



GRANADA GOLD MINE INC.

Management's Discussion and Analysis

For the year ended June 30, 2026

Granada Gold Mine Inc.
Management's Discussion and Analysis of Financial Results
For the year ended June 30, 2026

DATE: October 28, 2026

The following Management's Discussion and Analysis ("MD&A") is a review of the operations, current financial position and outlook of Granada Gold Mine Inc. ("Granada" or the "Company"), and it has been prepared by management and should be read in conjunction with the audited financial statements of Granada for the year ended June 30, 2026 and the related notes thereto, which are prepared in accordance with IFRS Accounting Standards ("IFRS"). The discussion covers the year ended June 30, 2026, and up to the date of filing of this MD&A. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. All amounts are stated in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information. See "Forward-Looking Information" and "Risks and Uncertainties" for a discussion of the risks, uncertainties and assumptions relating to such information.

For further information on the Company reference should be made to the Company's public filings which are available on SEDAR website (www.sedar.com).

FORWARD-LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the Company's exploration properties. Such reflect the current views of the Company with respect to future events and are subject to certain statements risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Aside from factors identified in the annual MD&A, additional important factors, if any, are identified here.

DESCRIPTION OF BUSINESS

Granada is a junior natural resource company whose business is to seek out exploration opportunities with a focus on the Granada Gold Mine in Rouyn-Noranda, Quebec. Operations are conducted either directly or through consulting agreements with third-parties. The Company finances its properties by way of equity or debt financing or by way of joint ventures. Additional information is provided in the Company's audited financial statements for the years ended June 30, 2026 and 2025. These documents are available on SEDAR at www.sedar.com. The Company also maintains a website at www.granadagoldmine.com.

The Company is a reporting issuer in the Provinces of British Columbia and Alberta, and trades on the TSX Venture Exchange ("TSXV") under the symbol GGM, the US OTC market under the symbol GBBFF and the Frankfurt Stock Exchange under the symbol B6D-FRA.

The corporate office of the Company is located at 20282 Wharf Street, Maple Ridge, BC, V2X 1A3.

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GOING CONCERN

The audited financial statements for the year ended June 30, 2026, have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company had cash of \$1,510,149 as at June 30, 2026 (2025 - \$11,013) and management cannot provide assurance that the Company will ultimately achieve profitable operations or raise additional debt and/or equity capital.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral deposits that are economically recoverable. The Company will have to obtain additional funds from time to time to continue its exploration activities, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continuing existence is dependent upon the discovery of economically recoverable reserves and resources, the preservation of its interest in the underlying properties, the ability of the Company to obtain necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and the achievement of profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, and renegotiation of contracts.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed inappropriate. Such adjustments could be material.

As at June 30, 2026, the Company has not yet achieved profitable operations, has an accumulated deficit, has a working capital deficiency and expects to incur further losses in the development of its business.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing accumulated operating losses and a significant working capital deficiency, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These conditions indicate the existence of material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

HIGHLIGHTS

Corporate Update

Granada holds a fully permitted gold project on the Cadillac Break in Quebec. The current NI 43-101 mineral resource estimate, filed in September 2026, reports 890,600 ounces of gold (Measured and Indicated) and 865,500 ounces (Inferred). Over the past 12 months, the Company has updated its mineral resource, strengthened

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its leadership and raised new capital. Its focus is now on exploration drilling to expand and upgrade the resource and drill permit applications were submitted in October 2026.

Leadership changes during the year and subsequent to year end have added expertise in finance, capital markets and corporate development:

- September 28, 2026: J.W. Dumont appointed President, responsible for leading financing, investor engagement and strategic partner discussions. Mr. Dumont was previously Chief Financial Officer and Head of Operations of GoldFinX, where he oversaw two concurrent gold mining sites in Côte d'Ivoire, and earlier held roles at RBC Dominion Securities and VIA Rail. Frank J. Basa continues as Chief Executive Officer.
- October 8, 2025: Daniel Barrette appointed director. Mr. Barrette has over 15 years of leadership experience in the mining sector, including corporate restructuring, project development and international transactions, and is a consultant to and director of Nord Precious Metals Mining Inc. ("Nord") and Coniagas Battery Metals Inc.
- September 9, 2025: Heidi Gutte, CPA, CGA, appointed Chief Financial Officer, replacing Remantra Sheopaul. Ms. Gutte has over 15 years of experience with publicly traded mineral exploration and mining companies, specializing in corporate finance, IFRS financial reporting, audit and corporate compliance.

On October 21, 2026, the Company granted 4,545,319 stock options to an Officer of the Company. The stock options are subject to performance vesting, whereby 1,136,330 options vest upon the Company achieving a market capitalization of \$50 million and the remaining 3,408,989 options vest upon the Company achieving a market capitalization of \$100 million. The thresholds must be achieved within three years of the grant date while the Officer remains engaged by the Company. Once vested, the stock options can be exercised for a price of \$0.05 per common share of the Company for a term of four years from the grant date.

At the May 20, 2026, Annual General and Special Meeting, shareholders approved all resolutions with over 99.04% of votes in favour, including the re-election of directors Frank J. Basa, Matthew Halliday, Maya Basa and Daniel Barrette, the re-appointment of McGovern Hurley LLP as auditors, and the renewal of the 10% rolling stock option plan.

In September 2025, the Company granted 6,800,000 stock options to consultants, employees, directors and officers at an exercise price of \$0.05 per share. 5,400,000 of these stock options expire five years after the grant date, and 1,400,000 of the options expire two years after the grant date. Of the 1,400,000 options, 800,000 were cancelled during the year ended June 30, 2026.

Financing

The Company has completed the following financing and debt-reduction transactions during the year and subsequent to the year-end:

- January 20, 2026: Settled \$300,000 of debt owed to certain non-arm's length creditors through the issuance of 3,000,000 common shares at a deemed price of \$0.10 per share. As two directors of the Company are principals of the creditors, the transaction was a related party transaction, exempt from the formal valuation and minority shareholder approval requirements of MI 61-101.
- February 18, 2026: Closed an oversubscribed private placement of 58,949,400 units at \$0.05 per unit for gross proceeds of \$2,947,470, increased from the \$2,500,000 previously announced. Each unit consists of one common share and one warrant exercisable at \$0.075 for five years. The Company paid finders' fees of \$135,730 in cash and issued 2,714,600 finder's warrants exercisable at \$0.075 for five years. The

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CEO acquired 4,000,000 units. Proceeds are being used for the resource update, exploration and general corporate purposes.

- July 30, 2026: Entered into two debt conversion agreements totaling \$4,000,000. Debt of \$3,000,000 owed to Nord Precious Metals Mining Inc. ("Nord") is to be converted into a 3% net smelter return ("NSR") royalty on the Granada property, which the Company may repurchase for \$3,000,000 (in \$1,000,000 tranches of 1% each) at any time. Debt of \$1,000,000 owed to Mineral Recovery Management Systems Corp., a company controlled by the CEO, is to be converted into a 1% NSR, which the Company may repurchase for \$1,000,000. The transactions are subject to TSX Venture Exchange approval

Project Development

Exploration and Drilling

The Company's focus for the coming period is exploration drilling to expand the Granada deposit and increase confidence in the existing resource. The mineralized system at Granada includes up to 22 east-west trending mineralized structures over a strike length of 5.5 km. Only about 20% of the property has been explored, and mineralization remains open along strike and at depth. Historical underground mining in the 1930s produced more than 50,000 ounces of gold at grades of 8 to 10 g/t from two shafts reaching 236 metres and 498 metres. Mineralization is known to extend well below the current pit-constrained resource. Of a previously planned 120,000-metre drill program, 20,000 metres have been completed.

On October 7, 2026, the Company applied for drill permits to support a renewed drill program with two objectives:

- **Infill drilling** to upgrade confidence in the current Measured, Indicated and Inferred resources.
- **Exploration drilling** to test extensions of the deposit along strike and at depth, including areas north of the current claims where the Cadillac Break crosses the Granada property.

The Company will announce the final scope, budget and schedule of the program once permits, financing and contractor availability are confirmed.

Drill targeting is supported by a structural interpretation completed by Ronacher McKenzie Geoscience Inc. and reported on January 8, 2026. It found greater structural complexity in the southern part of the property, extending east and west along its length, and identified additional drill targets. Recommended follow-up work includes an updated geological map integrating historical mapping, LiDAR and magnetic data, a database of historical structural measurements, and an updated 3D geological model.

