,750.



(the "Company")

## **INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS**

**For the Six Months Ended June 30, 2025**

### **General**

This interim Management's Discussion and Analysis ("Interim MD&A") supplements, but does not form part of, the unaudited condensed interim financial statements of the Company for the six months ended June 30, 2025. The following information, prepared as of August 28, 2025, should be read in conjunction with the Company's unaudited condensed interim financial statements for six months ended June 30, 2025 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with IFRS Accounting Standards ("IFRS"). In addition, the following should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2024 and the related MD&A. All amounts are expressed in Canadian dollars unless otherwise indicated. The June 30, 2025 financial statements have not been reviewed by the Company's auditors.

Additional information relevant to the Company's activities can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Forward-looking Information**

This Interim MD&A contains certain statements which constitute forward-looking information within the meaning of applicable Canadian securities legislation ("Forward-looking Statements"). All statements included herein, other than statements of historical fact, are Forward-looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward-looking Statements in this Interim MD&A include, without limitation, statements relating to the Company's plans for exploration of its properties; the sufficiency of the Company's cash position; and its ability to raise equity capital or access debt facilities. Often, but not always, these Forward-looking Statements can be identified by the use of words such as "anticipates", "believes", "plans", "estimates", "expects", "forecasts", "scheduled", "targets", "possible", "strategy", "potential", "intends", "advance", "goal", "objective", "projects", "budget", "calculates" or statements that events, "will", "may", "could" or "should" occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others:



- risks associated with mineral exploration and development activities;
- due diligence investigations on potential investments not identifying all relevant facts;
- fluctuations in commodity prices, foreign exchange rates, and interest rates;
- credit and liquidity risks;
- changes in national and local government legislation, taxation, controls, regulations and political or economic developments in countries in which the Company does or may carry on business;
- reliance on key personnel;
- property title matters and local community relationships;
- risks associated with potential legal claims generally or with respect to environmental matters;
- dilution from further equity financing;
- competition;
- uncertainties relating to general economic conditions; and
- risks relating to pandemics, epidemics and public health crises, and the impact they might have on the Company's business, operations, financial condition and share price;

as well as those factors referred to in the "Risks and Uncertainties" section in this Interim MD&A.

Forward-looking Statements contained in this Interim MD&A are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to:

- all required third party contractual, regulatory and governmental approvals will be obtained for the exploration and development of the Company's properties;
- due diligence investigations on potential investments will reveal all relevant facts;
- there being no significant disruptions affecting operations, whether relating to labour, supply, power, damage to equipment or other matters;
- permitting, exploration and/or development activities proceeding on a basis consistent with the Company's current expectations;
- expected trends and specific assumptions regarding commodity prices and currency exchange rates; and
- prices for and availability of fuel, electricity, equipment and other key supplies remaining consistent with current levels.

These Forward-looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward-looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward-looking Statements.

### **Business of the Company**

The Company is a Vancouver-based junior gold exploration company with projects in the Northwest Territories ("NWT") and Yukon, Canada. Since 2022, the Company has been consolidating an extensive land position in the eastern Tombstone Gold Belt, part of the Tintina Gold Province, that extends through the southeast Yukon and into the NWT.

During the 2024 exploration season, the Company launched an aggressive program in the eastern portion of the Belt, resulting in the discovery of the BiTe showing on the Grad Property in the NWT. In July 2025, the Company commenced a maiden drill program at Grad. See "Property Review – Grad Property" below.

### **Financing**

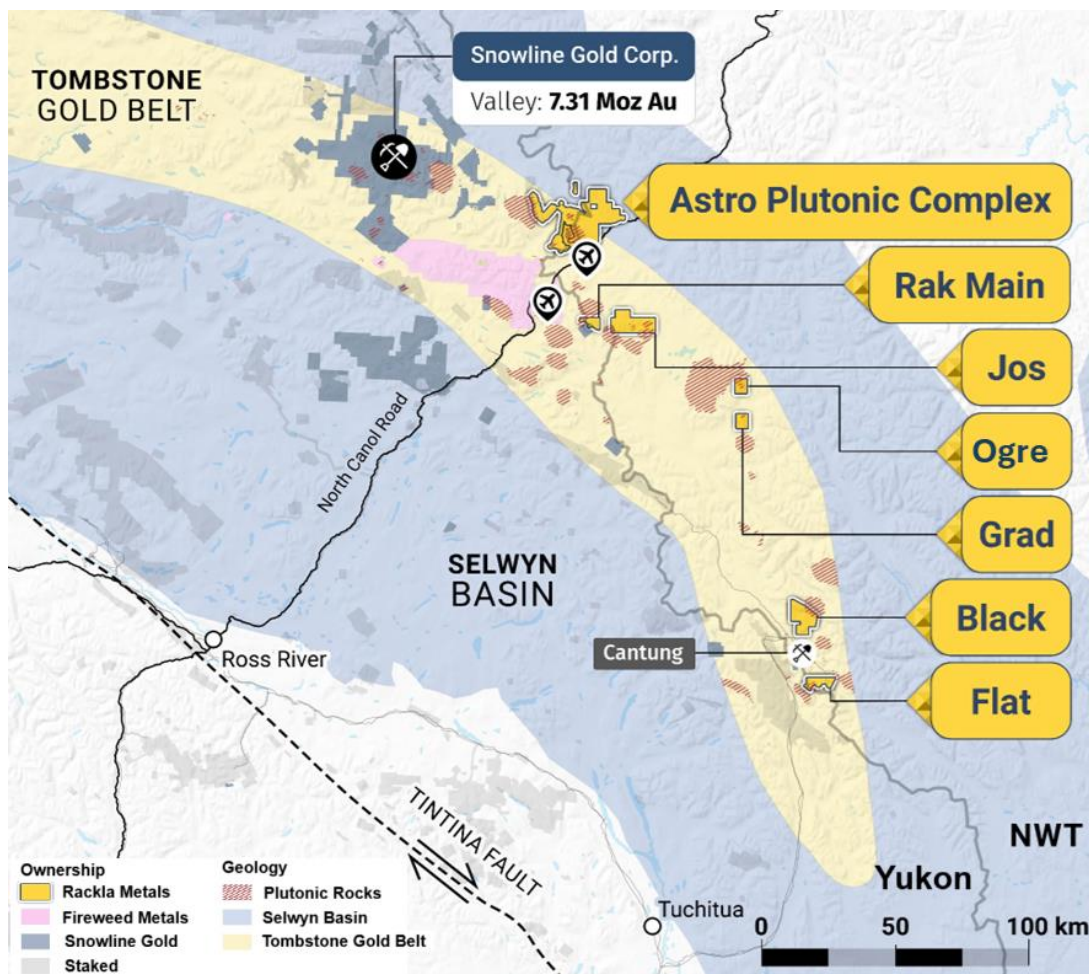
On April 23, 2025, the Company closed a non-brokered private placement financing to raise total gross proceeds of \$2.99 million (the "Offering"). The Offering consisted of a \$2,234,400 charity flow-through unit offering at a price of \$0.21 per unit, and a \$759,750 hard-dollar unit offering at a price of \$0.15 per unit. Each unit consists of one

common share of the Company and one-half of a warrant, with each whole warrant entitling the holder to purchase one additional common share of the Company at a price of \$0.15 for one year following the closing of the Offering.

