

Granada Gold Mine Inc.
Financial Statements
For the years ended June 30, 2026, and 2025

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Independent Auditor's Report

To the Shareholders of Granada Gold Mine Inc.

Opinion

We have audited the financial statements of Granada Gold Mine Inc. (the "Company"), which comprise the statements of financial position as at June 30, 2026 and 2025 and July 1, 2024, and the statements of loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years ended June 30, 2026 and 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2026 and 2025 and July 1, 2024, and its financial performance and its cash flows for the years ended June 30, 2026 and 2025 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

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

Emphasis of matter

We draw attention to Note 2 to the financial statements, which describes the retrospective correction of an error in the accounting for the Company's site reclamation and restoration obligation and the resulting restatement of the comparative financial statements as at and for the year ended June 30, 2025. Our opinion is not modified in respect of this matter.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Company had not yet achieved profitable operations and has incurred accumulated losses as at June 30, 2026. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

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

Except for the matter described in the *Material uncertainty related to going concern* section, we have determined that there were no additional key audit matters to communicate in our report.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

The engagement partner of the audit resulting in this independent auditor's report is Regina Kwong.

McGovern Hurley LLP

A handwritten signature in black ink that reads "McGovern Hurley LLP". The signature is written in a cursive, flowing style.

**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
October 28, 2026

Granada Gold Mine Inc.
Statements of Financial Position
As of June 30, 2026, and 2025
(in Canadian dollars)

		June 30, 2026	June 30, 2025 (restated)	July 1, 2024
	Note	\$	\$	\$
Assets				
Current				
Cash		1,510,149	11,013	9,146
Amounts receivable	5, 15	12,070	22,401	236,366
Prepaid expenses		53,445	25,345	9,618
Marketable securities	6	40,644	37,367	111,811
Total current assets		1,616,308	96,126	366,941
Non-Current				
Reclamation deposit	7	384,421	384,421	384,421
Property and equipment	8	26,628	35,777	100,495
Total Assets		2,027,357	516,324	851,857
Liabilities				
Current				
Trade payables, accrued liabilities and provisions	9, 12, 15	7,137,194	12,195,580	11,324,361
Flow-through premium	10	-	76,312	-
Secured loans payable	11	1,626,309	1,501,688	1,386,725
Total current liabilities		8,763,503	13,773,580	12,711,086
Non-Current				
Provision for site reclamation and restoration	7	492,614	488,241	356,086
Total Liabilities		9,256,117	14,261,821	13,067,172
Deficit				
Share Capital	12.1	75,970,333	73,845,446	72,603,942
Reserves	12.2	1,880,635	634,500	1,598,099
Deficit		(85,079,728)	(88,225,443)	(86,417,356)
Total Deficit		(7,228,760)	(13,745,497)	(12,215,315)
Total Liabilities and Deficit		2,027,357	516,324	851,857

Nature of operations and going concern (Note 2)
Commitments and contingencies (Notes 7, 10, 11 and 17)
Subsequent events (Note 21)

Approved on behalf of the Board on October 28, 2026.

"Frank Basa"
Director

"Daniel Barrette"
Director

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

Granada Gold Mine Inc.
Statements of Loss and Comprehensive Loss
For the years ended June 30, 2026, and 2025
(in Canadian dollars)

		2026	2025
	Note	\$	(restated) \$
Exploration and evaluation expenses	13	297,649	265,168
Corporate expenses			
Administrative and general expenses		83,751	30,999
Financing fees	11	124,621	114,963
Professional fees	15	999,555	720,138
Filing costs and shareholder information		151,766	43,310
Travel		-	3,303
Total corporate expenses		1,359,693	912,713
Total expenses		1,657,342	1,177,881
Other income (expenses)			
Gain on flow-through indemnification reversal	17	6,260,633	-
Equipment rental income	15	-	52,800
Interest and other income (expenses)		76,388	608
Stock-based compensation expense	12	(301,619)	-
Part XII.6 penalty and interest expense	9	(835,458)	(275,122)
Flow-through indemnification action provision	9	(458,644)	(474,538)
Quebec mining tax credit		6,143	-
Unrealized gain (loss) on marketable securities	6	3,277	(74,444)
Gain on sale of equipment	8	-	17,627
Total other income (expenses)		4,750,720	(753,069)
Net and comprehensive income (loss) for the year		3,093,378	(1,930,950)
Weighted average number of shares outstanding (basic and diluted)	14	187,835,236	162,016,745
Basic and diluted income (loss) per share	14	0.016	(0.012)

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

Granada Gold Mine Inc.
Statements of Changes in Equity
For the years ended June 30, 2026 and 2025
(in Canadian dollars)

	<i>Number of Shares</i>	<i>Share capital \$</i>	<i>Reserves \$</i>	<i>Deficit (restated) \$</i>	<i>Total deficit \$</i>
Balance at June 30, 2024	158,830,815	72,603,942	1,598,099	(86,417,356)	(12,215,315)
Net (loss) for the year	-	-	-	(1,930,950)	(1,930,950)
Issuance of units for cash net of Flow-through premium	5,714,286	114,286	-	-	114,286
Share issuance costs	571,428	(9,623)	9,623	-	-
Recognition of debt settlement	-	286,482	-	-	286,482
Expiry of stock options	-	-	(122,863)	122,863	-
Expiry of warrants	-	850,359	(850,359)	-	-
Balance at June 30, 2025	165,116,529	73,845,446	634,500	(88,225,443)	(13,745,497)
Net income for the year	-	-	-	3,093,378	3,093,378
Issuance of units for cash	58,949,400	1,542,125	1,405,345	-	2,947,470
Share issue costs	-	(169,590)	33,860	-	(135,730)
Settlement of debt	3,000,000	300,000	-	-	300,000
Exercise of stock options	200,000	13,757	(3,757)	-	10,000
Cancellation and expiry of stock options	-	-	(52,337)	52,337	-
Expiry of warrants	-	438,595	(438,595)	-	-
Stock option grant	-	-	301,619	-	301,619
Balance at June 30, 2026	227,265,929	75,970,333	1,880,635	(85,079,728)	(7,228,760)

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

Granada Gold Mine Inc.