Mineral Resource Update

In October 2025, with gold prices well above those used in earlier estimates, the Company began reviewing the potential for a larger open-pit resource. In May 2026, the Company engaged GoldMinds Geoservices Inc. to prepare an updated NI 43-101 Mineral Resource Estimate. The estimate incorporates all drilling through 2025 (over 158,000 metres in more than 1,000 surface holes) and the new structural interpretation. The updated estimate has an effective date of June 23, 2026, and the final technical report was filed in September 2026. It was prepared by Claude Duplessis, P.Eng., of GoldMinds Geoservices Inc., an independent Qualified Person.

Category	Tonnes	Grade (g/t Au)	Ounces Au
Measured	6,634,000	1.75	372,900
Indicated	9,348,000	1.72	517,700
Measured & Indicated	15,982,000	1.73	890,600
Inferred	20,096,000	1.34	865,500

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Effective date June 23, 2026. Cut-off grades are 0.25 g/t Au for pit-constrained resources and 1.4 g/t Au for underground resources. The gold price used is CA\$176 per gram (approximately US\$4,270 per ounce).

Compared with the 2022 estimate, Measured and Indicated ounces increased by 64% and Inferred ounces by 90%. Inferred resources have a lower level of confidence than Measured and Indicated resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability. The large Inferred resource and the open extensions of the deposit are the primary targets of the planned drilling.

Supporting Technical Work

In April 2026, independent ore sorting tests at the Saskatchewan Research Council upgraded open-pit mineralization by 2.7 times, from 2.93 g/t to 7.87 g/t gold, with 88% gold recovery. The Company has also begun work on a request to amend its existing Certificate of Authorization to include on-site gravity concentration. This work will inform future studies of the project.

EXPLORATION AND EVALUATION PROJECT

Granada Property

In total, the Company currently retains rights to 2 mining leases and 52 mining claims for a cumulative total of 1,586 hectares. The mining leases are subject to a 2% GMR, of which half may be purchased by the Company for \$1,000,000. There is an additional 1% NSR on the 2 leases and 23 of the original mining claims. Additionally, there are a further 26 claims representing 421.48 ha, which retain a 2% NSR where 1% can be purchased back for \$1,000,000.

The Granada deposit is a quartz-vein mesothermal gold deposit hosted by late Archean Timiskaming sedimentary rock and younger syenite porphyry dykes. The dykes belong to a late tectonic suite that hosts the mesothermal gold mineralization in the Kirkland Lake and Timmins gold camps in Ontario and in Duparquet, north of Rouyn-Noranda, in Quebec.

Gold mineralization is hosted by east-west trending, smokey-grey, fractured quartz veins and stringers. Free gold occurs at vein margins or within fractures of the quartz veins or sulphides. Late northeasterly-trending, sigmoidal faults also host high-grade gold mineralization.

As of the date of this report, mineralization at the Granada gold mine remains open to the east and west and consistently to depth, down-dip to the north.

In 2007, the Company processed a bulk sample of 140,000 tonnes from an open pit at the Granada site of which 30,000 tonnes was milled using an on-site mill. The average gold grade from this large sample was 1.62 g/t with a 90per-cent rate of recovery realized. The waste from this bulk sample, along with stockpiled waste from past bulk sampling programs from previous operators at Granada, was also assayed returning a grade of 1.75 g/t gold. These results confirmed the presence of gold mineralization between the known individual east-west trending vein structures. All core drilled from 2009 through 2012 was analyzed to determine whether there is sufficient grade between the higher-grade vein structures to allow for bulk, open pit extraction.

The first four phases of the drill campaign between Dec 2009 and May 2012 totaled just under 90,000 metres drilled. A table of a few select highlights from all drilling can be found below. Most of the drill holes have been drilled close

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to perpendicular to the veins. The core length is, in general, 85% to 90% of the true width for the holes drilled south southwest.

Drill Hole	From (m)	To (m)	Interval (m)	Weighted grade g/t Au
PHASE 1 HIGHLIGHTS				
GR-09-02	15.50	48.00	32.50	1.78
including	40.70	41.00	0.30	96.60
GR-09-08	17.00	68.00	51.00	0.93
GR-10-12	4.30	87.00	82.70	0.90
GR-10-13	32.20	59.95	27.75	1.27
GR-09-15	73.20	147.00	73.80	0.88
PHASE 2 HIGHLIGHTS				
GR-10-33	23.00	146.50	123.50	1.07
GR-10-53	5.00	112.50	107.50	1.37
including	8.00	73.30	65.30	2.14
GR-10-117	3.00	201.00	198.00	0.74
including	4.60	77.50	72.90	1.02
GR-10-126	29.10	85.05	55.95	1.01
GR-10-138	116.00	171.50	55.50	0.77
including	116.00	125.00	9.00	2.16
GR-10-141	3.00	279.00	276.00	0.52
PHASE 3 HIGHLIGHTS				
GR-10-153	3.90	139.00	135.10	0.62
including	3.90	4.90	1.00	54.98
GR-10-157	45.50	116.50	71.00	1.06
including	56.50	61.00	4.50	3.75
including	69.00	70.00	1.00	44.80
GR-11-200	50.50	156.50	106.00	0.81
GR-11-216	1.50	57.60	56.10	0.56
GR-11-223	3.40	54.00	50.60	0.56
GR-11-235	2.20	150.00	147.80	0.50
including	6.50	96.00	89.50	0.78
GR-11-237	42.00	130.00	88.00	0.50

The Company completed a 450-metre trenching program during the summer of 2013 that was undertaken to further evaluate the near-surface mineralized zones of the potential open pit at the Granada Gold Mine. Assays from channel samples taken from the trenched areas varied from 22.42 g/t Au over 1.04 metres to 0.01 g/t Au over 0.82 metres. The higher grades were from samples in the eastern section of the extended LONG Bars zone. Significant visible gold was also encountered very near surface at a depth of 10 centimetres in the western area of trenching.

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In September 2014, approximately 600 metres of additional trenching in 6 trenches was completed immediately east of Pit 2A. Bedrock was uncovered with the majority of the work conducted as continuous channel sampling. The program was carried out by Technominex and supervised by L. Caron, Géo. GoldMinds Geoservices Inc.

Gold mineralization was identified within the quartz veinlets through the syenite porphyry and the conglomerate of the Granada Formation in the Temiskaming Group. The conglomerate shows a chlorite alteration in the footwall of the mineralized zone that is rather sericitic and ankeritic. Trenching work outlined the mineralization zones that were cut by the previous diamond drill holes and provided important information in terms of where to commence upcoming surface mining operations within the context of the PFS.

In 2015, three trenches were completed in the area covering the smallest proposed pit located furthest west with channel sampling from the middle trench, TR15-11, returning 6.05 g/t Au over 8 metres including 14.98 g/t Au over 3 m (Press Release April 22, 2015). Surface channel sampling grades confirmed the continuity of the near-surface, drill intersected mineralization over a potential strike length of 3.5 kilometres from the western to the eastern trenches – this is a very positive development within the rolling start mining plan.

The Company announced on May 26, 2016 that it had received its Certificate of Authorization “C of A” from Quebec’s Government of Environment (MDDELCC) for gold mining at the Granada property for 75,000 ounces of near-surface, high-grade gold at a cash cost of US \$797 per ounce. The MDDELCC is now satisfied that the Company has answered all prerequisite questions, submitted all requested studies, all of which have now been reviewed with the file deemed to be in order (Press Release May 26, 2016).

Sound studies, completed in 2014, measured average noise levels at three stations between 700 and 900 metres from the proposed Mousseau Pit at 40db to 50db during the night and at 45db to 55db during the day with no mining activity taking place. Installation of water and air monitoring stations has been completed and are in operation.

In addition, in January 2015, a Memorandum of Understanding (MOU) was signed between the Timiskaming First Nations and Granada Gold Mine Inc. to work together moving forward towards a rolling production start at Granada (see Company Press Release January 30, 2015).

With initial stripping in the summer and fall of 2016, a new high-grade mineralized zone was uncovered with visible gold found on surface (Press Release September 28, 2016). The zone, associated with the feldspar porphyry, is in a quartz vein zone up to 3 metres thick and has been noted over 125-metre strike length. A 5-tonne mini bulk sample was taken by breaking the rock with a hydraulic hammer on an excavator then taking grab samples arbitrarily every 0.5 metre along 3 lines across the zone with lines spaced approximately 10 metres apart. Samples from each line were sampled separately as described in the press release. A total of 9 samples were assayed giving results ranging from 1.1 to 13.3 g/t gold with an average of 4.37 g/t gold.