Management intends to use the proceeds from the Offering and from financings completed in 2024 for conducting exploration and drilling on the Company's Tombstone Gold Belt properties within the Selwyn Basin, for continuing investigations of additional mineral properties for acquisition, and for general working capital and corporate purposes.

### Property Review

The Company's properties in the Tombstone Gold Belt are set out in the following location map:



Following the significant intrusive-related gold discovery made by Snowline Gold Corp. at the Rogue project within the Tombstone Gold Belt, Yukon, the Company's team has used their historic experience in the district to identify similar geological settings to the east along the Yukon-NWT border. As a result of this work, the Company has acquired interests in several gold properties located in the Tombstone Gold Belt which lies within the Selwyn Basin and is prospective for Reduced Intrusion-related Gold Systems ("RIRGS").

In 2023, the Company completed exploration work, including a drill program, on its properties. The bulk of the 2023 program focused on the Astro Plutonic Complex which is comprised of the Astro West Project on the Yukon side of the border (formerly referred to as the HIT and SER properties) and the Astro East Project on the NWT side of the border (formerly referred to as the Astro property).

In 2024, the Company completed further exploration and drilling of its properties, and conducted additional regional exploration in the NWT portion of the Belt. The regional exploration led to the discovery of significant RIRGS-style mineralization at the BiTe Zone and prompted the staking of the Grad Property. The focus for 2025 is drill-testing defined targets at the Grad Property. The Company is also conducting further regional exploration as it recognizes that the region around the Grad Property is very much underexplored for gold, particularly for its RIRGS potential.

The Company's current property holdings are described below, and more detailed information is available on the Company's website.

#### Tombstone Gold Belt Projects – Eastern Yukon and Western NWT

##### *Grad Property, NWT*

In the summer of 2024, the Company staked the Grad Property in NWT, totalling five claims covering approximately 5,525 hectares. The Company has added to the property in 2025, bringing it to nine claims covering approximately 8,625 hectares. The Company has identified this area as prospective for RIRGS deposits. In 2024, the Company completed a limited 10-day program on the Property consisting of prospecting, rock, stream sediment and talus-fine sampling, an airborne geophysical survey and a photogrammetry survey, with highly encouraging results.

The Grad Property is centered on the North Nahanni Pluton, a Cretaceous-aged, Mayo Suite felsic intrusion in the eastern Tombstone Gold Belt in the NWT. The pluton measures 1.9 by 2.2 kilometres with a sizable, intensely altered, contact aureole expressed as hornfelsed and iron-stained gossanous sediments surrounding the intrusion.

While conducting talus-fine sampling at the southern margin of the pluton, the Company identified a broad alteration zone with intense quartz-tourmaline and quartz-sulfide veining within the intrusive, the intensity of the veining shattering the intrusive body to almost a schistose appearance. Results of the sampling returned significant gold grades, up to 92 g/t Au, with many samples returning multi-gram gold. The gold mineralization is associated with bismuth, tellurium +/- tungsten confirming that this is a RIRGS. The discovery was named the BiTe Zone.

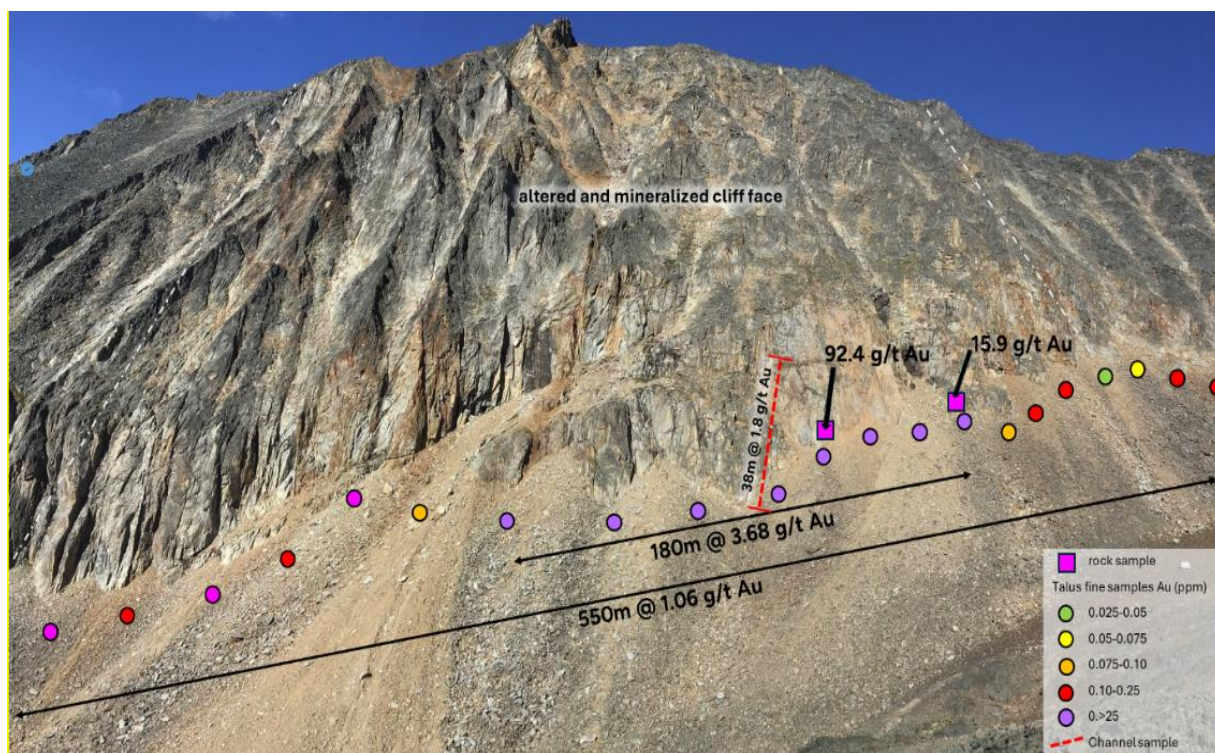
*Figure 1 - Photograph of the shattered North Nahanni Pluton:*



The BiTe Zone is defined by a talus-fine sample line that returned 550 metres with an average gold concentration in the samples of 1.06 g/t Au. Within that interval is a central core of 180 metres that averaged 3.68 g/t Au.