Statements of Cash Flows

For the years ended June 30, 2026 and 2025
(in Canadian dollars)

		2026	2025
			(restated)
	Note	\$	\$
OPERATING ACTIVITIES			
Net income (loss)		3,093,378	(1,930,950)
Depreciation	8	9,149	15,859
Stock-based compensation expense	12	301,619	-
Interest on secured loans payable	11	124,621	114,963
Part XII.6 penalties and interest	9	835,458	275,122
Flow-through indemnification provision	9	458,644	474,538
Unrealized loss on marketable securities	6	(3,277)	74,444
Flow-through liability recovery	10	(76,312)	(9,402)
Change in provision for reclamation and restoration	7	4,373	132,155
Gain on flow-through indemnification reversal	17	(6,260,633)	-
Gain on sale of equipment	8	-	(17,627)
Changes in non-cash working capital items:			
Amounts receivable		10,331	213,965
Prepaid expenses		(28,100)	(15,727)
Trade payables, accrued liabilities and provisions		208,145	408,041
Net cash (used in) operating activities		(1,322,604)	(264,619)
INVESTING ACTIVITIES			
Proceeds from sale of equipment	8	-	66,486
Total cash generated from investing activities		-	66,486
FINANCING ACTIVITIES			
Proceeds from issuance of units	12	2,947,470	200,000
Share issuance costs	12	(135,730)	-
Proceeds from exercise of stock options	12	10,000	-
Total cash generated from financing activities		2,821,740	200,000
Increase in cash		1,499,136	1,867
Cash, beginning of the year		11,013	9,146
Cash, end of the year		1,510,149	11,013
Supplementary cash flow information			
Broker shares issued	12	64,716	21,052
Shares issued on settlement of debt	12	300,000	286,482

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

1. Statement of incorporation and nature of activities

Granada Gold Mine Inc. ("Granada" or the "Company") is domiciled in Canada and was incorporated on July 17, 1985, under the Company Act of British Columbia. The Company is a publicly-traded-company with its shares listed on the TSX Venture Exchange ("TSXV"), the Frankfurt Stock Exchange, and the US over the counter ("OTC") market. The principal business of the Company is the acquisition, exploration and development of mineral property interests. The Company's head office is located at 20282 Wharf Street, Maple Ridge, BC, V2X 1A3.

2. Basis of presentation and going concern

Basis of presentation

These Financial Statements have been prepared on an accrual basis and are based on historical costs, except certain financial instruments that have been measured at fair value. The Financial Statements are presented in Canadian dollars, which is also the Company's functional currency, except where otherwise indicated.

All values are rounded to the nearest dollar, except per share values.

Approval of the financial statements

These Financial Statements of the Company for the year ended June 30, 2026, were approved and authorized for issue by the Board of Directors on October 28, 2026.

Statement of compliance

These Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company's ability to continue as a going concern depends on its ability to obtain the necessary financing to fund its exploration activities and related operations and, as necessary, upon the continued support of its suppliers and creditors.

Going concern

These Financial Statements for the year ended June 30, 2026, have been prepared on a going concern basis, 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. As at June 30, 2026, the Company had not yet achieved profitable operations, had cash of \$1,510,149 (2025 - \$11,013), current assets of \$1,616,308 (2025 - \$96,126), current liabilities of \$8,763,503 (2025 - \$13,773,580) and has incurred accumulated losses of \$85,079,728 (2025 - \$88,225,443) since inception.

2. Basis of presentation and going concern (continued)

The Company continues to rely on additional equity financing and the conversion of existing convertible loans. Management has prepared cash-flow forecasts showing that, without further financing, the Company would be unable to meet its obligations beyond the next 12 months.

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 periodically have to obtain additional funds 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.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing 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.

Restatement of comparative figures – correction of a prior period error

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.

Granada Gold Mine Inc.
Notes to the Financial Statements
For the years ended June 30, 2026, and 2025
(in Canadian dollars)

2. Basis of presentation and going concern (continued)

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 (Note 16).

The impact of the restatement on the comparative figures is as follows:

Statement of financial position as at June 30, 2025	As previously reported	Adjustment	As restated
	\$	\$	\$
Total assets	516,324	-	516,324
Total current liabilities	13,773,580	-	13,773,580
Provision for site reclamation and restoration	380,061	108,180	488,241
Total liabilities	14,153,641	108,180	14,261,821
Share capital	73,845,446	-	73,845,446
Reserves	634,500	-	634,500
Deficit	(88,117,263)	(108,180)	(88,225,443)
Total deficit	(13,637,317)	(108,180)	(13,745,497)
Total liabilities and deficit	516,324	-	516,324

Granada Gold Mine Inc.
Notes to the Financial Statements
For the years ended June 30, 2026, and 2025
(in Canadian dollars)

2. Basis of presentation and going concern (continued)

Statement of loss and comprehensive loss for the year ended June 30, 2025	As previously reported	Adjustment	As restated
	\$	\$	\$
Exploration and evaluation expenses	156,988	108,180	265,168
Total corporate expenses	912,713	-	912,713
Total expenses	1,069,701	108,180	1,177,881
Total other expenses (income)	753,069	-	753,069
Net and comprehensive loss for the year	1,822,770	108,180	1,930,950
Basic and diluted loss per share	0.011	0.001	0.012

Statement of cash flows for the year ended June 30, 2025	As previously reported	Adjustment	As restated
	\$	\$	\$
Net loss	(1,822,770)	(108,180)	(1,930,950)
Change in provision for reclamation and restoration	23,975	108,180	132,155
Net cash used in operating activities	(264,619)	-	(264,619)

3. Material accounting policies

The Financial Statements are prepared using the material accounting policies described in the present note. These methods have been applied consistently to all periods presented in these Financial Statements.

Foreign currency translation

Functional and presentation currency

These Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates recognized in profit or loss.

Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the dates when fair value was determined.

3. Material accounting policies (continued)

Segment disclosure

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the President and the Board of Directors.

The Company has determined that it has only one operating segment, the sector of exploration and evaluation of mineral resources. All its exploration and evaluation properties are located Quebec, Canada.

Cash

Cash consists of cash on hand and deposits with banks. As at June 30, 2026 and 2025, the Company does not hold any cash equivalents, which are typically short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Financial Instruments

- a) Classification - In implementing IFRS 9, the Company updated the financial instruments classification within its accounting policy. The following table shows the IFRS9 classifications:

Financial Assets/Liabilities	Classification under IFRS 9
Cash	Financial asset at amortized cost
Amounts receivable	Financial asset at amortized cost
Marketable securities	Financial asset at FV through profit or loss
Trade payable and accrued liabilities	Financial liabilities at amortized cost
Secured loans payable	Financial liabilities at amortized cost

The Company determines the classification of financial assets at initial recognition. The classification of its instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Financial assets are recognized at fair value and are subsequently classified and measured at amortized cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

- b) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment for a financial asset. A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. Any resulting gain or loss is recognized in profit or loss in the period of derecognition.