A drill program of 2500 metres was initiated in September 2016 initially targeting the new mineralized zone as well as the western end of the Aukeko zone, resulting in the following early highlights from a press release on November 9, 2016.

GR-16-03 intersects 3.62 g/t Au over 15m including 43.58 g/t Au over 1m
GR-16-11 intersects 5.67 g/t Au over 2m including 9.31 g/t Au over 1m
GR-16-12 intersects 9.25 g/t Au over 3m including 24.99 g/t Au over 1m

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The drill program was extended to include an additional 8000 metres targeting a significant resource expansion in the northern part of the Granada property (press release December 2, 2016). Hole GR- 16-14, the first deep hole of this program, intersected one of the best intersections at depth on the property to date with 14.5 g/t Au over 4.0m including 55.9 g/t Au over 1.0m at a depth of 881 metres and 7.3 g/t over 1m at 710 metres downhole.

In late Fall 2018, Granada Gold completed a 4-hole drill program totaling 2,889m. Holes GR-18-01 and GR-18-03 targeted the down-dip extension of gold mineralization below the Pit-Constrained resources. Hole GR-18-03 intersected multiple gold-bearing quartz veins between 564 and 680 metres downhole, exhibiting similar character to the veins typically exposed at surface within the stripped area. Hole GR- 18-01 intersected a high-grade zone at around 270 metres from surface, associated with a silicified zone with disseminated pyrite within the conglomerate unit.

Selected Drill Hole Assay Results

Hole Name	From (m)	To (m)	Length (m)	Au g/t	Type
GR-18-01	365.00	368.00	3.00	8.15	FA
including	366.00	367.00	1.00	23.30	FA
GR-18-01	495.00	500.00	5.00	1.10	FA
GR-18-01	517.00	520.00	3.00	1.75	FA
GR-18-01	525.00	528.00	3.00	2.30	SM
including	525.00	526.00	1.00	4.12	SM
GR-18-01	551.00	552.00	1.00	3.75	FA
GR-18-03	572.00	578.00	6.00	8.39	FA
including	573.00	577.00	4.00	12.42	FA
including	573.00	574.00	1.00	45.70	FA
GR-18-03	564.00	570.00	6.00	1.05	FA
including	569.00	570.00	1.00	3.32	FA
GR-18-03	613.00	614.00	1.00	1.09	FA
GR-18-03	686.00	687.00	1.00	1.36	FA
GR-18-04	660.00	664.00	4.00	5.45	SM
including	662.00	663.50	1.50	13.70	SM
including	662.50	663.00	0.50	37.30	SM
GR-18-04	367.00	368.00	1.00	1.48	FA

Core length, not capped FA=Standard Fire assay, SM Screen Metallic 1kg

In August 2019, the Company started a short drill program. Three surface-outcropping, mineralized structures have been defined. Drilling was to be completed, all within 150 metres of surface, to assess near-surface mineralization within the two-kilometre extended LONG Bars zone of the potential 5.5- kilometre long, east-west-trending mineralized structure.

Initial results were reported in a press release on October 15, 2019. The 450-metre drill program focused on testing the gold grade continuity and variability within mineralized structures. Six holes were drilled to test for near surface high-grade mineralization. Coarse, native gold was observed in the drill core.

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GR-19-E intersected a high-grade zone with 12.32 g/t Au over 2 m including 48.80 g/t over 0.50 m at a core length depth of 35.5 metres on the extended LONG Bars zone.

GR-19-C intersected a high-grade zone with 7.67 g/t Au over 15 m of core length from 18.5 m to 33.5 m downhole on the extended LONG Bars zone.

GR-19-B intersected 3.41 g/t Au over 6.0 m from surface down to 6.0. The mineralized zone is composed of smoky quartz veins adjacent to a porphyry dyke intruded by multiple quartz veinlets south of the altered sheared conglomerate (Press Release November 6, 2019).

The Company further reported, in a press release January 9, 2020 additional highlights from Hole GR- 19-A which was drilled down-dip from a surface exposure of the mineralized zone composed of a massive quartz vein within a sheared and altered conglomerate adjacent to feldspar porphyry to the south. The entire mineralized zone has a 9-metre horizontal thickness in that sector. GR-19-A was drilled at azimuth 21 degrees North with a dip of 41 degrees in NQ core size.

Hole GR-19-A intersected 11.45 g/t over 33.0 metres from 0 to 33 m core length including high-grade intercepts of 42.5 g/t over 1.5 m from 0 to 1.5 m, plus 480 g/t over 0.4 m from 8.1 to 8.5 m, and another of 70.8 g/t over 0.5 m from 31.9 to 32.4 m. The horizontal width, based on outcrop, is about 9 metres and true width is estimated at 6.3 metres. The core length reported is estimated to have intersected only 15-20% of the entire thickness of the zone. However, it is a real known extent in that direction down dip of gold mineralization within the intersected length. Assays are uncut except where indicated.

A further 50 metre strike length of stripping uncovered a massive mineralized quartz zone exposing strong veining with visible gold on surface.

These preliminary results highlight the potential of near-surface, high-grade mineralization and continue to support higher grades that are in line with historic production grades of 8 to 10 g/t gold when it was mined in the 1930s from the two shafts and with later open pit grades from 5 to 3.5 g/t gold. The Company's earlier drill programs were designed to define structures. Drill holes intersected the mineralized structure perpendicularly. This recent program was designed to unlock the higher-grade potential of mineralized intersections near surface identified from previous drill holes.

In 1994, Granada Gold Mine Inc. extracted a bulk sample of 87,311 tonnes from surface grading 5.17 g/t gold from Vein 1 containing 451,397.87 grams (13,167.97 troy ounces) gold. The current drill program is east of, and on strike with Pit 1 which was taken from East-West-trending Vein 1. This recent drilling confirms the extension of Vein 1 from Pit 1 for 500 metres east to hole GR-19-E which intersected 2.0 metres grading 12.3 g/t Au (see company press release dated October 15, 2019). The Vein 1 zone is open to the east and is within the 5.5-kilometre East-West mineralized structure.

Drill programs in 2019 focused on testing the gold grade continuity and variability within mineralized structures (refer to holes GR-19-A to GR-19-F above, as well as the follow-up holes). Coarse, native gold was observed in the drill core of hole GR-19-E which intersected a high-grade zone with 12.32 g/t Au over 2 metres core length at a depth of 35.5 metres on the extended LONG Bars zone (refer to Oct 15, 2019, news release). The core length reported is estimated to have intersected 85-90% of true thickness of the zone. Assays are uncut except where indicated. It is important to note that the current NI 43-101 resource calculation by SGS (press release February 13, 2019) does not include the above mineralized zone as it was recently uncovered by stripping for a water sump.

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A grab sample totaling 1,220 kilograms of mineralized material was taken in 2020 over a 3-metre strike length from Vein No 1 structure where diamond drill hole GR-19-A intersected 11.45 g/t gold from 0 to 33 metres core length. Visible gold was present in the core. True width is estimated at 6.3 metres (refer to January 9, 2020, news release). The 1,220-kg sample returned a calculated grade of 55.6 g/t from the native gold component. The sample was processed at Temiskaming Testing Labs in Cobalt, Ontario, which is fully owned by Nord Precious Metals Mining Inc., a related company with common directors and officers. Conventional gravity concentration was used and therefore only native gold was recovered and quantified. The gold-bearing sulfides were not recovered (Press release, August 11, 2020). The native gold component has been defined for the Granada Gold Mine to represent an average of 50% percent of the recoverable gold from the mineralized deposit (43-101 Technical Report dated February 13, 2019 on the Granada Gold Project Mineral Resource Estimate, Rouyn Noranda, Quebec authored by the Qualified persons, Allan Armitage, Ph. D., P. Geo and Maxime Dupere, B.SC., Geo both of SGS Canada Inc. - Section 13.1).

The mineralized Vein 1 structure has been traced on surface for over 115 metres east-west trend by stripping in stages over the past several years. Stripping continues to the west along strike. The structure extends over 500 metres when we connect the pierce points with the drill holes. Historically, the mill grades at Granada Mine were higher than drill grades. This is common with high-grade native gold concentration deposits on the Cadillac Trend - as it is with this deposit. The 1,220-kg sample returned 4 times the drill grade of the core – when considering only the native gold component.

Also in 2020, a 500-tonne mineralized material, and 900-tonne waste rock bulk sample was taken from surface 400 metres east of Pit #1 on the Vein 1 structure which trends approximately 5.2 kilometres east-west. Historically, Vein 1 was mined from underground in the 1930s at 9-10 grams per tonne gold, and mined by open pit in 1993-94 grading 5.15 grams per tonne gold in 87,000 tonnes and again in 1996 at a grade of 3.46 grams per tonne gold in 22,095 tonnes.