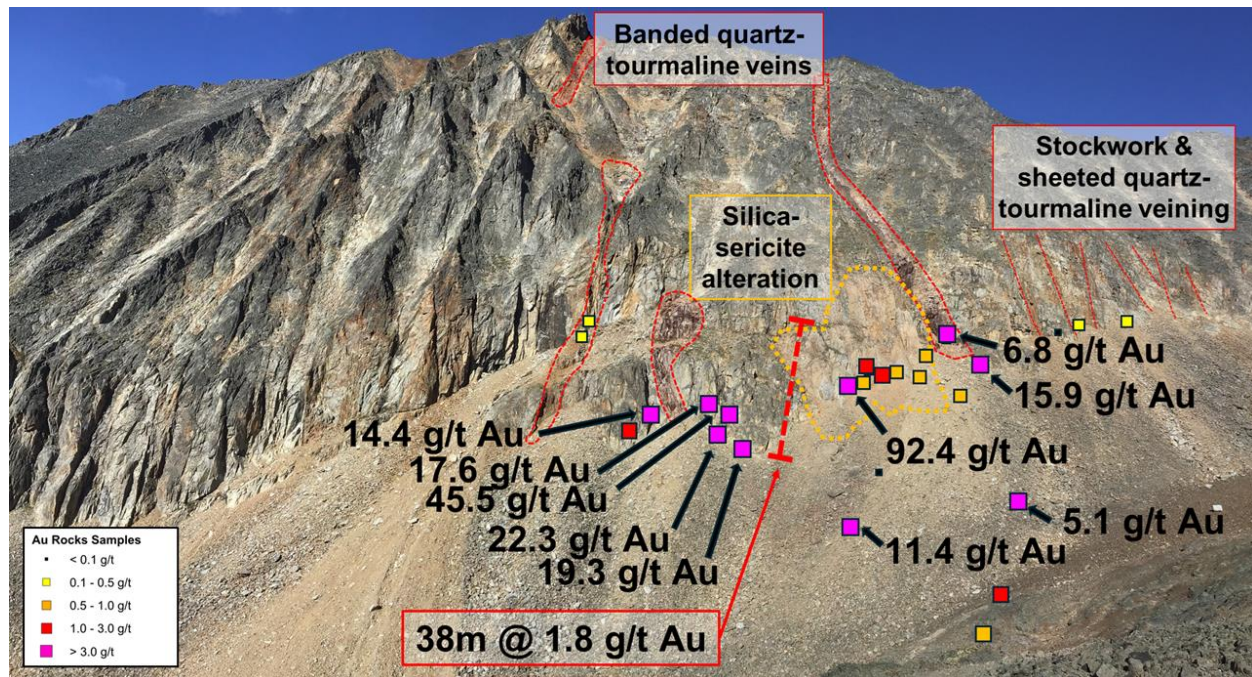
Figure 2 - Photograph of BiTe Zone with talus-fine, rock and channel sample gold results:



Rock sampling at the at BiTe in 2024 returned a number of multi-gram gold samples and a continuous chip channel that contained 1.8 g/t gold over 38 m. Follow-up sampling in early 2025 extended the zone westward where 5 samples returned 14.4, 17.6, 19.3, 22.3 and 45.5 g/t gold. The geochemical signature of the BiTe Zone is indicative of a robust RIRGS. The Au-Bi-Te-W metal assemblage is an important characteristic of RIRGS deposits<sup>1</sup>. The Bismuth concentration in rock samples is up to 2.17% from high-grade gold samples at BiTe (with 92.4 g/t Au, 1250 ppm Te, and 260 ppm W) and up to 2.98% from a sample collected 1.3 kilometres north of BiTe (with 2.8 g/t Au, 23 ppm Te, and 0.66% W). The results show a strong correlation of gold to tellurium and bismuth with correlation coefficients of 0.878 and 0.578, respectively.

<sup>1</sup> Hart, C.J.R., 2007, *Reduced intrusion-related gold systems*, in Goodfellow, W.D., ed., *Mineral deposits of Canada: A Synthesis of Major Deposit Types, District Metallogeny, the Evolution of Geological Provinces, and Exploration Methods*: Geological Association of Canada, Mineral Deposits Division, Special Publication No. 5, p. 95-112.

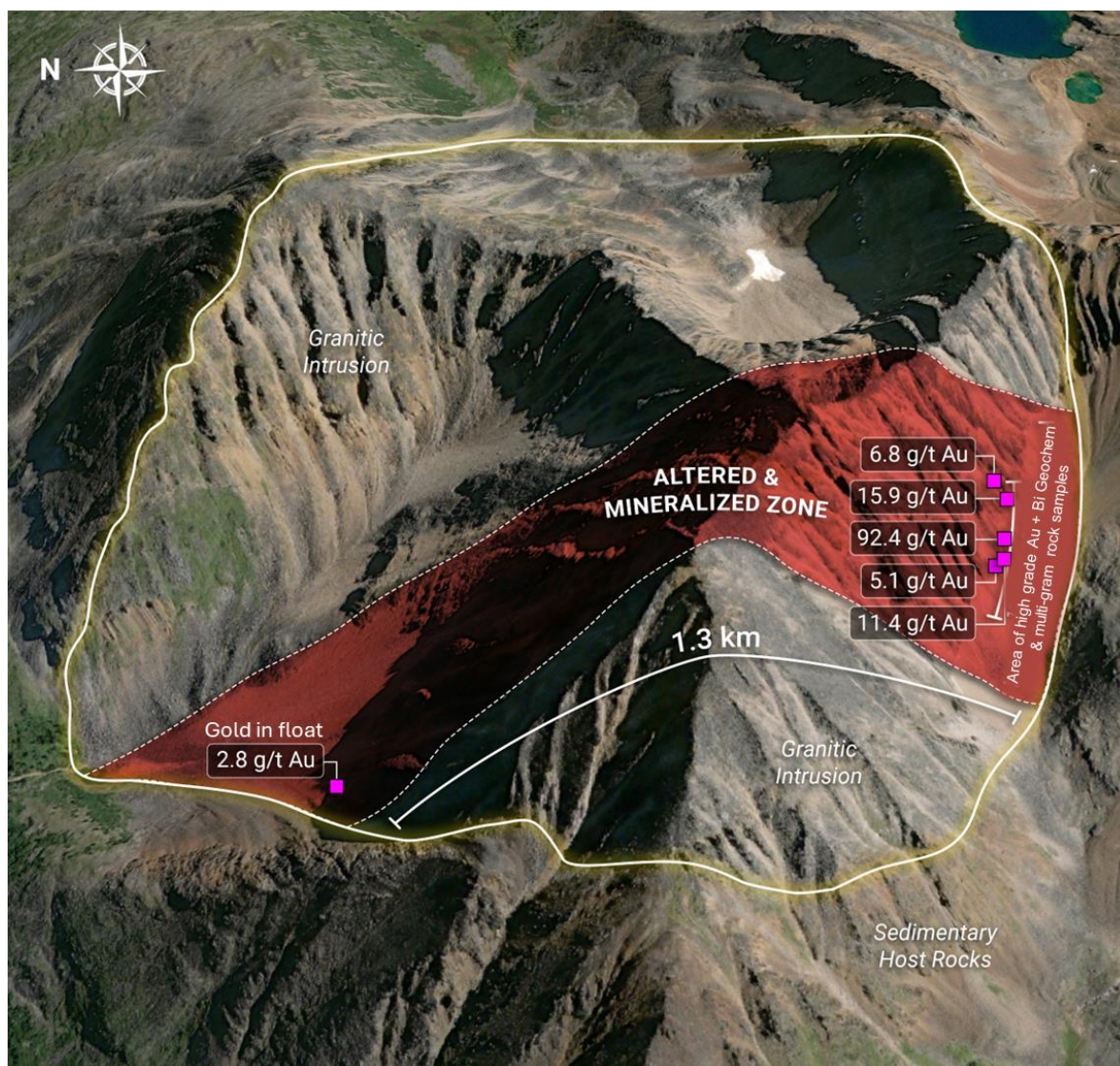
Figure 3 - Photograph of BiTe Zone with 2024 and 2025 grab and channel sample gold results:



