REGAL RESOURCES INC.
RESPONSIBLE EXPLORATION & DEVELOPMENT

Condensed Consolidated Financial Statements

For the Nine Months Ended April 30, 2025, and 2024
(Expressed in Canadian Dollars)

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Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements

The accompanying unaudited condensed consolidated interim financial statements have been prepared by management and approved by the Audit Committee. The Company’s independent auditors have not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of financial statements by an entity’s auditors.

Regal Resources Inc.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	April 30, 2025 $	July 31, 2024 $
ASSETS			
Current			
Cash		254,467	1,944
Sales taxes receivable		61,534	57,395
Prepaid expenses		76,522	865
Marketable securities	4	-	-
		392,523	60,204
Non-current			
Mineral property interests	3	-	671,634
		-	671,634
		392,523	731,838
LIABILITIES			
Current			
Trade and other payables	5,9	1,691,212	1,884,015
Due to related parties	9	29,883	160,121
Loans payable	7	234,675	286,790
Convertible debenture	6,9	2,885,000	2,782,774
		4,840,770	5,113,700
		4,840,770	5,113,700
DEFICIT			
Share capital	8	6,667,641	6,667,641
Reserves		2,762,896	2,762,896
Deficit		(13,878,784)	(13,812,399)
		(4,448,247)	(4,381,862)
		392,523	731,838

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

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

"Gregory Thomas", Director *"Tony Louie"*, Director

– See Accompanying Notes –

Regal Resources Inc.

CONDENSED CONSOLIDATED STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

		Three Months Ended April 30,		Nine Months Ended April 30,	
	Note	**2025 $**	**2024 $**	**2025 $**	**2024 $**
Expenses					
Finance costs	(6,7)	96,083	98,745	382,323	383,746
Foreign exchange		(59)	771	598	1,565
Management fees	(9)	-	54,000	-	162,000
Office and miscellaneous		4,023	1,041	16,140	5,228
Professional fees		14,467	5,745	53,209	59,932
Regulatory fees		8,078	5,422	18,582	7,081
Payments to directors		-	-	36,650	-
Other nonrecurring expenses		-	-	228,229	-
Total operating expenses		(122,592)	(165,724)	(735,731)	(619,552)
Realized loss on sale of marketable securities	(4)	(162,674)	-	(181,820)	-
Unrealized gain on marketable securities	(4)	162,287	-	-	-
Gain on sale of mineral property interest	(3)	-	-	851,166	-
Net income (loss) and comprehensive net (loss) for period		(122,979)	(165,724)	(66,385)	(619,552)
Basic and diluted net income (loss) per share		(0.002)	(0.002)	(0.001)	(0.009)
Weighted average number of common shares outstanding – basic and diluted		66,515,719	66,515,719	66,515,719	66,515,719

- See Accompanying Notes -

Regal Resources Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN DEFICIT
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Reserves $	Deficit $	Total Deficit $
Balance at July 31, 2024	**66,515,719**	**6,667,641**	**2,762,896**	**(13,812,399)**	**(4,381,862)**
Net income	-	-	-	423,103	423,103
Balance at October 31, 2024	**66,515,719**	**6,667,641**	**2,762,896**	**(13,389,296)**	**(3,958,759)**
Net loss	-	-	-	(366,509)	(366,509)
Balance at January 31, 2025	**66,515,719**	**6,667,641**	**2,762,896**	**(13,755,805)**	**(4,325,268)**
Net loss	-	-	-	(122,979)	(122,979)
Balance at April 30, 2025	**66,515,719**	**6,667,641**	**2,762,896**	**(13,878,784)**	**(4,448,247)**

	Number of Shares	Share Capital $	Reserves $	Deficit $	Total Deficit $
Balance at July 31, 2023	**66,515,719**	**6,667,641**	**2,762,896**	**(12,992,589)**	**(3,562,052)**
Net loss	-	-	-	(228,407)	(228,407)
Balance at October 31, 2023	**66,515,719**	**6,667,641**	**2,762,896**	**(13,220,996)**	**(3,790,459)**
Net loss	-	-	-	(225,421)	(225,421)
Balance at January 31, 2024	**66,515,719**	**6,667,641**	**2,762,896**	**(13,446,417)**	**(4,015,880)**
Net loss	-	-	-	(165,724)	(165,724)
Balance at April 30, 2024	**66,515,719**	**6,667,641**	**2,762,896**	**(13,612,141)**	**(4,181,604)**