3. Material accounting policies (continued)

Financial Instruments (continued)

After initial recognition, financial assets and liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statements of loss and comprehensive loss.

Convertible Loans and Embedded Derivatives

Convertible loans are compound financial instruments that contain both a liability and an equity component. On initial recognition, the liability component is measured at fair value using the effective interest rate method, and the residual amount is allocated to equity. The liability is subsequently measured at amortized cost. Embedded derivatives are assessed at inception to determine whether they meet the definition of equity or require separate recognition at fair value through profit or loss. The equity component is not remeasured after initial recognition.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Where the Company has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

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).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company recognizes an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. Material accounting policies (continued)

Exploration and Evaluation Expenditures

Exploration and Evaluation (“E&E”) expenditures include costs incurred in the search for and assessment of mineral resources. These costs may cover:

- Acquisition of exploration rights
- Geological and geophysical studies
- Exploratory drilling and sampling
- Evaluation of technical feasibility and commercial viability

All E&E expenditures, including license acquisition costs, are expensed as incurred. The Company defines a project as a distinct geological area with favorable mineralization potential or proven deposits, typically comprising a single mine or deposit.

Once a project demonstrates both technical feasibility and commercial viability, and the necessary permits are obtained, subsequent E&E costs are capitalized as mining properties. As of the reporting date, the Company does not hold any assets classified as mining properties.

Property and Equipment

Property and equipment are recorded at cost, net of accumulated amortization and impairment losses. Initial cost includes:

- Purchase price
- Directly attributable costs to bring the asset to its intended operational condition
- Borrowing costs, if applicable
- Estimated present value of future dismantling and removal obligations (recognized as provisions)

When an asset comprises components with differing useful lives, each component is accounted for separately.

Depreciation is applied using the declining balance method at the following annual rates:

Equipment	20%
Vehicles	30%

The Company reviews amortization methods, useful lives, and residual values annually and adjusts them if necessary.

Reclamation Deposit

Reclamation deposits represent funds that are lodged with government authorities to be held against future reclamation and remediation of environmental disturbances as a result of exploration and development activities. After reclamation and remediation, the funds may be recovered. Where applicable under the arrangement with the government authority, the carrying value is increased by the accrued interest earned during the year. As of the reporting date, the Company’s reclamation deposit is non-interest-bearing.

3. Material accounting policies (continued)

Decommissioning Liabilities

The Company recognizes a decommissioning liability when a legal or constructive obligation arises to dismantle, remove, or restore assets, including obligations to remediate environmental disturbances resulting from exploration and development activities.

Decommissioning liabilities are measured at the present value of expected future cash flows, discounted using a rate that reflects current market assessments and risks specific to the liability. The unwinding of the discount is recognized as accretion expense in profit or loss.

Upon initial recognition, the corresponding amount is expensed and recognized on the statement of loss and comprehensive loss. The liability is reviewed regularly and adjusted for changes in cost estimates, discount rates, and expected timing of expenditures.

Provisions

A provision is recognized when, as a result of a past event, the Company has a present legal or constructive obligation, and:

- The obligation can be reliably estimated, and
- It is probable that an outflow of economic benefits will be required to settle it.

A provision for onerous contracts is recognized when the expected economic benefits from a contract are lower than the unavoidable costs of fulfilling the contract.

Rental Equipment Revenue

The Company earns revenue from the rental of equipment under operating lease arrangements. These leases do not transfer substantially all risks and rewards of ownership to the lessee.

Revenue from equipment rentals is recognized on a straight-line basis over the lease term, in accordance with IFRS 16. The Company does not currently hold any finance lease arrangements.

Government Grants

The Company is eligible for refundable tax credits related to mining exploration activities in the province of Quebec. These credits are accounted for as government grants under IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance.

Government grants are recognized in profit or loss when there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. The credits are measured at their estimated recoverable amount based on enacted or substantively enacted tax laws at the reporting date.

3. Material accounting policies (continued)

Equity

Share capital

Share capital represents the amount received on the issue of shares, less issuance costs, net of any underlying income tax benefit from these issuance costs. In addition, if shares were issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at the fair value of goods and services received. If the fair value of goods and services cannot be measured reliably, the shares are valued according to their fair value according to the quoted price on the date of the conclusion of the agreement.

Unit placements

The Company uses the fair value method to value any warrants and broker warrants issued in private placements. The fair value assigned to share purchase warrants is recorded as a reduction to share capital and an increase to reserves. The fair value assigned to broker warrants is recorded as share issue costs and an increase to reserves. The fair value of each warrant is estimated on the date of the grant using the Black-Scholes warrant-pricing model. Warrant pricing models require the input of highly subjective assumptions, including the expected price volatility and changes in these assumptions can materially affect the fair value estimate. When warrants are exercised, the associated proportion is transferred to share capital along with the cash proceeds received on exercise. The value attributed to expired warrants is transferred to share capital.

Flow-Through Shares and Flow-Through Premium Liability

The Company finances a portion of its exploration activities through the issuance of flow-through shares. These shares may be issued at a premium to the market price, reflecting the tax benefits renounced to investors. Where the proceeds received exceed the market price of the shares, the premium portion is initially recorded as a liability and presented as a flow-through premium on the statement of financial position. When the Company incurs qualifying expenditures and renounces the associated tax benefits to investors, the liability is reduced and the corresponding amount is recognized in profit or loss.

Other Elements of Equity

Warrants

Warrants that have been issued in combination with common shares are accounted for under IAS 32, *Financial instruments: Presentation*. Equity classification applies to instruments where a fixed amount of cash (or liability) denominated in the issuer's functional currency is exchanged for a fixed amount of shares.

In calculating the value of warrants, the Company used the Black Scholes option model which incorporates the following inputs: the Company's stock price, expected life of the warrant, volatility of the Company's stock price, dividend yield and the risk-free interest rate.

When warrants are exercised, the related cost and fair value are transferred to share capital. Upon expiry, the fair value initially recorded under warrant reserve is transferred to share capital.

3. Material accounting policies (continued)

Equity (continued)

Contributed Surplus

Contributed surplus includes charges related to stock options until such stock options are exercised. When stock options are exercised, the related proceeds and fair value are transferred to share capital. Upon expiry, the fair value initially recorded under contributed surplus reserve is transferred to deficit.