The cliff above BiTe is a steep face that rises 350 metres from the valley floor and exhibits many of the features observed at the BiTe Zone: abundant sheeted quartz-sulphide veining; intense fracture pattern; and strong iron oxide staining from the weathering of sulphide minerals. The photogrammetry image shows that the alteration and mineralizing system strikes for 1.3 kilometres to the north, where prospecting has returned a sample with 2.8 g/t Au, 2.98% Bi, 23 ppm Te and 0.66% W.



Figure 4 - Plan view of the North Nahanni Pluton on the Grad Property with dimensions of the alteration and mineralizing system:



#### 2025 Exploration and Drilling Program

The Company's 2025 exploration program at the Grad property is focusing on drilling at the discovery outcrop at the base of the cliff, sampling the upper reaches of the cliff face on both sides of the ridge using a mountaineering geological team, and delineating the extent of the mineralized zone on the north side of the ridge with detailed structural mapping and channel sampling. The Grad property is fully permitted, with the issuance to the Company of a five-year Type A Land Use Permit from the Sahtu Land and Water Board.

In mid-July 2025, the Company commenced a maiden diamond drill program at the BiTe Zone at base of the cliff. The initial plan was to drill 4,000 metres but has since been increased to 5,000 metres based on encouraging observations in the initial drill core and surface work that has extended the mineralized zone at the BiTe showing significantly to the west and at depth.

As of August 20, 2025, over 3,406 metres have been drilled, testing an area of 500x300x550 metres. Eight holes have been completed and the 9<sup>th</sup> hole is underway. Highlights of the drilling and regional exploration to date are:

- The drill is presently on hole G25-009, with a target depth of 600m.

- Abundant sheeted veining has been observed in all drill holes completed to date.
- Bismuth sulphide mineralization has also been observed in all holes.
- Samples from holes G25-001 through 007 have been submitted to the lab and the Company awaits the analytical results.
- Based upon the results of the regional exploration program the Company has increased land holdings in the region.

All holes drilled to date have intersected a consistent set of sheeted quartz/sulphide±tourmaline veins throughout their length. A broad zone with intense quartz and quartz-tourmaline veining and elevated bismuth content was intersected at the top of holes G25-004 and 005. This zone has been intersected in holes G25-006 and 007, 125m west of G25-004 and 005. The zone shows good continuity and appears robust with increasing strength and width as the intercepts get deeper. Hole G25-008 is targeted the same zone north of the intercept in holes G25-006 and 007.

*Diamond drill hole collar information:*

Hole	Easting	Northing	Elevation	Dip	Azimuth	Depth (m)
G25-001	517697	6959397	1805	-50	88	208.79
G25-002	517697	6959397	1805	-50	78	336.70
G25-003	517712	6959342	1781	-50	90	425.20
G25-004	517637	6959447	1803	-50	90	416.05
G25-005	517637	6959447	1803	-50	60	431.20
G25-006	517504	6959464	1765	-50	90	516.64
G25-007	517504	6959464	1765	-70	90	537.97
G25-008	517504	6959464	1765	-50	60	533.40
G25-009	517709	6959272	1783	-50	60	underway



Figure 5 - 2025 drill holes G25-001 to 008 with vein density readings at the BiTe Zone.