From the 500-tonnes of mineralized material, a 10.5-tonne composite sample was crushed, ground and screened at 20-mesh to ensure no visible gold was in the sample to be evaluated. The screened, minus 20 mesh material was passed through the sampling tower at Temiskaming Testing Laboratory (TTL) in Cobalt, Ontario. Five super sacs were sampled by taking four samples from each super sac for assaying. Duplicate assays were run on one sample per super sac. The table below identifies the sample assay results. No visible gold was recovered when processing the minus 20 mesh portion of the bulk sample. Visible gold was present in the plus 20 mesh material. At this stage of evaluating the surface mineralization sample, the company is assessing the grade of the material without any high-grade visible gold (Press Release May 10, 2022). It has been estimated, based on metallurgical testing, that close to 50 percent of the gold at Granada is in native form (43-101 Technical Report Updated Mineral Resource Estimate, March 15, 2021).

Further, test work was carried out on a 100-kilogram sample from the 900-tonne mineralized waste rock. The 100-kilogram sample was sent to Gekko Systems. The combined test results from three gravity concentration processes carried out on a low-grade sample indicate that the Granada Gold sample is amenable to pre-concentration. The concentrate, produced by the three combined tests, had an average grade of 1.16 g/t gold, which was 251 percent higher than the 0.33 g/t assayed grade of the test sample. The concentrate amount was 18.2 percent of the sample size but with 47.1 percent recovery of the gold. (Press Release, June 28, 2021).

An additional bulk sample was taken to the west of this location to further quantify the grade of the mineralized material. The area was cleaned and blasted in late fall of 2022 and removed in the Spring of 2023. The bulk sample is to be processed at Temiskaming Testing Labs, Cobalt, Ontario.

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Assay results from below pit-constrained mineral resource (press release September 30, 2020):

Hole ID	From (m)	To (m)	Length (m)	Gold (g/t)
GR-20-10	364.64	371.50	6.86	5.64
Including	364.64	365.84	1.20	4.47
Including	370.00	371.50	1.50	20.40
GR-20-11	292.50	294.00	1.50	3.37
GR-20-12	338.70	341.70	3.00	3.07
Including	339.70	340.20	0.50	14.40
GR-20-13	290.50	295.00	4.50	4.26
Including	292.00	293.50	1.50	11.90
GR-20-14	304.90	306.00	1.10	4.51
AND	324.15	324.65	0.50	11.65
AND	430.90	431.40	0.50	5.92
AND	445.30	446.80	1.50	4.41
GR-20-16	356.66	360.15	3.47	2.87
Including	358.16	359.16	1.00	7.17

Lengths stated are core length and are close to true widths, no capping applied. Au is Gold by Fire assay, or by gravimetric finish or screen metallic method.

This drill hole data under the pit-constrained resource could potentially change the economics of developing the Granada Mine Property. The property was previously explored as a low-grade, open-pit deposit but the company now envisions an initial open pit with a ramp from the bottom of the pit into the higher-grade mineralization below, significantly adding more ounces to the current resource.

Subsequent drilling in 2020 targeted near-surface mineralization of vein 1 in our 100-series holes. Press releases on October 21st and December 18th identified significant high-grade mineralization in several holes. The highlights are as follows:

- 3.66 g/t gold over 26.5m in hole GR-20-110 from 35.2 to 61.7m
- 5.25 g/t gold over 3.0m in hole GR-20-109 from 60.0 to 63.0m
- 2.62 g/t gold over 6.42m in hole GR-20-101 from 34.5 to 40.5m
- 2.39 g/t gold over 29m in hole GR-20-111 from 0.0 to 29.0m
- 7.72 g/t gold over 4.5m in hole GR-20-112 from 31.0 to 35.5m
- 7.29 g/t gold over 5.02m in hole GR-20-117 from 49.21 to 54.23m

Throughout 2021, the Company continued drilling the 100-series and 200-series holes with the aim of being able to convert the existing low-grade open pit resource at 1 gram per tonne to a smaller, higher grade open pit with the majority of the future potential ounces in a resource underground. The holes are a series of short holes drilled down-dip to maximize the intersection of native gold in the mineralized veins, to test continuity within the

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mineralized veins, and to provide extension to current mineralization with the 200-series holes targeting deeper mineralization. The 100-series holes were drilled to intersect the vein uncovered by stripping and to follow the high-grade corridor.

Typical true thickness of the number 1 vein is 1.5 to 6.0 metres. The halo effect around vein 1 has been measured up to 20 metres true thickness with numerous mineralized veinlets hosting native gold. It has been estimated, based on metallurgical testing, that close to 50 percent of the gold is in native form and can be recovered from these veinlets (company press release, January 27, 2021).

The results in 2020 have proved the continuity along the main structure and confirmed the extent to depth of high-grade gold mineralization thus supporting the view that the gold grades and occurrences are continuous and have substantial thickness to the zone. The mineralized zone beneath the eastern extension of Pit #1 contains a collection of multiple veins with sulfide mineralized halos. The zone contains 3 distinct sub-parallel mineralized veins which connect with the former Pit #1 to the west. The true thickness of these mineralized structures varies between 2m and 11m. The main zone of these 3 structures is what was tested with the 200-Series drill holes (primarily holes GR-21-05, GR-21-09, GR21-10, and GR-21-11).

The 200-Series holes were designed with an azimuth of 10-30 degrees to the north attempting to drill down the vein structures as opposed to obliquely. Normally, the drill holes are aimed southward which are designed to intersect the structures at a high angle, with an azimuth in the general range of 170-190 degrees. Previous intercepts into this structure have returned 6.95 g/t gold over 3.50 metres (true thickness) in hole GR-11-380 (Press release September 18, 2012), and 11.45 g/t gold over 33.00 metres in hole GR-19-A (Press Release January 9, 2020). The grades we see in the 200-Series drill holes validate the grades encountered previously in other drill programs and confirm the continuity of the gold mineralization. They also demonstrate that the system is a multi-vein system, as opposed to a single discrete vein. This is why the true thickness of the gold mineralization at Granada varies significantly from small high-grade intervals, such as 95.00 g/t over 0.50m, to even 0.31 g/t over 301m (Press Release September 18, 2012) depending on the location within the property and cut-off grade used for the calculation.

The mineralized zone at the western extension of Pit #2 contains a collection of multiple veins with sulfide mineralized halos. The zone contains 2 distinct sub-parallel mineralized veins which connect with the former Pit #2 to the east. The true thickness of these mineralized structures varies between 2m and 11m. 200-series holes in this zone are GR-21-26 and GR-21-28.

Drill holes GR-21-15, GR-21-16, GR-21-17 & GR-21-18 were designed to verify if gold mineralization was present beneath the Orphan Tailings Pond. These new assays confirm that the gold mineralization is both present and continuous at depth.

In late 2021, the Company began preparations for extracting a bulk sample in 2022 on the extension of high-grade zone on Mining Lease BM813 (Press Release, December 8, 2021). Stripping of overburden was completed and block sorting of historical broken mineralized material on BM813 continued as part of its ongoing work to assess the grade on the structure east of former Pit #1. This work will enable extraction and sampling of the mineralized structures which links to the structure on the mining lease BM 852 where a previous bulk sample was taken 250m to the East (see Press Release June 16, 2021). This third bulk sample was blasted in 2022 just east of Pit 1 where a bulk sample of 100,000 tonnes was previously taken out in the 1990s and graded 3.5 to 5.0 g/t gold. This recent sample was blasted in the 3rd quarter of 2022 and has not yet been extracted. Extraction is planned for 2022

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followed by processing at TTL in Cobalt, Ontario. The gold grade, based on the drill cuttings from the blast holes, is 1.6 g/t gold.