- See Accompanying Notes -

Regal Resources Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended April 30,
(Expressed in Canadian Dollars)

	2025 $	2024 $
OPERATING ACTIVITIES:		
Net (loss) for the period	(66,385)	(619,552)
Items not involving cash:		
Accretion of discounts on convertible debentures	102,226	107,102
Gain resulting from payments under option agreement on mineral property	(851,166)	-
Loss on sale of marketable securities	181,820	-
Accrued interest expense	121,969	276,480
Other non-recurring expense	228,229	-
Foreign exchange on loan payable	648	1,122
Changes in non-cash working capital:		
Sales taxes receivable	(4,139)	(7,933)
Prepaid expenses	(75,657)	10,000
Trade and other payables	(314,772)	17,837
Net cash used in operating activities	(677,227)	(214,944)
INVESTING ACTIVITIES:		
Proceeds from sale of interest under option, net	717,071	-
(Payment) on purchase of marketable securities	(64,820)	-
Proceeds from sale of marketable securities	460,500	-
Net cash provided by financing activities	1,112,751	-
FINANCING ACTIVITIES:		
Proceeds from private placement	-	-
Proceeds (payment) from (to) related party	(130,238)	25,762
Proceeds (payment) from (to) loan payable	(52,763)	204,175
Net cash provided by financing activities	(183,001)	229,937
Increase in cash	252,523	14,993
Cash at beginning of year	1,944	1,852
Cash at end of period	254,467	16,845
Supplemental cash flow information:		
Interest paid (note 6)	172,259	120,915

- See Accompanying Notes –

1. NATURE OF OPERATIONS AND GOING CONCERN

Regal Resources Inc. (the "Company") was incorporated under the *Business Corporations Act* of British Columbia on January 24, 2006 and maintains its head office and registered office at 6th Floor, 905 West Pender St., Vancouver, British Columbia, Canada, V6C 1L6. The Company is engaged in the acquisition, exploration and development of its mineral properties, located in Arizona, USA. The Company was suspended from trading on the Canadian Securities Exchange on April 25, 2016, and trading has not been reinstated to date.

The Company has not yet achieved profitable operations. These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that any of the Company's current or future exploration programs will result in profitable mining operations. The recoverability of amounts shown for mineral property interests is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete their development and establish future profitable operations or realize proceeds from their sale.

The Company has sustained losses from operations and has an ongoing requirement for capital investment for its mineral property interests; these conditions cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent primarily upon its ability to obtain necessary financing from the issuance of shares, borrowing or from other sources. These consolidated financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Basis of presentation

The condensed consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IASB").

The condensed consolidated financial statements are prepared on a historical cost basis except for financial instruments measured at fair value. In addition, these consolidated financial statements are prepared using the accrual basis of accounting, except for cash flow information. All financial information is presented in Canadian dollars, the Company and its subsidiaries' functional currency, unless otherwise stated.

Approval of consolidated financial statements

The condensed consolidated financial statements of the Company were authorized for issue by the Board of Directors on June 30, 2025.

Basis of consolidation

The condensed consolidated financial statements include the accounts of the Company and subsidiaries the Company controls, 100% controlled Regal Resources USA, Inc. and Arizona Standard LLC, a joint operation with Barksdale Capital Corp. ("Barksdale") which will begin operations once Barksdale meets the minimum earn in requirements. All significant intercompany balances and transactions were eliminated upon consolidation.