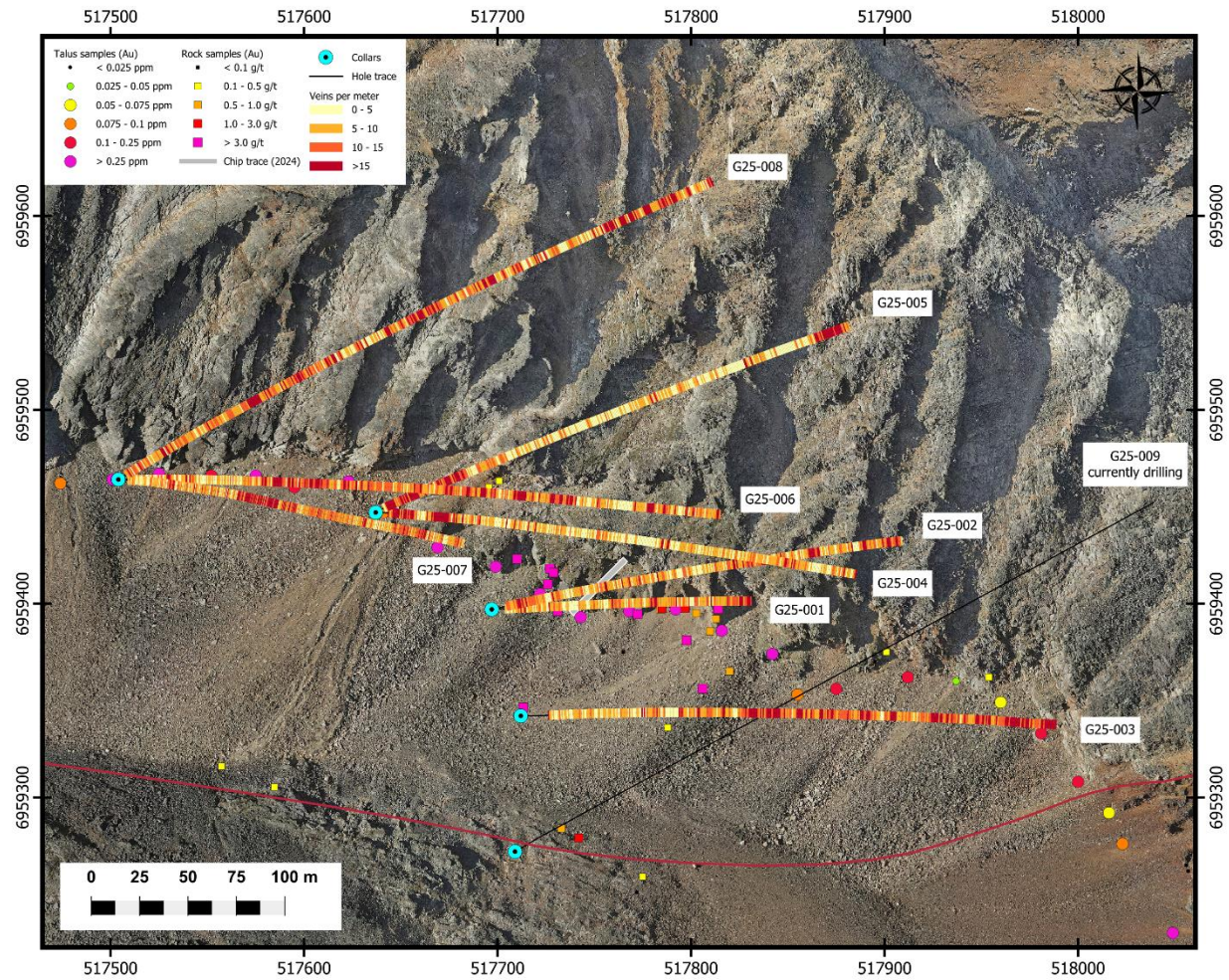
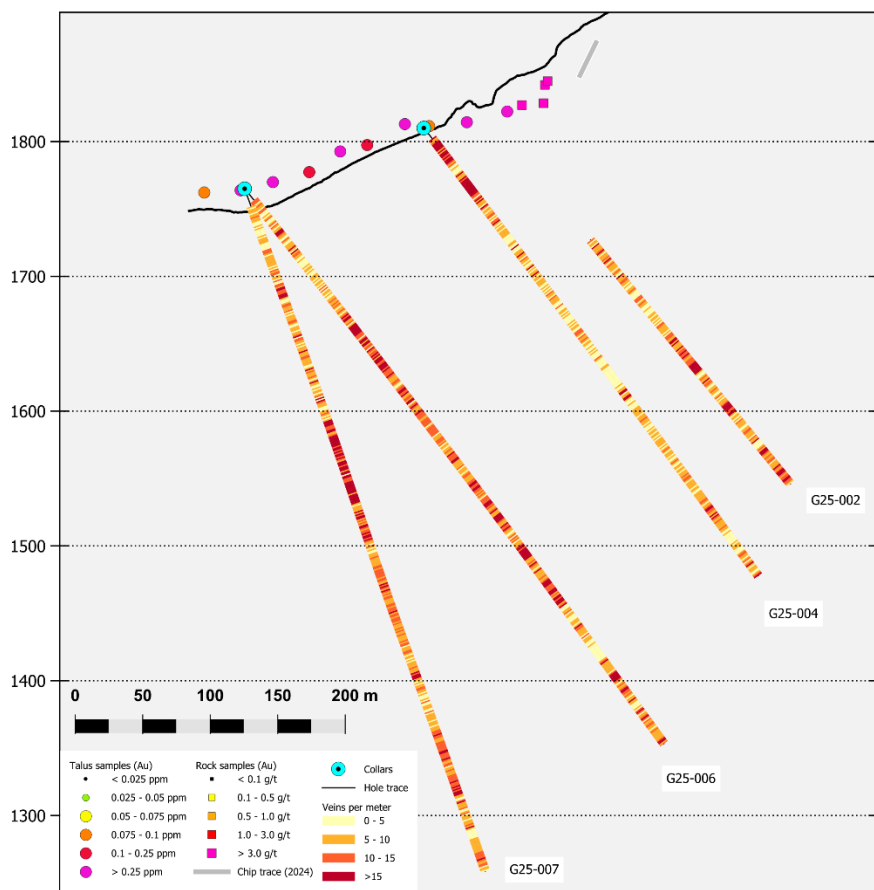




Figure 6 - Cross section through holes G25-002, 004, 006 and 007 with vein density.



The Company continues working from the ridge, sampling the north, south and west face of the cliff above BiTe. Recent mapping is indicating a metal zonation with the large gossanous zone on the ridge top being arsenic-rich, and the topographically lower west and east ridges being bismuth-rich (assays pending). This zonation is believed to indicate that the ridge top has seen very little erosion, and the carapace zone is mostly intact based on the Reduced Intrusion-Related Gold System model.

#### *Ogre Property, NWT*

In the summer of 2024, the Company staked the Ogre Property in NWT, totalling two claims covering approximately 2,000 hectares and located 6 kilometres from the Grad Property. The Company has identified this area as prospective for RIRGS style mineralization. The Ogre Property covers a portion of the southeastern extent of the O'Grady Pluton, a Cretaceous-aged, Tombstone Suite felsic intrusion in the eastern Tombstone Gold Belt in the NWT. The pluton measures 23 by 20 kilometres with a contact aureole of intensely altered and hornfelsed sediments.

In 2025 the Company has conducted further evaluation of the Ogre Property and surrounding area with prospecting, stream sediment sampling and sol geochemical surveys. The results from this work are pending.

#### *Astro Plutonic Complex*

The Astro Plutonic Complex is located within the Tombstone Gold Belt at the Yukon-NWT border and is accessible from the North Canol road. The Complex includes three granodiorite to granite intrusions belonging to the Cretaceous-aged Tombstone & Tungsten Suites. Cretaceous intrusions in the Tombstone Gold Belt host significant Reduced Intrusion-Related Gold System (RIRGS) gold deposits such as the Fort Knox Mine in Alaska (12.1 Moz gold),

the Eagle Mine in Yukon (7.8 Moz gold) and the newly discovered Valley gold occurrence belonging to Snowline Gold Corp. (8.83 Moz gold).

During the summer of 2024, the Company conducted soil and talus-fine sampling, prospecting, rock sampling, a photogrammetry survey and a 4-hole, 959 metre diamond drill program on the Astro Plutonic Complex (Astro West and Astro East). Results from the drill program were announced in September 2024.

#### Astro East Project

The Company owns a 100% interest, subject to a 2.5% NSR royalty interest, in the Astro East gold project, a 288 square kilometre exploration property located in the NWT along the Yukon border. The Property is centred around the Border Pluton, a granodiorite intrusion belonging to the Cretaceous-aged Tombstone Suite. Prior exploration has identified five gold-bearing skarn occurrences along the margins of the intrusion in the hornfels contact aureole (the Radio, Ultraviolet, Microwave, Gamma and Infrared occurrences).