Deficit includes all current and prior period retained profits and losses. Deficit also includes charges related stock options expired and any amounts in excess of total contributed surplus related to shares repurchased.

Share-based payments

Stock option plan

The Company operates an equity-settled stock option plan for directors, officers, employees, and consultants. This plan does not permit cash settlement. Options are granted for a term not exceeding ten years and may be subject to vesting conditions as determined by the Board of Directors.

Measurement and recognition

Share-based payments are measured at the fair value of the goods or services received. If that value cannot be reliably estimated, the Company uses the fair value of the equity instruments granted. For transactions with employees and similar service providers, fair value is determined by reference to the equity instruments granted on the grant date.

The fair value of stock options is determined using the Black-Scholes option pricing model, which incorporates assumptions such as the Company's share price, expected life of the option, volatility, dividend yield, and the risk-free interest rate.

Equity-settled share-based payments are recognized as an expense in profit or loss or as an equity item. Payments to brokers in connection with equity financings are treated as share issuance costs and credited to contributed surplus or warrant reserve.

Vesting and adjustments

Where vesting conditions apply, the expense is recognized over the vesting period based on the best estimate of the number of options expected to vest. Non-market vesting conditions are incorporated into this estimate. If expectations change, adjustments are made in the current period. However, no retrospective adjustments are made once options are exercised.

Expiry and exercise

Upon expiry of stock options, the related amounts in contributed surplus are transferred to deficit. When options are exercised, the cash proceeds received, net of any directly attributable transaction costs, are recorded in share capital. The accumulated fair value previously recorded in contributed surplus is also transferred to share capital.

3. Material accounting policies (continued)

Basic and diluted income (loss) per share

Basic income (loss) per share is calculated by dividing the net loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share reflects the potential impact of dilutive instruments—such as stock options and warrants—by adjusting the weighted average number of shares outstanding to include the assumed conversion of these instruments. However, when the Company reports a net loss, all potentially dilutive instruments are considered anti-dilutive. As a result, basic and diluted loss per share are the same for the periods presented.

Income taxes

Tax expense recognized in profit or loss includes both current and deferred tax, excluding amounts recognized directly in other comprehensive income or equity.

Current tax represents obligations to or claims from tax authorities related to the current or prior reporting periods. It is calculated on taxable profit, which differs from accounting profit, using tax rates and laws enacted or substantively enacted by the reporting date.

Deferred tax is calculated using the liability method, based on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not recognized on the initial recognition of assets or liabilities unless the transaction is a business combination or affects accounting or taxable profit. It is also not recognized for temporary differences related to investments in subsidiaries or associates if the Company can control the timing of reversal and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates expected to apply when the temporary differences reverse, based on laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized in full. Deferred tax assets are recognized only when it is probable that future taxable income will be available to utilize the deductible temporary differences.

Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to offset current tax assets and liabilities and intends to settle them on a net basis.

Changes in deferred tax balances are recognized in profit or loss, unless they relate to items recognized directly in other comprehensive income or equity, in which case the related deferred tax is also recognized in those respective components.

3. Material accounting policies (continued)

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.

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.

4. 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.

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.

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 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.

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.

4. Judgements and estimates (continued)

Estimates (continued)

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 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.

Granada Gold Mine Inc.
Notes to the Financial Statements
For the years ended June 30, 2026, and 2025
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5. Amounts receivable

Amounts receivable consist of balances due to the Company arising from refundable tax credits and sales tax recoveries, and are expected to be realized within the normal operating cycle.

During the year ended June 30, 2025, the balance receivable from Nord Precious Metals Mining Inc. ("Nord") for equipment rental has been off-set with the amount due to Nord. There was no equipment rental revenue for the year ended June 30, 2026 (2025 - \$52,800). See notes 9 and 15 for reference.

	June 30, 2026	June 30, 2025
	\$	\$
Taxes receivable	12,070	22,401
	12,070	22,401

6. Marketable securities

As at June 30, 2026, the Company held marketable securities consisting of common shares of two publicly traded exploration companies, both related parties with common directors and officers. The fair value of common shares is based on quoted market prices. During the year ended June 30, 2026, the Company recognized an unrealized gain of \$3,277 (2025 - loss of \$74,444) on these instruments.

		As at June 30, 2026	
	#	Cost (\$)	Fair Value (\$)
Nord Precious Metals Mining Inc.			
Common Shares	238,150	1,214,565	38,104
Share purchase warrants	Nil	1,293,503	-
Coniagas Battery Metals Inc.			
Common Shares	46,173	-	2,540
Share purchase warrants	Nil	-	-
Total marketable securities			40,644

		As at June 30, 2025	
	#	Cost (\$)	Fair Value (\$)
Nord Precious Metals Mining Inc.			
Common Shares	238,150	1,214,565	35,723
Share purchase warrants	294,100	1,293,503	-
Coniagas Battery Metals Inc.			
Common Shares	46,173	-	1,616
Share purchase warrants	23,086	-	28
Total marketable securities			37,367

6. Marketable securities (continued)

As at June 30, 2026, marketable securities consisted of 238,150 common shares of Nord and 46,173 common shares of Coniagas Battery Metals Inc. ("Coniagas"). As at June 30, 2025, marketable securities consisted of the same numbers of shares for both Companies as well as 294,100 share purchase warrants for Nord and 23,086 share purchase warrants for Coniagas. The share purchase warrants of Nord were exercisable for \$5.50 and expired unexercised on July 10, 2025. The share purchase warrants of Coniagas were exercisable for \$0.40 and expired unexercised on March 18, 2026.

7. Reclamation deposit and liability

The Company has provided a reclamation deposit to the Ministère des Ressources naturelles et des Forêts (MERN) of Quebec as security for future site restoration obligations related to its exploration activities. The deposit in the amount of \$384,421 (2025 – \$384,421) is refundable upon satisfactory completion of reclamation work or transfer of obligations. Subsequent to June 30, 2026, the Company made an additional deposit in the amount of \$252,212.

The Company's provision for closure and reclamation costs is based on management's estimates of the costs to rehabilitate the area explored as well as an estimate of the future timing of the costs to be incurred. Management has assessed a total future liability of approximately \$636,643 (2025 – \$636,643) based on an inflation rate of 2.1% (2025 – 2.6%) and recognized a reclamation liability of \$492,614 (2025 – \$488,241) based on a discount rate of 3.77% (2025 – 3.56%). Reclamation is estimated to commence in 2031 (2025 – 2030).