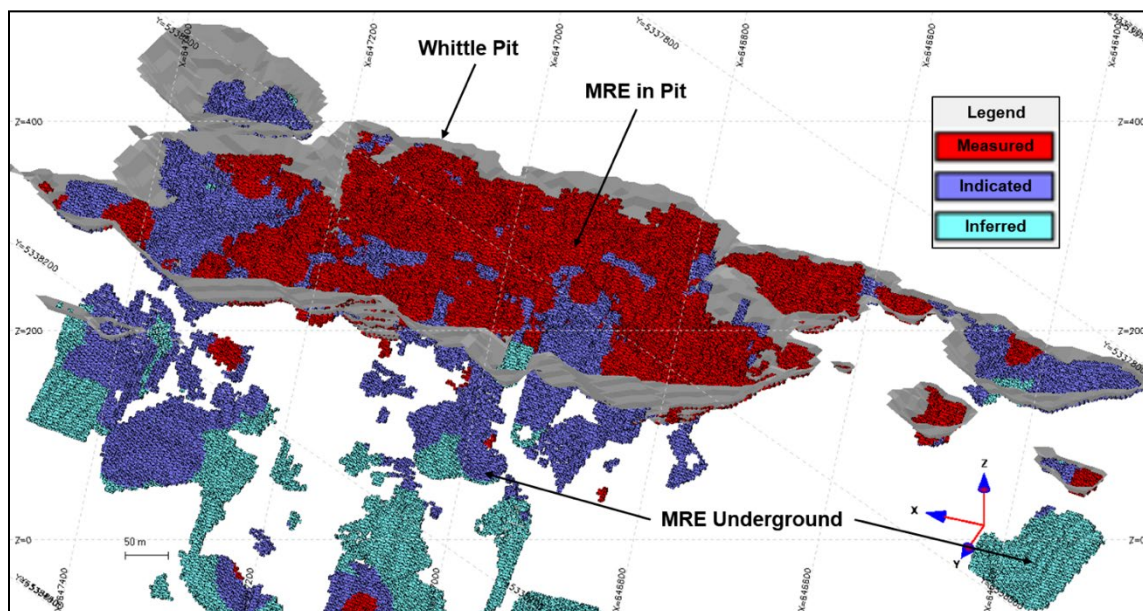
On March 15, 2021, the Company released an updated NI 43-101 resource estimate for the Granada Gold project (see January 29, 2021 news release) with a combined total of 713,000 gold ounces of measured, indicated, and inferred. This estimate contains 351,000 gold ounces of combined measured, indicated, and inferred for the open pit and 362,000 gold ounces of combined measured, indicated, and inferred for the underground. Please see Table 2 below for full details. Report reference: Granada Gold Project Mineral Resource Estimate Update, Rouyn-Noranda, Quebec, Canada authored by Yann Camus, P.Eng. and Maxime Dupéré, B.Sc, P.Geo., SGS Canada Inc. with an effective date of December 15, 2020 and signature date of March 15, 2021.

Updated Mineral Resource Estimate Base Case with Details Between the Open Pit Portion and the Underground Portion

Type	Category	Tonnes	Avg Grade Au (g/t)	Gold Ounces
Open Pit	Measured	3,756,000	1.89	228,000
	Indicated	1,357,000	2.55	111,000
	Measured + Indicated	5,113,000	2.06	339,000
	Inferred	34,000	11.29	12,000
Underground	Measured	37,000	4.22	5,000
	Indicated	807,000	4.02	104,000
	Measured + Indicated	844,000	4.03	109,000
	Inferred	1,244,000	6.33	253,000

1. Cut-off grades are based on a gold price of US\$1,600 per ounce, a foreign exchange rate of US\$0.76 for CA\$1, a gold recovery of 93%
2. Pit constrained mineral resources are reported at a cut-off grade of 0.9 g/t Au within a conceptual pit shell
3. Underground mineral resources are reported at a cut-off grade of 3.0 g/t Au within reasonably mineable volumes

Isometric View Looking South-southeast Showing the Block Model of the Granada Deposit Updated Mineral Resource by Category, and its Whittle Pit



The Company released, on March 23, 2021, and further results on May 12, 2021, some significant levels of Scandium (Sc), Rubidium (Rb), and Cesium (Cs) on the Big Claim of the Granada Gold Mine property, in Quebec, Canada. The company encountered unusual facies of altered rock which have been selectively sampled. Those core samples from holes GR-20-20 and GR-20-22 have been assayed for 56 metals. Hole GR-20-22 intercepted 21 distinct mineralized zones ranging in core length from 2.8 metres up to 177 metres.

Hole	Length	From	To	Cs	Rb	Sc	Zr	Ce	Ga	Hf	Nd	Sr
	metres	metres	metres	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
GR-20-20	12.00	351.00	363.00	13.5	101.8	21.0						
GR-20-20	98.00	451.00	549.00	3.5	69.1	13.8						
GR-20-20	15.00	573.00	588.00	1.1	42.1	12.2						
GR-20-22	53.00 (I)	1053.00	1106.50	6.6	340.2	1.0	724.3	123.0	32.5	18.3	34.4	150.9
GR-20-22	35.00 (II)	1291.00	1326.00	6.6	144.7	9.0	301.5	121.4	19.7	7.8	53.6	1285.4
GR-20-22	30.00(III)	1596.00	1626.00	4.8	83.4	14.8	161.7	67.8	20.4	4.4	31.3	489.3

Core lengths represent approximately 40 percent true width.

Details of the uses and market price ranges, as well as links to additional information of rare earth and alkali metals, can be found in the Company's press releases of March 23, 2021 and May 12, 2021.

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Granada's rare earth and alkali metal discovery was encountered during the Company's deep drilling program for gold on the defined gold zone that is dipping at 50 degrees to the north towards the renowned Cadillac Break. The target depth for the gold mineralization extension in the northern portion of the Big Claim is about 2,500 metres. The 1.6 kilometre step out between these two holes and along the Cadillac Break could potentially represent a massive, rare-earth and alkali-metals mineralized discovery zone which would greatly impact the value of the property. The company has 5.5 kilometres of east- west strike length to further explore along the Cadillac Break.

In January 2022, the Company released results of SGS Bench-scale test work where leach extraction of 99% rubidium was achieved using its Re-2Ox process thereby demonstrating its flexibility in treating other feeds using the same chemicals and process equipment there were used to produce base metal EV salts. Drill core from the EV battery metals discovery zone, from the northern part of the Big Claim at Granada Gold Mine, was used for the test work at SGS Canada. The core was crushed and ground to 80 percent passing 200 mesh, followed by a conventional flotation process to remove pyrite. Pyrite removal minimizes chemical consumption during the Re-2Ox leaching process. Multiple bench-scale tests were undertaken to optimize leach extraction, achieving 99 percent of contained rubidium metal, by varying leach time, chemical concentrations, and temperatures. Project economics are thus enhanced by having gold bullion as the primary metal recovery, and rubidium carbonate as a secondary by-product metal recovery (Press release, January 11, 2022).

Additionally, SGS Canada has been retained to conduct metallurgical and environmental studies for the planned application to modify the Company's existing Quebec Certificate of Authorization, which currently allows for the pen-pit mining of 8,000 tonnes per day at the property and the custom milling of 550 tonnes per day (200,000 tonnes per year) at a local mill. SGS Canada will be testing ore processing with the addition of calcite with gravity and cyanidation of gravity tails, as well as processing the ore by gravity and flotation for production of gold sulfides concentrates. (Press release November 15, 2021).

In May 2022, results for the 500-tonne bulk sample taken in late 2020 were released. From the original 500 tonnes, a composite sample of 10.5 tonnes was screened at 20-mesh to remove any visible gold so as not to affect the results of the smaller size fraction. The screened, minus 20 mesh material was passed through the sampling tower at Temiskaming Testing Laboratory (TTL) in Cobalt, Ontario. While visible gold was present in the plus 20 mesh material, no visible gold was recovered when processing the minus 20 mesh portion of the bulk sample.

At this stage of evaluating the surface mineralization sample, the company is assessing the grade of the material without any high-grade visible gold. It has been estimated, based on metallurgical testing, that close to 50 percent of the gold at Granada is in native form (43-101 Technical Report Updated Mineral Resource Estimate, March 15, 2021). The results of this bulk sample returned 4.33 g/t gold for only the fine fraction.

In July 2022, the Company released an updated mineral resource estimate for gold.

The updated mineral resource titled Technical Report on the Granada Gold Project Mineral Resource Estimate Update, Rouyn-Noranda, Quebec was dated August 20, 2022 and showed that the drilling had increased the Measured and Indicated Mineral Resource by 21% to 543,000 ounces gold at a grade of 2.05 g/t Au and Inferred by 715% to 456,000 ounces gold at a grade of 4.71 g/t Au. The estimates combine in-pit constrained and underground mineral resources estimates and include the results of the 30,000-meter drill program conducted on the Big Claim at Granada since the last estimate was published in January 2021.

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With the successful leaching of the rubidium using Nord Precious Metals Mining Inc., Re-2Ox process, along with the global demand for EV metals, the potential exists for a significant revised economic evaluation of the Granada Gold Mine Property if rubidium is recovered as a by-product of the gold mining process. Metallurgical testwork conducted on drill core samples at SGS Lakefield facilities were positive and prove that rubidium can be recovered at a high recovery of 99 percent (new release January 11, 2022).