In 2023, the Company conducted stream sediment, soil, talus and rock sampling, prospecting, geological mapping, airborne and ground geophysics and diamond drilling (12 holes, 2,041 metres). The highlights of this program were 0.26 g/t gold over 34.1 metres in hole AST-004, 0.49 g/t gold over 12.4 metres in hole AST-005 and 3.47 g/t gold over 3.1 metres in hole AST-007.

In 2024, the exploration program on Astro East was focused on the eastern portion of the Canol Trail Stock, in NWT. The program consisted of expanding the soil and talus fine sample grid eastwards, prospecting and rock sampling. The soil sample grid identified a strong, linear, coincident gold-antimony anomaly; however, prospecting, rock sampling and mapping was not able to identify what might be causing the anomaly.

No work is planned on Astro East in 2025.

#### Astro West Project

The Company owns a 100% interest, subject to a 2.5% NSR royalty, in two properties comprised of the Hit claims (24 claim units) and SER claims (376 claim units) in the Mayo Mining District, Yukon, along the NWT border. Together, these two properties are now referred to as the Astro West Project. The Astro West Project is located adjacent to the Astro East Project but on the Yukon side of the border and surrounds portions of three Cretaceous felsic intrusions in the Tombstone Gold Belt: Canol Trail Stock; Kelvin Stock; and a small portion of the Border Pluton. Each of these intrusions exhibits features of a RIRGS including anomalous stream sediment geochemistry with gold-bismuth-tellurium-tungsten-arsenic association, a magnetic signature characteristic of RIRGS, structural preparation and sheeted-quartz veining and contact metasomatic alteration halo.

Canol Trail Stock is the most northerly intrusive body in the Astro Plutonic Complex and hosts the HIT Target. The Canol Trail Stock is a Tungsten Suite monzogranite that measures 2.5 kilometres in diameter. In 2024, the Company expanded on soil and talus-fine sampling that was initiated in 2023 and identified a 2.4 square kilometre Au-Bi-As anomaly. The Company drilled 604 metres in 2 holes at HIT to follow up on drill results from 2023 in holes HIT-003 and HIT-004 that intersected 129.8 metres grading 0.25 g/t gold and 45.5 metres grading 0.52 g/t gold, respectively. The 2024 holes were drilled to test the 2023 intercepts to the west, below and north. They encountered much less veining and sulphide mineralization, and the best result was 6.1 metres grading 0.69 g/t gold in hole HIT-006.

The Kelvin Stock is the southernmost intrusive body in the Astro Plutonic Complex and is 10 kilometres south of the Canol Trail Stock. The Kelvin Stock measures 2.2 kilometres in diameter and is a Tombstone Suite granite intrusion. It hosts the Peak and Cirque targets. In 2024, the Company expanded the soil sample grid at Peak and conducted additional prospecting and rock sampling on the western edge of the intrusion. The Company also drilled two holes (355 metres) on the Peak Target to test gold-bearing quartz-arsenopyrite veins observed on surface. The drill holes failed to encounter any significant mineralization.

The Company is not planning any work on the Astro West Project in 2025.

*Black Claims, NWT*

The Company owns 100% of the Black claims totalling six claims covering approximately 6,995 hectares in the Tungsten District of the Tombstone Gold Belt, NWT.

The Company completed a short program of stream sediment sampling and prospecting and flew an airborne geophysical survey in the summer of 2023. Over the winter of 2023-24, the Company compiled historic work and identified significant gold anomalies from rock and trench sampling on the property. Thirty-seven of 77 (48%) of surface rock and trench samples returned >0.5 g/t Au, with a peak value of 27.5 g/t Au from quartz-arsenopyrite veins.

In 2024, the Company carried out an extensive soil sampling and prospecting program on the property. The soil sample grid defined an arsenic-in-soil anomaly that measures 1.8 kilometres by 500 metres with values up to 19,190 ppm arsenic and a coincident gold anomaly with values up to 0.51 ppm gold. Prospecting and rock sampling at Black returned 3 grab samples from quartz-arsenopyrite veins containing 1.11, 1.37 and 2.86 g/t gold. The mineralization observed at Black occurs in quartz-arsenopyrite veins hosted in sedimentary rocks distal to a Cretaceous intrusion and appears to be Orogenic, as opposed to RIRGS style.

The Company is not planning any work on the Black claims in 2025.

*Flat Claims, NWT*

The Company owns 100% of the Flat Claims totalling three claims covering approximately 2,567 hectares in the Tungsten District of the Tombstone Gold Belt, NWT. In 2023 and 2024, the Company conducted stream sediment sampling and prospecting at Flat. The program failed to return any significant values and there are no plans for work on the property in 2025.

*RAK Main and Jos Projects, NWT*

The Company owns 100% of the RAK Main and Jos claim groups targeting gold mineralization within the extension of the Tombstone Gold Belt in the Northwest Territories. The two properties comprise 13 claims covering approximately 10,100 hectares and are located 11 to 26 kilometres east of the Canol Road and Macmillan Pass airstrip, providing access to the properties.

Multiple intrusive bodies belonging to the Cretaceous-age Tombstone, Tungsten and Mayo plutonic suites have intruded the Selwyn basin sediments within the Company's claims. Several large, polyphase plutons to 10 kilometres in diameter are accompanied by smaller stocks with surface exposures less than a kilometre. Conspicuous zones of contact metasomatism surround most of the intrusions within the area of the claims.

Previous work by operators in the Yukon side of the divide has recorded significant stream sediment gold anomalism that appears to be draining several of the intrusive bodies within the NWT. Recent mapping has identified stockwork veining within these intrusive bodies, especially so in the recessive valleys.

The intrusive bodies and gossanous contacts within the Company's claims are relatively unexplored. The Company did not do any work on the claims in 2024 and has no plans for work in 2025.

### Other Projects

#### *Gossan Property, Yukon*

The Company owns a 100% interest in 36 quartz claims covering approximately 7.5 square kilometres or 753 hectares in the Dawson Range Belt, Yukon. These claims are known as the Gossan Property and are located 100 kilometres west of Carmacks or 235 kilometres northwest of Whitehorse.

The Dawson Range Belt hosts the world class Casino porphyry copper-gold-molybdenum deposit, the Freegold Mountain porphyry-epithermal deposits, the Klaza epithermal deposit and numerous other porphyry-epithermal mineral occurrences. These deposits are associated with late-Cretaceous intrusions of the Casino Suite.

The Gossan property covers a large (1.8 x 1.0 km) orange-red, gossanous, colour anomaly. Regional geochemical sample data from government sources have returned moderately anomalous values for copper, molybdenum and gold from streams draining the southern edge of the gossan. Enhanced interpretation of the Weighted Sums Model for Porphyry Copper Deposits indicates that these samples are within the 90-95th percentile for the porphyry copper-molybdenum deposit type.