For the years ended June 30, 2026, and 2025, the increase in reclamation liability can be broken down as follows:

	2026	2025 (restated)
	\$	\$
Opening balance	488,241	356,086
Accretion	4,373	23,975
Changes in estimate	-	108,180
Ending Balance	492,614	488,241

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8. Property and equipment

The Company's property and equipment consist primarily of vehicles and trucks used to support exploration activities at its mineral property.

	Equipment \$	Trucks \$	Total \$
Cost			
As at June 30, 2024	148,667	122,525	271,192
Disposal	(103,980)	-	(103,980)
As at June 30, 2025, and 2026	44,687	122,525	167,212
Accumulated depreciation			
As at June 30, 2024	77,226	93,471	170,697
Additions	6,653	9,206	15,859
Disposals	(55,121)	-	(55,121)
As at June 30, 2025	28,758	102,677	131,435
Additions	3,168	5,981	9,149
As at June 30, 2026	31,926	108,658	140,584
Net book value at June 30, 2026	12,761	13,867	26,628
Net book value at June 30, 2025	15,929	19,848	35,777

9. Trade payables, accrued liabilities and provisions

Trade and other payables include amounts due to suppliers, related parties, and provisions for tax-related exposures and indemnities arising from flow-through share issuances and audit reassessments.

	June 30, 2026	June 30, 2025
Trade payable	181,596	1,453,326
Accrued liabilities	1,168,104	825,502
Due to related companies	3,462,230	2,388,038
Part XII.6 taxes and interest ⁽ⁱ⁾	1,609,309	1,292,440
Flow-through indemnification provision ⁽ⁱⁱ⁾ (iv)	36,400	5,838,389
Quebec tax audit provision ⁽ⁱⁱⁱ⁾	679,555	397,885
	7,137,194	12,195,580

- (i) The Company has estimated potential Part XII.6 taxes in relation to unspent flow-through expenditures for fiscal years 2011 to 2017 and 2019 to 2020. During the year ended June 30, 2026, the Company had accrued an additional \$405,788 (2025 - \$275,122) for Part XII.6 taxes, interest and penalties on the shortfall (note 17). The Company incurred \$88,919 in Part XII.6 tax expenses in relation to current flow-through financings which was paid in cash during the year ended June 30, 2026.

9. Trade payables, accrued liabilities and provisions (continued)

- (ii) The Company has estimated potential indemnity in relation to unspent flow-through expenditure for fiscal years 2011 to 2017 and 2023. During the year ended June 30, 2026, the Company accrued an additional \$458,644 (2025 - \$474,538) for indemnification and interest on the shortfall (note 17).
- (iii) The Company has recorded a payable of \$679,555 (2025 - \$397,885) related to proposed Quebec tax credit reassessments (note 17). During the year ended June 30, 2026, the Company had accrued an additional \$429,670 for taxes, interest and penalties on the shortfall. During the year ended June 30, 2026, the Company made payments in relation to the accrued Part XII.6 taxes, interest and penalties of \$148,000 (2025 - \$NIL).
- (iv) As at June 30, 2026, the Company reversed \$6,260,633 (2025 - \$NIL) of amounts accrued as part of the flow-through indemnification provision for the unspent flow-through expenditure for fiscal years 2011 to 2017 as the amount payable to shareholders is no longer considered to be probable (note 17).

10. Flow-Through Premium Liability

During the year ended June 30, 2025, the Company issued flow-through shares for total gross proceeds of \$200,000. Pursuant to the terms of the flow-through share agreements, the Company was required to incur qualifying Canadian exploration expenditures and renounce the tax benefits of such expenditures to the subscribers.

The difference between the price of the flow-through shares and the market price of the Company's common shares at the date of issuance is recognized as a flow-through premium liability. This liability represents the obligation to deliver the tax benefits associated with the qualifying expenditures to the investors.

The flow-through premium liability is initially recorded as a deferred liability and is subsequently recognized in profit or loss as the Company incurs and renounces qualifying expenditures.

As at June 30, 2026, the flow-through premium liability was \$NIL (2025: \$76,312). During the year ended June 30, 2026, the Company recognized \$76,312 (2025: \$9,402) in income related to the settlement of the flow-through premium liability.

11. Secured loans payable

As at June 30, 2026, the Company's secured borrowings totaled \$1,626,309 (2025 - \$1,501,688), including interest accrued in 2026 of \$124,621 (2025 - \$114,963). These borrowings are secured by a first-ranking lien on the Granada Gold Property, bear interest at 8% per annum (calculated monthly, payable annually), and are repayable on demand. Each facility has an initial three-year term, automatically renewing for successive three-year periods unless the lender provides 30 days' written notice prior to the current term's expiry. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender.

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11. Secured loans payable (continued)

A clause in each loan allows lenders to elect repayment in refined gold (principal and accrued interest) instead of cash upon the Company achieving Commercial Production (defined as producing and pouring at least 3,000 oz of refined gold from the Granada Gold Property). The gold price is fixed at US\$800 per ounce, with the CAD-USD rate based on the Bank of Canada's rate at repayment. No such event having occurred, no derivative liability is recognized.

Loan date	Principal loan amount	Balance at June 30, 2025	Interest during the year ended June 30, 2026	Balance at June 30, 2026
	\$	\$	\$	\$
August 4, 2015	200,000	352,198	29,227	381,425
August 4, 2015*	100,000	176,061	14,610	190,671
August 4, 2015* (amended on August 4, 2018)	429,016 (amount per 2018 amendment)	744,220	61,758	805,978
November 14, 2017**	125,000	229,209	19,026	248,235
Totals		1,501,688	124,621	1,626,309

* These loans have been entered into with a director of the Company or a corporation controlled by a director.

** The November 14, 2017, loan has been entered into with a close relative of a director of the Company and includes a conversion feature. Initially, two \$125,000 convertible loans were issued, with the conversion feature valued at \$74,856 classified as equity and recorded in reserves, and the liability portion at \$175,144 accreted to face value over three years at a 20% effective interest rate. One loan was repaid in February 2022, derecognizing its liability and transferring the equity portion to retained earnings; no conversion rights remain. The remaining loan carries a liability of \$248,235 and an initially recognized equity portion of \$37,428 as at June 30, 2026.

12. Share capital

12.1 Authorized Share Capital

The Company has an authorized share capital of an unlimited number of common shares with no par value.