Blasted material from the third bulk sample which was blasted late 2022 just next to the east of Pit 1 where a bulk sample of 100,000 tonnes was previously taken out in the 1990s and graded 3.5 to 5.0 g/t gold, graded 1.6 g/t gold based on the blasters drill cuttings. This material will be extracted in 2023 and will be processed at TTL, in Cobalt, Ontario.

The purpose of the bulk sample is to correlate drill core data to mill grade data, to engineer a plant design, and to improve process economics. The current deposit at Granada Gold Mine, a former high-grade producer at 10 grams per tonne, is only 20 percent explored.

On May 8, 2023 the Company announced that ALS GoldSpot has completed its first round of deliverables as part of its approach to identifying highly prospective areas for new discoveries at existing gold deposits. The Company expects the second round to produce new machine learning drill targets for both the main Granada Block and the Aukeko block to the east.

Since this time, the Company has focussed on updating its mineral resource model, testing various processing and ore sorting technologies. Testing at the Saskatchewan Research Council (SRC), using independent ore-sorting, was able to upgrade the mineralized material [2.7 times](#) and achieved an 88% gold recovery which would allow almost two thirds of mined open pit material to be rejected as waste and reduce milling and transportation costs.

The Company is expecting to continue in-fill drilling within the lease boundaries where permits are in place to increase the confidence level of and increase the resource. New drill permits have been applied for to allow drilling to north of the claims to continue in-fill drilling as well as expending the resource to the north at depth where the Cadillac Break crosses the Granada Property.

The Company filed an Updated Mineral Resource Estimate on the Granada Gold Mine property in September 2026. This new update registers a 64% increase in the Measured and Indicated resource to 890,600 ounces gold (15,982,000 tonnes at 1.73 g/t Au) and a 90% increase in the Inferred Mineral Resource to 865,500 ounces gold (in 20,096,000 tonnes at 1.34 g/t Au) since the last resource estimate in 2022. These numbers represent combined in-pit and underground numbers. This update reflects updated economic parameters, primarily the price of gold, which in turn influences revised cut-off grades and updated processing and site assumptions as well as stricter constraints on modelling due to changes in technical report regulations.

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RISK FACTORS

Financial Risk Management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- foreign currency exchange risk;
- market risk, including commodity price risk and interest rate risk, and
- operational risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout the notes to the financial statements of the years ended June 30, 2026, and 2025.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board fulfills its responsibility through the Audit Committee, which is responsible for overseeing the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management practices are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has an established code of conduct which sets out the control environment within which framework all directors' and employees' roles and obligations are outlined.

The Company's risk and control framework is facilitated by the small-sized and hands-on executive team. There have been no changes in the risks, objectives, policies and procedures during the years ended June 30, 2026, and 2025.

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of cash and amounts receivable at the reporting date for the aggregate amounts of \$1,522,219 at June 30, 2026 (June 30, 2025 - \$33,414). The risk related to cash is considered negligible as the Company deals with a reputable financial institution whose credit rating is excellent, and the cash held in trust is accessible as and when required. The risk related to amounts receivable is considered negligible, as they consist exclusively of sales taxes receivable from the Government of Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at June 30, 2026, the Company had

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\$7,137,194 (June 30, 2025 - \$12,195,580) in accounts payable and accrued liabilities and cash of \$1,510,149 (June 30, 2025 - \$11,013) to settle short term liabilities.

The Company's objective is to maintain sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. This is accomplished by budgets and forecasts which are updated on a yearly basis to understand future cash needs and sources. Spending plans are adjusted accordingly when possible to provide for liquidity.

The Company manages its liquidity risk through the mechanisms described above and as part of Capital Disclosures below. The Company has historically relied on issuances of shares to develop projects and to finance day-to-day operations and may do so again in the future.

The Company has no significant long-term financial liabilities other than the provision for site reclamation and restoration for which deposits have been made with the relevant governmental agency. All other contractually obligated cash flows are payable within the next fiscal year.

Foreign currency risk

Foreign currency risk arises from fluctuations in exchange rates that could impact the Company's financial performance. As at June 30, 2026, the Company conducts substantially all transactions, including exploration and evaluation costs and administrative expenses, in Canadian dollars, its functional and reporting currency. The Company holds no significant assets or liabilities denominated in foreign currencies, resulting in minimal exposure to foreign currency risk. No hedging instruments are currently used. Management monitors potential currency risks and will reassess its approach if the Company engages in foreign currency transactions in the future.

Market risk

Market risk is the risk that changes in market prices, such as commodity prices and interest rates, could impact the Company's financial position or the future economic feasibility of its exploration and evaluation activities. As an exploration-stage company, Granada has no revenue or capitalized exploration properties, and its market risk exposure is primarily related to potential future gold price fluctuations and interest rate changes affecting its financial instruments.

Commodity Price Risk

The Company does not currently produce or sell gold, so it has no direct exposure to commodity price fluctuations. However, future gold price movements could affect the economic viability of the Company's mineral property interests if commercial production is achieved. Management monitors gold market trends to assess potential impacts on future project development.

Interest Rate Risk

The Company's secured loans (Note 11) bear a fixed interest rate of 8% per annum, resulting in minimal exposure to interest rate fluctuations. Changes in market interest rates could affect the cost of future borrowings, if any.

Price risk on marketable securities

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies.

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Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month year.

- i) The Company receives low interest rates on its cash balances and carries debt with fixed interest rates. As such, the Company does not have significant interest rate risk.
- ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign currency risk.
- iii) The Company's receivables are composed primarily of refundable sales taxes owing from the government of Canada. As such, the Company does not have significant credit risk relating to its receivables.
- iv) The Company's marketable securities are comprised of common shares of Nord and Coniagas. A 10% change in the share price of the Company's marketable securities would result in a corresponding change to net loss in the amount of \$4,064 for the year ended June 30, 2026 (2025 - \$3,744).

Classification of Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, marketable securities, trade other payables and provisions, and secured loans payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and current market rates for similar financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2026 and 2025, the Company did not have any assets measured at fair value that require classification within the fair value hierarchy, except for its marketable securities:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2026 – marketable securities	40,644	-	-	40,644
2025 – marketable securities	37,339	28	-	37,367

There were no transfers to or from Level 2, or level 3 during the years ended June 30, 2026, and 2025.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to

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address operational risk is assigned to senior management. The Company has a small but hands-on and experienced executive team which facilitates communication across the Company. This expertise is supplemented, when necessary, by the use of experienced consultants in legal, compliance and industry-related specialties. The Company also has standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Development of contingency plans;
- Ethical and business standards; and
- Risk mitigation, including insurance when this is effective and available.

CAPITAL MANAGEMENT DISCLOSURES

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation projects. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company considers its capital to be shareholders' equity, which is comprised of common shares, reserves and deficit, which as at June 30, 2026, totaled a shareholders' deficiency of \$7,228,760 (2025 – \$13,745,497).

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 administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company currently has no significant source of revenues and therefore is dependent on external financing to fund activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the years ended June 30, 2026, and 2025.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a year of 6 months.

As of June 30, 2026, the Company may not be compliant with all of the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

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RESTATEMENT OF COMPARATIVE FIGURES

During the year ended June 30, 2025, the Company submitted an updated closure and restoration plan for the Granada Property, which increased the estimated cost of the Company's site reclamation and restoration obligations. The resulting increase in the provision for site reclamation and restoration was not recognized in the Company's financial statements for the year ended June 30, 2025.

As the updated closure plan was available when the June 30, 2025, financial statements were authorized for issue, the omission constitutes a prior period error in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. It does not represent a change in accounting policy or a change in accounting estimate, and the Company's accounting policy for decommissioning liabilities (Note 3) has not changed.

The error has been corrected retrospectively by restating each of the affected financial statement line items for the prior period. The provision for site reclamation and restoration as at June 30, 2025, has been increased by \$108,180, from \$380,061 to \$488,241. Consistent with the Company's accounting policy of expensing all exploration and evaluation expenditures (Note 3), the corresponding charge has been recognized in exploration and evaluation expenses (reclamation costs, Note 13) for the year ended June 30, 2025, increasing the net and comprehensive loss for that year by \$108,180 and the deficit as at June 30, 2025, by the same amount.

The error arose during the year ended June 30, 2025, and therefore had no impact on the statement of financial position as at July 1, 2024 or on the opening deficit for that year. The correction had no impact on cash or on net cash flows from operating, investing or financing activities, and had no income tax effect as the Company has not recognized deferred tax assets.