Surprisingly, there is no record of any assessment work having been undertaken on the property. Preliminary observations on the ground have identified intense silica-pyrite alteration of the underlying volcanic rocks with disseminated pyrite content greater than 5%. The Company believes the intense orange-red gossan and silica-pyrite alteration is indicative of a porphyry-related hydrothermal alteration system at depth.

The Company completed an early summer program on the property in 2023 which consisted of stream sediment sampling, soil sampling and prospecting to evaluate the target for porphyry and/or epithermal copper-gold potential.

The Company is not planning any work on the property in 2025.

### Analytical Procedure

The drill program in 2025 was done with NQ thin wall (NTW)-sized equipment. Drill core was systematically logged for geological attributes, photographed and sample intervals identified by a geologist at the Company's field camp. Samples were generally at 1.0 metre intervals, but occasionally shorter intervals were sampled to isolate features of interest. Samples were collected by cutting the core in half along the axis of the core. Field duplicates were collected at regular intervals by cutting the half core to be sent to the lab into two ¼ core samples, each with unique sample numbers leaving a consistent record of half core material in the core box. Standard reference materials were inserted by Company personnel at regular intervals into the sample stream. Samples were delivered by expeditor to ALS Global preparatory facility in Whitehorse, Yukon. Sample preparation was completed in Whitehorse, with analyses completed in North Vancouver, BC. ALS Global is an accredited ISO/IEC 17025 and ISO9001 laboratory for quality management.

At the lab, drill core and rock samples were crushed by ALS to >75% passing below 2 mm and split using a riffle splitter. 250 g splits were pulverized to >85% passing below 75 microns. 0.5 g of the sample pulps were digested with aqua regia and analyzed by an inductively coupled plasma mass spectroscopy and inductively coupled plasma atomic absorption spectroscopy (ICP-MS+ICP-AES) finish for 48-element analysis (ALS code: ME-MS61). All samples were analysed for gold content by fire assay with a gravimetric finish on 50 g samples (ALS code: Au-GRA22).

For the purposes of this Interim MD&A, mineralized intervals are defined as runs of mineralization >0.1 g/t Au.

### Technical Information

Qualified Person: Scott Casselman, B.Sc., P.Geo., Vice-President Exploration of the Company, is a member of the Association of Professional Engineers and Geoscientists of British Columbia and is the Company's Qualified Person as defined by National Instrument 43-101. Mr. Casselman is responsible for the accuracy of and has approved the technical information in this Interim MD&A.

**Quarterly Information**

The following table provides quarterly information for the eight fiscal quarters ended June 30, 2025:

Quarter Ended	Jun. 30, 2025 (\$)	Mar. 31, 2025 (\$)	Dec. 31, 2024 (\$)	Sep. 30, 2024 (\$)	Jun. 30, 2024 (\$)	Mar. 31, 2024 (\$)	Dec. 31, 2023 (\$)	Sep. 30, 2023 (\$)
Exploration expenditures	312,342	118,203	222,886	1,829,297	652,213	178,198	471,215	3,077,660
General and administrative expenses	753,565	266,232	259,253	182,994	236,275	269,288	262,048	205,174
Net loss	(990,973)	(352,776)	(453,726)	(1,481,087)	(810,982)	(422,604)	(825,028)	(2,466,092)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.02)	(0.01)	(0.01)	(0.01)	(0.04)

Exploration expenditures for all quarters presented are related to activity on property holdings in the Yukon and NWT that were acquired since the latter part of the 2022 fiscal year. The net losses for the quarters ended September 30, 2024 and 2023 were significantly higher than the other quarters presented due to their respective level of exploration expenditures and the seasonal nature of when most exploration activity in the Yukon and NWT can take place. The net loss for the quarter ended December 31, 2023 included a Part XII.6 tax of \$59,867 relating to a 2022 flow-through equity financing and a write-off of \$88,556 in exploration and evaluation asset acquisition costs.

**Results of Operations***Quarter ended June 30, 2025*

The quarter ended June 30, 2025 had a net loss of \$990,973, compared to \$810,982 for the quarter ended June 30, 2024, an increase of \$179,991. This increase is primarily due to the current quarter recording a share-based payments expense of \$394,354 whereas there was no such charge for the comparative quarter. The share-based payment expense relates to options that were granted and fully vested during the current quarter.

Exploration expenditures during the current quarter totaled \$312,342 compared to \$652,213 during the comparative quarter, a decrease of \$339,871. This decrease is due to the start of the current year exploration season being delayed due to weather conditions. The current quarter exploration costs were also reduced by a cost recovery of \$38,204. Exploration costs for the current quarter primarily relate to flow-through eligible activities on the Company's Grad property in the NWT while activity during the comparative quarter was performed on several of the Company's Yukon and NWT properties.

General and administrative expenses for the current quarter totaled \$753,565 compared to \$236,275 in the comparative quarter, an increase of \$517,290. This increase is largely due to the current quarter share-based payments expense of \$394,354 referred to above. The current quarter also recorded a consulting fee expense of \$36,458 compared to no such expense for the comparative quarter. Other notable cost increases for the current quarter were in shareholder communications, directors' fees, and management fees which increased by \$67,799, \$17,500, and \$16,500, respectively. Shareholder communication costs were higher for the current quarter due to more investor relations and promotional activities. Directors' fees were higher due to more board of director requirements during the current quarter. Management fees were higher due to the compensation for the Chief Executive Officer increasing at the start of the current fiscal year. A notable cost decrease for the current quarter was in salaries and benefits which was \$17,166 less than the comparative quarter due to a reduction in the use of shared administrative personnel.

*Six months ended June 30, 2025*

The six-month period ended June 30, 2025 had a net loss of \$1,343,749, compared to \$1,233,586 for the six-month period ended June 30, 2024, an increase of \$110,163. The current period's net loss was higher due in part to a share-based payment expense of \$394,354 being recorded compared to \$13,691 for the comparative period, a difference

of \$380,663. The share-based payment expense for both the current and comparative periods relate to options that were granted and fully vested during the respective periods.

Exploration expenditures during the current period totaled \$430,545 compared to \$830,411 during the comparative period, a decrease of \$399,866. As with the quarterly comparison, exploration costs for the current period primarily related to activity on the Grad property in the NWT while costs for the comparative period involved activity on several of the Company's Yukon and NWT properties.