A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions and balances including unrealized income and expenses arising from intercompany transactions are eliminated in preparing consolidated financial statements

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Future Accounting Standards

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures re: Classification and Measurement of Financial Instruments

The amendments clarify the date of recognition and derecognition of some financial assets and liabilities, provide additional 21 | Acadian Timber Corp. clarity and guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain financial instruments with contractual terms that can change cash flows and update the disclosures for equity instruments designated at fair value through other comprehensive income. The amendments are effective for reporting periods beginning on or after January 1, 2026. The impact to the consolidated financial statements of these amendments is being determined.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of financial statements. IFRS 18 will retain many of the existing principles in IAS 1 and will focus on updates to the statement of profit or loss. Key new concepts relate to the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and enhanced principles on aggregation and disaggregation. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. Earlier adoption is permitted. The impact to the consolidated financial statements of the adoption of this standard is being determined.

Significant accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported expenses during the fiscal year. Actual outcomes could differ from these estimates.

Critical accounting judgments and estimates

Significant judgments made by management in the application of IFRS during the preparation of the consolidated financial statements and estimates with a risk of material adjustment are as follows:

(a) Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investment and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumptions may be inappropriate.

(b) Impairment assessment

At each financial position reporting date, the carrying amounts of the Company's long-term assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Significant accounting estimates and judgments (Cont'd)

While management believes these judgments and estimates are reasonable, actual results could differ from those estimates and could impact future results of comprehensive loss and cash flows. The estimates and underlying assumptions are reviewed on an ongoing basis.

Foreign currency translation

Amounts recorded in foreign currency are translated into Canadian dollars as follows:

- Monetary assets and liabilities, at the rate of exchange in effect as at the date of the consolidated statement of financial position;
- Non-monetary assets and liabilities, at the exchange rates prevailing at the time of the acquisition of the assets or assumption of the liabilities; and
- Revenues and expenses (excluding depreciation, which is translated at the same rate as the related asset), at the rates of exchange at the date of the transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss.

Mineral property interests

The Company defers all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse.

All deferred mineral property expenditures are reviewed quarterly, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the interest for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time, the Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received.

Impairment of mineral property interests

The Company assesses each cash-generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered the higher of fair value less cost to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral property interests is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value of money and the risks specific to the asset.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

The Company has determined that no impairment of mineral property interests is applicable.

Rehabilitation provision

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred.

The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the production location. When the liability is initially recognized, the present value of estimated costs is capitalized by increasing the carrying amount of related mining assets to the extent that it was incurred by the development/construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The Company has determined that no rehabilitation provision is applicable.

Income taxes

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous periods.

Deferred income taxes are accounted for using the liability method. The liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets and liabilities are determined for each temporary difference based on currently enacted or substantively enacted tax rates that are expected to be in effect when the underlying items of income or expense are expected to be realized.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets.

Loss per share

Basic income (loss) per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income (loss) per share is computed using the treasury stock method, under which the weighted average number of shares outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised.

Financial instruments

Financial Assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value, plus transaction costs that are directly attributable to its acquisition, except for financial assets at FVTPL

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVOCI remain within accumulated other comprehensive income (loss).

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial Liabilities and Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. The repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using effective interest method.

Warrants issued in equity financial transactions

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the quoted bid price on the issuance date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants on exercise is recorded as equity. If warrants issued are subsequently cancelled or expire without being exercised, then the historical fair value of the equity reserve is transferred from reserve to share capital. If the warrants are exercised the related reserves are reclassified from reserves to share capital.

(Expressed in Canadian Dollars)

3. MINERAL PROPERTY INTERESTS

The Company holds certain mineral claims located in Santa Cruz County, Arizona known as the Sunnyside Property. In August 2017, the Company entered into an arm's length definitive agreement (the "Sunnyside Agreement") with Barksdale Resources Corp. ("Barksdale") to option (the "Option") up to 67.5% of the Sunnyside Property.

The Option is exercisable in two stages with Barksdale entitled to acquire an initial 51% interest in the Sunnyside Property upon making payments to the Company totalling $2,950,000 cash and the issuance of 10,100,000 common shares of Barksdale to the Company and cumulative expenditures of $6,000,000 on the property during the first two years of the Option (following receipt of all required governmental permits).