SELECTED ANNUAL INFORMATION

The following selected annual financial information has been derived from the Company's audited consolidated financial statements for the years ended June 30, 2026, 2025 and 2024, prepared in accordance with IFRS Accounting Standards.

	2026	2025	2024
	\$	\$	\$
Revenue	-	52,800	197,480
Net and comprehensive income (loss) for the year	3,093,378	(1,930,950)	(1,929,730)
Basic and diluted income (loss) per share	0.016	(0.012)	(0.012)
Total assets	2,027,357	516,324	851,857
Total non-current financial liabilities	-	-	-
Dividends	-	-	-

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RESULTS OF OPERATIONS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results may be different from those estimates.

The following schedule provides the details of the Company's corporate operating expenses for the years ended June 30, 2026, and 2025

	Year ended June 30, 2026	Year ended June 30, 2025	Change
	\$	\$	\$
Administrative and general expenses	83,751	30,999	52,752
Financing fees	124,621	114,963	9,658
Professional fees	999,555	720,138	279,417
Filing costs and shareholder information	151,766	43,310	108,456
Travel	-	3,303	(3,303)
	1,359,693	912,713	446,980

The following schedule provides the details of the Company's expenditures on its exploration and evaluation projects for the year ended June 30, 2026, and 2025.

	Year ended June 30, 2026	Year ended June 30, 2025	Change
	\$	\$	\$
Assay and testing	171,204	11,281	159,923
Core analysis	660	-	660
Depreciation	9,149	15,859	(6,710)
Equipment	3,216	6,746	(3,530)
Facility expenses	22,122	25,804	(3,682)
Geology, geophysics and surveys	25,047	-	25,047
Personnel costs	445	931	(486)
Project management and engineering	16,018	38,738	(22,720)
Reclamation and restoration costs	4,373	132,155	(127,782)
Taxes, permits and licensing	45,415	33,654	11,761
	297,649	265,168	32,481

Year ended June 30, 2026, compared to the year ended June 30, 2025:

Comprehensive income for the year ended June 30, 2026, was \$3,093,378 as compared to a loss of \$1,930,950 for the year ended June 30, 2025. The decrease in comprehensive loss of \$5,024,328 was mainly attributable to the net effect of:

- A gain on reversal of flow-through indemnification amounts and associated interest accruals of \$6,260,633

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This gain was partially offset by increases in expenses overall:

- An increase of \$446,980 in corporate expenses caused primarily increased corporate activity.
- An increase of \$32,481 in exploration expenses driven primarily by a significant push to assay and test rock from the recent bulk samples.
- An increase in other expenses, such as share-based compensation, which increased by \$301,619 due to the grant of stock options during they year and an increase of Part XII.6 tax expenses by \$560,336.

The following table provides the details of other items on the Company's statement of loss and comprehensive loss for the year ended June 30, 2026, and 2025

	Year ended June 30, 2026	Year ended June 30, 2025	Change
	\$	\$	\$
Gain on flow-through indemnification reversal	6,260,633	-	6,260,633
Equipment rental income	-	52,800	(52,800)
Other income	76,388	608	75,780
Stock-based compensation	(301,619)	-	(301,619)
Part XII.6 penalty and interest	(835,458)	(275,122)	(560,336)
Flow-through indemnification action provision	(458,644)	(474,538)	15,894
Quebec Mining Tax Credit	6,143	-	6,143
Unrealized gain (loss) on marketable securities	3,277	(74,444)	77,721
Gain on sale of equipment	-	17,627	(17,627)
	4,750,720	(753,069)	5,503,789

LIQUIDITY

The Company has financed its operations to date primarily through the issuance of common shares and the exercise of warrants and stock options. The Company will continue to seek capital through various means including the issuance of capital stock.

The Company is in the exploration stage. These financial statements are prepared in accordance with accounting principles to a going concern, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the continued support from its directors, the ability to continue to raise the necessary financing to meet its obligations, and to achieve profitable operations in the future. The outcome of these matters cannot be predicted at this time. These financial statements do not reflect any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company has no history of profitable operations, and its mineral projects are at an early stage. Therefore, it is subject to many risks common to comparable junior venture resource companies, including under-capitalization, cash shortages and limitations with respect to personnel, financial and other resources as well as a lack of revenues.

As at June 30, 2026, the Company had not yet achieved profitable operations, has accumulated losses of \$85,079,728 (2025 - \$88,225,443) since its inception, has a working capital deficiency of \$7,147,195 (2025 - \$13,677,454) and expects to incur further losses in the development of its business.

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RELATED PARTY TRANSACTIONS

The Company determined that key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The Board of Directors (executive and non-executive), President, Chief Executive Officer, Chief Financial Officer and Corporate Secretary are key management personnel.

The remuneration to key management personnel during the three months and years ended June 30, 2026, and 2025 is as follows:

	Year ended June 30, 2026	Year ended June 30, 2025
	\$	\$
Company owned by the CEO	440,000	440,000
Company owned by the CFO	75,000	-
Company that the former CFO is employed with	17,531	49,630
Corporate Secretary	72,000	72,000
Company owned by a relative of the CEO	24,000	24,000
Directors	40,000	-
Stock-based compensation	157,264	-
	825,795	585,630

Other related party transactions

During the year ended June 30, 2026, the Company recorded \$Nil (2025 - \$52,800) in equipment rental revenue from Nord. In prior years, equipment rental revenue was recognized in Accounts Receivable (Note 5).

During the year ended June 30, 2026, the Company recorded \$151,175 (2025 - \$NIL) in exploration expenses from Nord or its subsidiaries.

During the year ended June 30, 2026, the Company issued 2,950,000 common shares to a company owned by the CEO and 50,000 common shares to a subsidiary of Nord. The shares were deemed to have a value of \$0.10 per share to settle debt of \$300,000.

During the year ended June 30, 2024, the Company issued 5,729,654 common shares to Nord to settle \$286,482 of outstanding debt. The shares were not delivered until the following year. Accordingly, the liability was derecognized during the year ended June 30, 2025.

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Amounts due to Related Parties

All amounts due to related parties are unsecured, non-interest bearing and due on demand.

	2026	2025
	\$	\$
Company owned by the CEO**		
- Fees	1,095,800	1,350,800
- Out-of-pocket expenses	7,426	72,473
Company that the former CFO is employed with	-	37,275
Corporate Secretary	6,000	125,300
Company owned by a relative of the CEO	4,002	42,652
Directors	5,000	-
Due to Nord**	3,413,697	2,390,050
Due to Coniagas	48,533	48,534
Total amounts payable to related parties	4,580,458	4,067,084

* The Company retains the services of a company owned by the CEO of the Company to carry out exploration work on its resource properties and for management services.

** As of June 30, 2026, the Company owed \$3,413,697 to Nord, a company with common officers and directors (2025 – \$2,390,050). Of this amount \$45,546 (2025 – \$50,546) was included in accounts payable for services received from Nord's subsidiary.

The above amounts are unsecured, non-interest bearing and are due on demand.

Of the secured loans payable, \$1,244,884 was due to related parties as at June 30, 2026 (2025 - \$1,149,490).

COMMITMENTS AND CONTINGENCIES

Environmental obligations

The Company's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are hardly identifiable, whether with the outcomes, the impacts or the deadline.

As at June 30, 2026, to the best knowledge of its management, the Company is in conformity with the laws and regulations.

Flow-through obligations

The Company is partly financed by the issuance of flow-through shares. However, there are no guarantees that the funds spent by the Company will qualify as Canadian exploration expenditures, even if the Company has taken all the necessary measures for this purpose. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work no later than the first of the following dates:

- i) Two years following the flow-through investment;

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ii) One year after the Company has renounced the tax deductions relating to the exploration work. During the year ended June 30, 2025, the Company received \$200,000 from flow-through share issuances. The amount was fully spent by its deadline of December 31, 2025. The Company believes the full amount qualifies as Canadian exploration expenditures.

The Company has indemnified the subscribers of current and previous flow-through offerings against any tax related amounts that become payable by shareholders in the event the Company does not meet its expenditure commitment.

	Flow-through premium \$	Flow-through indemnification \$
Balance at June 30, 2025	76,312	146,035
Receipt of flow-through funds	-	-
Eligible flow-through spending	(76,312)	(146,035)
Balance at June 30, 2026	-	-

Canada Revenue Agency audit

The Canada Revenue Agency ("CRA") is auditing certain of the Company's corporate tax returns and flow-through filings from 2012 to 2017 and 2019 to 2023 has assessed that the Company had flow-through shortfalls in certain of those years. Accordingly, the Company has recorded a provision for the estimated cost to indemnify flow-through share subscribers for their possible personal income tax reassessments.