As at June 30, 2026, the Company had 227,265,929 common shares issued and outstanding (2025 – 165,116,529).

12.2 Common Shares Issuances

Year ended June 30, 2026

Private Placements

On February 18, 2026, the Company closed a private placement of 58,949,400 units ("Units") of the Company, at a price of \$0.05 per Unit for aggregate gross proceeds of \$2,947,470. Each Unit is comprised of one common share of the Company (each, a "Share") and one Common Share purchase warrant (the "Warrants") of the Company. Each Warrant entitling the holder thereof to purchase an additional Share at a price of \$0.075 per Common Share for a period of five years from the date of

12. Share capital (continued)

issuance. In connection with the private placement, the Company paid cash finder's fees of \$135,730 and issued 2,714,600 non-transferable finder's warrants. Each finder's warrant is exercisable into one common share at exercise price of \$0.075 per share for a period of five years. The finder's warrants were valued at \$33,860 and the warrants were valued at \$1,405,345 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: share price - \$0.026; risk free interest rate - 2.76%; expected volatility - 169.5% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 5 years.

Shares for Debt

On January 20, 2026, the Company issued 3,000,000 common shares at a deemed price of \$0.10 per share to certain non-arm's length creditors to settle \$300,000 worth of debt owed to the creditors.

Stock Option Exercise

On February 10, 2026, the Company issued 200,000 common shares upon the exercise of 200,000 stock options for net proceeds of \$10,000.

Year ended June 30, 2025

Private Placements

On December 30, 2024, the Company closed a private placement of 5,714,286 Quebec Flow-Through (QFT) of the Company, at a price of \$0.035 per QFT for aggregate gross proceeds of \$200,000. The Company issued 571,428 non-transferable finder's shares and warrants. Each finder's warrant is exercisable into one non-flow-through common share at exercise price of \$0.05 per share for a period of three years. The finder's shares were valued at \$11,429, based on the trading price of the Company's shares on the closing date. The warrants were valued at \$9,623 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: share price - \$0.02; risk free interest rate - 2.90%; expected volatility - 185.2% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 3 years.

Share issuance for settlement of debt

On August 16, 2023, the Company issued shares to Nord to repay debt in the amount of \$286,482, through the issuance of 5,729,654 shares, however the shares were not delivered until October 16, 2024. Accordingly, the liability was not derecognized as at June 30, 2024, and was derecognized on October 16, 2024.

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12. Share capital (continued)

12.3 Equity reserve – Warrants

Changes in warrants outstanding for the years ended June 30, 2026, and 2025

	Year ended June 30, 2026		Year ended June 30, 2025	
	# of Warrants	Weighted Average Exercise Price	# of Warrants	Weighted Average Exercise Price
Beginning Balance	9,706,521	\$ 0.050	43,649,498	\$ 0.081
Issued	61,664,000	\$ 0.075	571,428	\$ 0.050
Expired or cancelled	(9,135,093)	\$ 0.050	(34,514,405)	\$ 0.089
Ending Balance	62,235,428	\$ 0.075	9,706,521	\$ 0.050

As at June 30, 2026, and 2025 the following share purchase warrants were outstanding:

	June 30, 2026			June 30, 2025		
	# of Warrants	Exercise Price	Remaining Life in years	# of Warrants	Exercise Price	Remaining Life in years
Expiry Date						
August 27, 2025*	-	-	-	3,043,478	\$ 0.050	0.16
September 4, 2025*	-	-	-	913,043	\$ 0.050	0.18
September 27, 2025*	-	-	-	5,178,572	\$ 0.050	0.24
December 27, 2027	571,428	\$ 0.050	1.49	571,428	\$ 0.050	2.49
February 18, 2031	61,664,000	\$ 0.075	4.64	-	-	-
Total	62,235,428	\$ 0.075	4.61	9,706,521	\$ 0.050	0.34

* On August 9, 2023, the Company repriced an aggregate of 9,135,093 outstanding warrants issued by way of private placements that closed on September 4, 2020, and September 27, 2021. 3,956,521 of the warrants were issued in two tranches pursuant to a private placement that closed on September 4, 2020. The warrants had an exercise price of \$0.28 and expiry dates of August 27, 2023, and September 4, 2023. The Company amended the warrant exercise price to \$0.05 per share and extended the warrant expiry date to August 27, 2025, and September 4, 2025, respectively. 5,178,572 of the warrants were issued pursuant to a private placement that closed on September 27, 2021. 3,928,572 of the warrants had an exercise price of \$0.20 and an expiry date of September 27, 2023, and 1,250,000 warrants had an exercise price of \$0.15 and an expiry date of September 27, 2024.

The Company amended both warrant exercise prices to \$0.05 per share and extended both warrant expiry dates to September 27, 2025. The warrants, as amended, are subject to an accelerated expiry provision such that if for any ten consecutive trading days (the "Premium Trading Days") during the unexpired term of the warrants, the closing price of the Company's shares on the TSX Venture Exchange exceeds \$0.0625, representing the amended warrant exercise price of \$0.05 plus 25%, the exercise period of the warrants will be reduced to 30 days, starting seven days after the last Premium Trading Day. The Company will announce any such accelerated expiry date by press release. All other terms of

12. Share capital (continued)

12.3 Equity reserve – Warrants (continued)

the warrants remain unchanged. These warrants expired unexercised during the year ended June 30, 2026.

The fair value of the warrants issued during the years ended June 30, 2026, and 2025 was estimated based on the following ranges of key assumptions:

Warrants Reserve	Year ended June 30, 2026	Year ended June 30, 2025
Exercise Price	\$ 0.075	\$ 0.050
Expected Life	5 years	3 years
Dividend Yield	Nil	Nil
Volatility	170%	186%
Risk Free Interest Rate	2.76%	2.94%
Fair Value	\$ 0.024	\$ 0.017

12.4 Equity reserve – Stock Options

The Company's Stock Option Plan (the "Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. Share options are granted for a term not to exceed ten years from the date of grant. All options are subject to a four-month holding period from the date of grant, if granted at the price lower than the market price; options granted at market prices are not subject to the hold period. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company which may be reserved for the issuance shall be 10% of the issued and outstanding shares at the time of the option grant.