General and administrative expenses for the current period totaled \$1,019,797 compared to \$505,563 in the comparative period, an increase of \$514,234. Similar to the quarterly comparison, this increase for the current period is due in large part to the share-based payments expense referred to above. Also similar to the quarterly comparison, other notable cost increases for the current period involved shareholder communications, management fees, and directors' fees which increased by \$74,041, \$33,000, and \$17,500, respectively. As with the quarterly comparison, a notable cost decrease for the current period was in salaries and benefits which was \$27,528 less than the comparative quarter due to a reduction in use of shared administrative personnel. Consulting fees for both the current and comparative periods were for financial advisory services. Amortization expense for the current period was higher due to the acquisition of a vehicle and other equipment during the current period plus the right-of-use asset associated with an office lease entered into in late 2024. Both the current and comparative periods recorded an interest expense on lease liabilities. This expense for the current quarter relates primarily to the office lease that the Company is a co-signor of whereas the comparative period expense only relates to an expired vehicle lease.

### **Liquidity and Capital Resources**

The Company is in the exploration stage and therefore has no cash flow from operations.

During the period ended June 30, 2025, a total 26,673,625 share purchase warrants were exercised, providing proceeds of \$5,334,726. Subsequent to June 30, 2025, an additional 5,890,575 share purchase warrants, 347,000 compensation options, and 585,000 incentive stock options have been exercised, providing total proceeds of \$2,534,136.

In April 2025, the Company raised total gross proceeds of \$2,994,150 by way of the Offering, consisting of \$759,750 in non-flow-through funds and \$2,234,400 in flow-through funds. The flow-through funds from this equity financing must be spent on flow-through eligible expenditures by December 31, 2026. As of June 30, 2025, no costs have yet been incurred from this financing.

In May and June 2024, the Company raised total gross proceeds of \$4,656,184 by way of equity financings, consisting of \$894,980 in non-flow-through funds and \$3,761,204 in flow-through funds. The flow-through funds from these financings must be spent on flow-through eligible exploration expenditures by December 31, 2025. As of June 30, 2025, the Company has incurred \$2,483,949 of its flow-through commitment for these financings, leaving a balance of \$1,277,255 yet to be incurred.

If the Company does not spend its remaining flow-through funds in compliance with the Government of Canada flow-through regulations, it may be subject to indemnification or other claims by the flow-through subscribers.

The funds from the above warrant exercises and most recent non-flow-through equity financing are being used for mineral property acquisitions, non-flow-through eligible exploration expenditures, and general working capital purposes.

As at June 30, 2025, current assets were \$10,457,258 and current liabilities were \$1,043,750, resulting in working capital of \$9,413,508. Current assets include cash of \$10,012,587, of which \$3,511,655 is reserved for flow-through eligible exploration activities during the 2025 and 2026 fiscal years. Current liabilities include a flow-through share liability of \$788,666 which is the result of flow-through shares having a price exceeding a non-flow-through share price. The flow-through share liability is settled as eligible flow-through expenditures are incurred with the offset being recorded as a recovery on flow-through share liability on the comprehensive statement of profit or loss.

The Company expects its current capital resources to be sufficient to cover its planned exploration activity, including its existing flow-through expenditure commitments, and corporate operating costs through the next twelve months. Actual funding requirements may vary from those planned due to a number of factors, including the level of exploration activity and possible property acquisition opportunities.

### *Commitment*

During the 2024 fiscal year, the Company entered into a shared operating lease agreement with two other related publicly listed companies (the "Lessees") for its office premises and each paid a security deposit of \$3,907. The term of the lease is five years, commenced January 1, 2025 and includes an early termination option whereby the Lessees can terminate the lease upon the third anniversary date with a payment equal to two months gross rent. The Company's portion of annual commitments under the lease, if the early termination option is not exercised, are as follows:

2025	\$	19,363
2026		40,798
2027		43,759
2028		41,612
2029		44,648
	\$	<b>190,180</b>

### **Related Party Transactions**

See Note 13 of the condensed interim financial statements for the six months ended June 30, 2025 for details of related party transactions which occurred in the normal course of business.

### **Other Data**

Additional information related to the Company is available for viewing at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Share Position and Outstanding Warrants, Compensation Options, and Incentive Options**

As at the date of this Interim MD&A, the Company had 156,762,366 common shares issued and outstanding and the following share purchase warrants, compensation options, and incentive stock options are currently outstanding:

#### **SHARE PURCHASE WARRANTS**

<b>No. of warrants</b>	<b>Exercise price</b>	<b>Expiry date</b>
5,218,800	\$0.40	September 19, 2025
7,898,876	\$0.15	April 23, 2026
<b>13,117,676</b>		

#### **COMPENSATION OPTIONS**

<b>No. of options</b>	<b>Exercise price</b>	<b>Expiry date</b>
109,140	\$0.25	September 19, 2025

**INCENTIVE STOCK OPTIONS**

<b>No. of options</b>	<b>Exercise price</b>	<b>Expiry date</b>
345,000	\$0.10	May 2, 2029
1,740,000	\$0.365	January 9, 2033
670,000	\$0.20	April 3, 2035
1,000,000	\$0.25	April 16, 2035
3,755,000		

**Accounting Policies and Basis of Presentation**

The Company's significant accounting policies are presented in the audited financial statements for the year ended December 31, 2024.

**Future Accounting Changes**

The Company will be required to adopt the following standards and amendments issued by the IASB as described below:

*IFRS 18, Presentation and Disclosure in Financial Statements*

IFRS 18 is a new standard that will replace *IAS 1 Presentation of Financial Statements*, setting out a new presentation requirement for the statement of profit or loss, and providing new definitions and disclosures related to non-IFRS performance measures.

This standard will be effective for the Company's annual period beginning January 1, 2027 with early application permitted. The Company is currently assessing the impact of IFRS 18 on its financial statements.

**Risks and Uncertainties***Mineral Property Exploration and Mining Risks*

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

*Joint Venture Funding Risk*

The Company's strategy includes seeking partners when appropriate through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether the Company can find another partner or has enough capital resources to fund the exploration and development on its own.

*Commodity Price Risk*

The Company is exposed to commodity price risk. Declines in the market price of precious and base metals and other minerals may adversely affect the Company's ability to raise capital or attract joint venture partners in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.



*Financing and Share Price Fluctuation Risks*

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its property interests.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

*Political and Regulatory Risks*

The Company is currently operating in Canada which has a stable political and regulatory environment. However, changing political aspects may affect the regulatory environment in which the Company operates, and no assurances can be given that the Company's plans and operations will not be adversely affected by future developments. Any property interests held and any proposed exploration or development activities by the Company may be subject to political, economic, and other uncertainties, including the risk of expropriation, nationalization, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, and changes in laws or taxation policies.

*Insured and Uninsured Risks*

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses, and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and a decline in the value of the securities of the Company.

*Environmental and Social Risks*

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. The activities of the Company may be subject to negotiations with local landowners or First Nations communities for access to conduct exploration and development work programs. The Company's operations could be significantly disrupted or suspended by activities such as protests or blockades that may be undertaken by individuals or groups within the community.

*Competition*

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.