In estimating the liability, the Company has assumed the following:

- The subscribers would be taxable at the highest marginal personal tax rate;
- That all non-corporate subscribers are eligible for the federal 15% investment tax credit; and
- That Quebec subscribers are eligible for 150% or 120% additional CEE deduction.

The ultimate amount owing and the timing of any payments to investors are highly uncertain as they are dependent on each taxpayer's individual tax situation as well as if, or when, they are reassessed by the CRA.

The Company has also accrued the estimated Part XII.6 tax and similar Quebec tax on the potential shortfalls.

The CRA has also assessed penalties of approximately \$2,200,000 which the Company has not accrued. The Company believes the assessment of these penalties is without merit and has filed Notices of Objection to dispute the assessment. To date, the CRA has rejected the Notices of Objection, and the Company has submitted to the tax court. The outcome of the proceedings cannot be determined at this time and accordingly, no amounts have been accrued in these financial statements relating to the penalties.

A continuity of the provision for the shareholder indemnity for the years ended June 30, 2026, and 2025 is as follows:

	June 30, 2026 \$	June 30, 2025 \$
Opening balance	5,838,389	5,363,851
Accrual for additional provision and interest	458,644	474,538
Reversal of provision and interest	(6,260,633)	
Ending balance	36,400	5,838,389

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Revenue Quebec

Revenue Quebec has commenced an audit of the Company's Quebec tax credit filings for 2016, 2020, 2021, 2022 and 2023. As at June 30, 2026, the Company maintains a provision of \$679,555 (2025 - \$397,885) for the value of tax credits, penalties and interest owed.

Agreements with key management personnel - Change of control payments

The Company has consulting agreements with key management personnel (the CEO, CFO and Corporate Secretary), or companies they own, that provide for payments if the Company terminates the agreements upon or following a change of control. The CEO's services are provided through Grupo Moje Limited, a company he owns, for a nominal annual fee of \$1. If the Company terminates that agreement upon or following a change of control or a change of management, it must pay Grupo the equivalent of 480 ounces of gold. The CFO's and Corporate Secretary's agreements each provide for a payment equal to two years of consulting fees. Based on the gold price and fee rates at June 30, 2026, these payments would total approximately \$3.1 million. As no triggering event has occurred, no amounts have been recognized.

Management services commitment

The Company's management agreement with Mineral Recovery Management Systems Corp., a company controlled by the CEO and a relative, provides for fees of \$36,666.67 per month. Either party may terminate the agreement on four months' notice, a minimum commitment of approximately \$146,667.

See note 15 for amounts incurred and payable under these agreements

Other commitments

The Company is party to certain management contracts. The Company is committed to payments upon termination of approximately \$41,000 due within one year pursuant to the terms of these contracts.

Claims, lawsuits and other complaints

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity. The outcome of these litigations cannot be reasonably determined, as a result, no amounts have been accrued as at June 30, 2026.

APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company adopted the following new and amended IFRS standards during the fiscal year ended June 30, 2026:

- **IAS 21 – Lack of Exchangeability:** This amendment is effective for annual periods beginning on or after January 1, 2025, and therefore applies to the Company from July 1, 2025. It clarifies how an entity assesses whether a currency can be exchanged into another currency. It also sets out how to estimate the spot exchange rate when a currency is not exchangeable and what disclosures are required. The Company conducts substantially all of its transactions in Canadian dollars and does not operate in jurisdictions with currency restrictions. Adoption had no impact on the financial statements.

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The adoption of these standards did not result in any adjustments to prior periods or changes in accounting policies.

Future changes in accounting policies not yet effective as at June 30, 2026

The following IFRS standards and amendments have been issued but are not yet effective as of June 30, 2026. The Company is currently evaluating their impact:

- **IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments:** These amendments are effective for annual periods beginning on or after January 1, 2026, and apply to the Company from July 1, 2026. They clarify when a financial liability is derecognized when it is settled through an electronic payment system. They also clarify how to assess the contractual cash flow characteristics (SPPI test) of financial assets, including those with ESG-linked, non-recourse and contractually linked features, and add new disclosures for certain instruments. The Company settles trade payables electronically and is assessing the derecognition guidance. No significant impact is expected.
- **Annual Improvements to IFRS Accounting Standards – Volume 11:** These improvements are effective for annual periods beginning on or after January 1, 2026, and apply to the Company from July 1, 2026. They make narrow-scope amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. No significant impact is expected.
- **IFRS 18 – Presentation and Disclosure in Financial Statements:** This standard replaces IAS 1. It is effective for annual periods beginning on or after January 1, 2027, and applies to the Company for the fiscal year beginning July 1, 2027. It must be applied retrospectively, with comparative information restated. IFRS 18 introduces defined categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and adds guidance on aggregating and disaggregating information. The Company expects to revise the presentation of its statement of loss and comprehensive loss and related notes, and is assessing the extent of the changes.

CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and contingent liabilities. Actual results may differ from these estimates, and such differences could be material.

Estimates and assumptions are reviewed on an ongoing basis. Revisions are recognized in the period of change if they affect only that period, or in both current and future periods if applicable.

Judgements

Going Concern

Management assesses the Company's ability to continue as a going concern, including its capacity to raise financing and meet obligations. This involves significant judgement about future events and conditions, which influence both the accounting basis and related disclosures.

Income Taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of

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the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Recognition of Deferred Tax Assets

Management evaluates whether it is probable that future taxable income will be available to utilize deferred tax assets. This requires judgement about future profitability and timing of tax deductions. No deferred tax assets have been recognized to date.

Estimates

Share-Based Payments and Warrant Valuation

The Company uses the Black-Scholes model to estimate the fair value of stock options and warrants. Key assumptions include:

- Market price at grant date
- Volatility based on peer data
- Expected life of instruments
- Risk-free interest rate and dividend yield
- Management also estimates future forfeitures, which is inherently subjective given limited historical data.

Changes in these assumptions affect the fair value estimates.

Decommissioning and Restoration Costs

Estimating future site restoration costs involves assumptions about timing, the amount of future expenditures, legal requirements, techniques, inflation rates, and discount rates. These estimates may change due to regulatory updates or operational developments.

Valuation of Refundable Mining Duties Credit and the Refundable Tax Credit for Resources

The refundable mining duties credit and the refundable tax credit for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources, the exploration and evaluation expenses, and the income tax expense in future periods.

Fair Value of Marketable Securities Not Quoted in Active Markets

The fair values of the Company's investments in warrants cannot be derived from active markets. Therefore, the value of such instruments is estimated using the Black-Scholes model. This requires determining the most

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appropriate valuation model as well as the most appropriate inputs to the valuation model including the expected life of the instrument, volatility and distribution yield. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Flow-Through Premium Valuation

The allocation of proceeds between share capital and the flow-through premium liability requires judgement in determining the fair value of the Company's common shares at the time of issuance. This valuation affects the amount recognized as a liability.

Commitments and Contingencies

The evaluation of commitments and contingencies involves judgement in assessing the likelihood and timing of future outflows, particularly in relation to legal claims, contractual obligations, and environmental matters. Management considers the probability of settlement and the reliability of estimating amounts when determining whether a liability should be recognized or disclosed. Where the outcome of these matters is uncertain, no provision is recorded, but disclosure is made in the notes to the financial statements. Refer to Note 17.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements.

OUTSTANDING SHARE DATA

The Company's authorized capital is an unlimited number of common shares without par value. As at the date of this report there were 227,265,929 common shares issued and outstanding (June 30, 2026 – 227,265,949).

The Company had 62,235,428 share purchase warrants outstanding (June 30, 2026 – 62,235,428). Each warrant entitles the holder to purchase one common share at a price between \$0.05 and \$0.075 per share with expiration dates ranging from December 27, 2027 to February 18, 2031.

Stock options outstanding total 12,845,319 and are exercisable for common shares at \$0.05 per share with expiration dates ranging from September 3, 2027 to October 21, 2030. The 4,545,319 stock options granted since the year-end are subject to performance vesting, whereby 1,136,330 of the granted options shall vest upon the Company achieving a market capitalization of \$50 million and the remaining 3,408,989 options shall vest upon the Company achieving a market capitalization of \$100 million. The thresholds must be achieved within three years of the grant date while the option holder remains engaged by the Company as an officer.