The following table shows a summary of the changes in the Company's stock option activities for the years ended June 30, 2026, and 2025:

	Year ended June 30, 2026		Year ended June 30, 2025	
	# of Stock Options	Weighted Average Exercise Price	# of Stock Options	Weighted Average Exercise Price
Beginning Balance	3,825,000	\$ 0.050	4,950,000	\$ 0.067
Granted	6,800,000	\$ 0.050	-	-
Exercised	(200,000)	\$ 0.050	-	-
Expired or cancelled	(2,125,000)	\$ 0.050	(1,125,000)	\$ 0.124
Ending Balance	8,300,000	\$ 0.050	3,825,000	\$ 0.050

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12. Share capital (continued)

12.4 Equity reserve – Stock Options (continued)

The following table shows a listing of all stock options issued and outstanding as at June 30, 2026, and 2025. All of the Company's stock options are fully vested and exercisable as at the date of these financial statements.

Expiry Date	June 30, 2026			June 30, 2025		
	# of Stock Options	Exercise Price	Remaining Life in years	# of Stock Options	Exercise Price	Remaining Life in years
February 14, 2026	-	-	-	1,525,000	\$ 0.050	0.62
June 4, 2029	2,300,000	\$ 0.050	2.93	2,300,000	\$ 0.050	3.93
September 3, 2027	600,000	\$ 0.050	1.18	-	-	-
September 16, 2030	5,400,000	\$ 0.050	4.22	-	-	-
Total	8,300,000	\$ 0.050	3.64	3,825,000	\$ 0.050	2.61

On September 3, 2025, the Company granted stock options to consultants to purchase an aggregate of 1,400,000 common shares in the capital of the Company. The stock options are exercisable for a term of two years at an exercise price of \$0.05.

On September 16, 2025, the Company granted stock options to its directors and officers to purchase an aggregate of 5,400,000 common shares in the capital of the Company. The stock options are exercisable for a term of five years at an exercise price of \$0.05 per share. Directors and officers were granted 3,400,000 stock options as part of the grant.

The fair value of the stock options granted during the years ended June 30, 2026, and 2025 was estimated based on the following ranges of key assumptions:

Stock Options Reserve	Year ended June 30, 2026	Year ended June 30, 2025
Exercise Price	\$0.050	-
Expected Life	2 – 5 years	-
Dividend Yield	nil	-
Volatility	165% - 214%	-
Risk Free Interest Rate	2.62% - 2.74%	-
Fair Value	\$0.034 - \$0.047	-

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13. Exploration and evaluation expenditures

Granada Property, Quebec, Canada

The Company holds 100% interest in certain mining leases and claims. The mining leases are subject to a 2% Gross Metal Royalty ("GMR"), ½ of which may be purchased for \$1,000,000 and a 1% Net smelter royalty ("NSR") and 23 of the original mining claims are subject to a 1% NSR. Additionally, there is a 2% NSR on 26 claims, half of which may be purchased for \$1,000,000.

The breakdown of exploration expenditures for the years ended June 30, 2026, and 2025 is as follows:

	2026	2025
	\$	\$
Assay and testing	171,204	11,281
Core analysis	660	-
Depreciation	9,149	15,859
Equipment	3,216	6,746
Facility expense	22,122	25,804
Geology	25,047	-
Personnel costs	445	931
Project management	16,018	38,738
Reclamation costs	4,373	132,155
Permits and licensing	45,415	33,654
Total exploration expenses	297,649	265,168

Granada Property, Quebec, Canada (continued)

The Company has determined that as at June 30, 2026, and 2025, the Granada Property has not met the technical feasibility and commercial viability criteria to be capitalized and classified as mining properties. Accordingly, the Company expensed all exploration and evaluation expenditures in the period. As of June 30, 2026, and June 30, 2025, the Company did not hold any assets classified as mining properties.

14. Income (loss) per share

Loss per share has been calculated by dividing the net loss for the year by the weighted average number of common shares outstanding during the year. The details of the calculation for the years ended June 30, 2026, and 2025, are as follows:

	2026	2025 (restated)
Net income (loss) for the year attributable to shareholders	\$3,093,378	\$(1,930,950)
Weighted average number of common shares outstanding	187,835,236	162,016,745
Basic and diluted income (loss) per share	\$0.016	\$(0.012)

14. Loss per share (continued)

For the year ended June 30, 2026, the weighted average number of common shares was the same for basic and diluted calculations, as no incentive stock options or warrants were in the money. For the years ended June 30, 2025, potential dilutive common shares from incentive stock options and warrants have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

15. Related party transactions

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the Company and comprise of the members of the Board of Directors (executive and non-executive), as well as the President and Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Corporate Secretary, and persons related to the CEO. Certain key management agreements include change of control provisions and a notice commitment (note 17).

Compensation paid to key management is presented for the years ended June 30, 2026, and 2025:

	2026	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	-
Share-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.

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 \$286,483 of outstanding debt. The shares were not delivered until the following year. Accordingly, the liability was derecognized during the year June 30, 2025.

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15. Related party transactions (continued)

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), included in trade payables, accrued liabilities and provisions (note 9). Of this amount \$45,546 (2025 – \$50,546) was 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) (note 11).

16. Income taxes

The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statement of financial position, that can be carried over for the years ended June 30, 2026, and 2025:

	2026	2025 (restated)
	\$	\$
Income (Loss) before income taxes	3,093,378	(1,930,950)
Combined federal and provincial statutory tax rate	26.9%	26.9%
Income tax recovery	832,000	(519,000)
Increase (decrease) in income taxes resulting from:		
Flow-through renunciation	-	(6,000)
Non-deductible and other	2,000	6,000
Stock-based compensation	81,000	-
Changes in benefit of tax asset not recognized	(915,000)	519,000
	-	-

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16. Income taxes (continued)

As at June 30, 2026 and at June 30, 2025, the Company has temporary differences and unused tax losses as follows:

	2026	2025
	\$	\$
Deferred tax assets		
Non-capital losses	32,698,000	31,297,000
Exploration and evaluation	19,360,000	19,307,000
Share issue costs	173,000	62,000
Investment tax credits	917,000	917,000
Property and equipment	1,082,000	1,073,000
Marketable securities	2,467,000	2,471,000
Other temporary differences	636,000	5,996,000
Tax benefits not recognized	57,333,000	61,123,000

The ability to realize the tax benefits is dependent upon a number of factors, including the future profitability of operations.

Deferred tax assets are recognized only to the extent that it is probable that sufficient profits will be available to allow the asset to be recovered. At June 30, 2026 and 2025, no deferred tax assets have been recognized.

16. Income taxes (continued)

The Company has the following non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax asset has been recognized in the statement of financial position, that can be carried over the following years:

	<i>Amount</i>
	<i>\$</i>
2028	171,000
2029	584,000
2030	1,329,000
2031	4,561,000
2032	2,450,000
2033	2,970,000
2034	2,888,000
2035	2,326,000
2036	2,080,000
2037	2,069,000
2038	1,306,000
2039	348,000
2040	1,492,000
2041	1,780,000
2042	1,862,000
2043	1,231,000
2044	890,000
2045	1,002,000
2046	1,360,000
	<u>32,699,000</u>

As at June 30, 2026, the Company had approximately \$2,580,000 (2025 - \$2,534,000) of Canadian development expenditures, \$16,366,000 (2025 - \$16,331,000) of Canadian exploration expenditure, \$264,000 (2025 - \$264,000) of foreign resource expenditures, and \$177,000 (2025 - \$177,000) of depletion credit, which, under certain circumstances, may be utilized to reduce taxable income of future years.

17. 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, and 2025, to the best knowledge of its management, the Company is in conformity with the laws and regulations.

17. Commitments and Contingencies (continued)

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 and 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 the 150% or 120% additional CEE deduction.
- The historical rate of subscribers claiming for the indemnity amounts

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 filed an appeal with the Tax Court of Canada. 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.

Canada Revenue Agency audit (continued)

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

	2026	2025
	\$	\$
Opening Balance	5,838,389	5,363,851
Accrual for additional provision and interest	458,644	474,538
Reversal of provision and interest (note 9)	(6,260,633)	-
Ending Balance	36,400	5,838,389

Revenue Quebec

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

17. Commitments and Contingencies (continued)

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 claims and legal proceedings arising in the ordinary course of business. Where management determines that an outflow of resources is probable and can be reliably estimated, a provision is recognized. Where an outflow is possible but not probable, or the amount cannot be reliably estimated, the matter is disclosed as a contingent liability unless the possibility of an outflow is remote.

18. Capital management policies and procedures

The Company's objectives in managing its capital are to safeguard its ability to continue as a going concern and to fund its exploration and evaluation activities and administrative costs. The Company considers its capital to comprise shareholders' equity, consisting of common shares, reserves, and deficit, which totaled a deficiency of \$7,228,760 at June 30, 2026 (2025 - \$13,745,497).

As the Company's mineral property interests are in the exploration stage and do not generate revenue, it relies on external financing, primarily through issuing new shares, to support exploration and operational needs. Management adjusts the capital structure based on available funds and evaluates potential new properties for acquisition based on their geologic and economic merit. The Board does not establish quantitative return on capital criteria, relying on management's expertise to secure financing.

18. Capital Management policies and procedures (continued)

Management reviews its capital management approach regularly and believes it is appropriate given the Company's size and stage of development. No changes were made to this approach during the years ended June 30, 2026, or 2025. The Company is subject to TSX Venture Exchange (TSXV) rules requiring working capital or financial resources of at least \$50,000 or sufficient to cover six months of general and administrative expenses, whichever is greater. As at June 30, 2026, the Company may not be compliant with all TSXV policies; the impact of this potential violation is unknown and depends on the TSXV's discretion.

19. Financial assets and liabilities

The carrying amounts and fair value of financial instruments presented in the statement of financial position are as follows:

	June 30, 2026	June 30, 2025
Financial assets		
Cash	1,510,149	11,013
Amounts receivable	12,070	22,401
Marketable securities	40,644	37,367
Total financial assets	1,562,863	70,781
Financial liabilities		
Trade payable and accrued liabilities	(7,137,194)	(12,195,580)
Secured loans payable	(1,626,309)	(1,501,688)
Total financial liabilities	(8,763,503)	(13,697,268)

The carrying value of the above financial instruments is considered to be a reasonable expectation of fair value because of the short-term nature of these instruments.

20. Financial risks

The Company is exposed to various risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk. The Company's main financial risk exposure and its financial risk management policies are as follows:

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 (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. As at June 30, 2026, the risk related to amounts receivable is considered negligible, as they exclusively consist of sales taxes receivable from the Government of Canada and Quebec.

20. Financial risks (continued)

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 \$7,137,194 (2025 - \$12,195,580) in accounts payable and accrued liabilities and cash of \$1,510,149 (2025 - \$11,013) to settle short term liabilities. The Company's trade payables generally have contractual maturities of 30 days or less and are subject to normal trade terms. See note 11 for details of the maturities of secured loans payable.

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. The objective of market risk management is to monitor and mitigate exposures to ensure the Company's ability to fund ongoing exploration and operational needs. No hedging instruments are currently used. Management regularly reviews market conditions and adjusts its financing strategies as needed.

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.

20. Financial risks (continued)

Market risk (continued)

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.

The Company's marketable securities are comprised of common shares and warrants 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.

21. Subsequent events

On July 30, 2026, the Company announced that it has entered into Debt Conversion Agreements with Nord and Mineral Recovery Management Services Inc. ("MRMS"), respectively, whereby the Company will convert an aggregate amount of \$4 million in debt to an aggregate 4% NSR on the Company's Granada Gold Property near Rouyn-Noranda, Quebec.

The Debt Conversion Agreement and related Net Smelter Return Royalty Agreement between the Company and Nord provide that \$3 million owing by the Company to Nord will be extinguished in exchange for a 3% NSR on the Granada Gold Property. Granada may repurchase the 3% NSR for \$3 million in either one lump-sum amount or in one or more tranches of \$1 million, which will each represent a repurchase of 1% of the NSR.

The Debt Conversion Agreement and related Net Smelter Return Royalty Agreement between the Company and MRMS provide that \$1 million owing by the Company to MRMS will be extinguished in exchange for a 1% NSR on the Granada Gold Property. Granada may repurchase the 1% NSR for \$1 million in cash.

On October 21, 2026, the Company granted stock options to an Officer of the Company to purchase an aggregate of 4,545,319 common shares in the capital of the Company. The stock options are subject to performance vesting, whereby 1,136,330 options shall vest upon the Company achieving a market capitalization (as defined below) of C\$50 million and the remaining 3,408,989 options shall vest upon the Company achieving a market capitalization of C\$100 million. The thresholds must be achieved within three (3) years after the grant date while the Officer remains engaged by the Company. The stock options are exercisable for a term of four years at an exercise price of \$0.05 per share. All stock options are granted in accordance with the terms of the Company's Stock Option Plan and the policies of the TSX Venture Exchange and will be subject to a hold period of four months and one day.