Upon acquiring an initial 51% interest in the Sunnyside Property, Barksdale will be entitled to increase its interest to 67.5% upon payment of an additional $550,000 cash and the issuance of 4,900,000 common shares of Barksdale to the Company and the expenditure of an additional $6,000,000 on the property within a further two year period. The following is a summary of Barksdale's Option earn-in requirements:

Period	Cash $	Exploration Requirement $	Number of Shares of BRO common stock
To Earn 51% Interest			
Upon execution of Sunnyside Agreements	100,000 (paid)	-	-
Within 3 days following TSXV acceptance of Option	650,000 (paid)	-	1,250,000 (received)
On or before end of Year 1	1,200,000 (paid)	3,000,000	3,850,000 (received)
On or before end of Year 2	1,000,000	3,000,000	5,000,000
To Increase Interest to 67.5%			
On or before end of Year 3	-	3,000,000	-
On or before end of Year 4	550,000	3,000,000	4,900,000
Total	**3,500,000**	**12,000,000**	**15,000,000**

Year 1 commenced on September 7, 2023 ("Commencement Date"), which is the date Barksdale received all required governmental permits including drilling permits to carry out an initial exploration program on the Sunnyside Property. On September 5, 2024, the Company received $717,071 from Barksdale and delivery of a share certificate for 3,850,000 shares of Barksdale common stock released from escrow with respect to the cash and share obligations in Year 1 under the terms of the certain Option agreement. The payment received of $717,071 reflects the required gross payment of $1.2 million, net $254,700 previously remitted by Barksdale on behalf of Regal to the original optionors of the Sunnyside property and reflects further offsets of $150,000 of transaction costs and double the costs related to Regal's retention of a proxy agent totaling $78,229, as approved by prior Regal management with respect to a terminated agreement between Barksdale and Regal in May 2021, whereunder Barksdale attempted to acquire a 100% interest in the Sunnyside property, but did not receive Regal shareholders approval for same. Concurrent with transfer of the initial 51% earn in by Barksdale, upon Barksdale meeting the minimum drilling requirements sets out below, the Company has the option to audit Barksdale's total expenditures on the Sunnyside Property to confirm the validity of proposed qualified expenditures under the terms of the Sunnyside Agreement.

Upon Barksdale earning either 51% interest or 67.5% interest in the Sunnyside Property, the Company and Barksdale will enter into and participate in a joint venture for the purpose of further exploring and developing the property. The Sunnyside Agreements contain provisions for dilution of a party's working interest for failure to fund joint venture cash calls, subject to automatic conversion of a party's interest into a 5% net proceeds interest (not to exceed 90% of the net amount of the party's contributed capital) if diluted to less than 10%. Barksdale will be the operator of the Sunnyside Property during the term of the Option and, if applicable, the joint venture.

(Expressed in Canadian Dollars)

3. MINERAL PROPERTY INTERESTS (Continued)

The Sunnyside Agreement further provides that:

a) Barksdale drill a minimum of 25,000 feet within two years from Commencement Date to earn a 51% interest in the Sunnyside Property and to drill a further 25,000 feet within four years from Commencement Date to increase their ownership interest in the Sunnyside Property to 67.5%;

b) until such time as Barksdale has earned a 51% interest in the Sunnyside Property, Barksdale will not acquire, directly or indirectly, any common shares of Regal without the prior consent of Regal;

c) Barksdale and the Company have a mutual 15-day right of first refusal to acquire all or any part of Regal's remaining interest in the Sunnyside Property in the event of a proposed sale or transfer of such interest by either party;

d) Barksdale is subject to an acceleration payment clause in the case of change of control or a transfer of the interest in the Sunnyside Property to a third party during the Option earn-in period; and

e) the Sunnyside Agreement is subject to arm's length net smelter returns ("NSR") between 1.5% to 3%.

Barksdale may terminate the Option at any time, in its discretion, subject to satisfying any accrued obligations or liabilities including reclamation requirements, as required. For the periods ended July 31, 2024, and each fiscal year ended July 31, 2023, and 2022, the Company had the following capitalized mineral property interests:

	Sunnyside Property ($)
Balance, July 31, 2024, 2023, and 2022	671,634

Upon receipt of the cash and share consideration from Barksdale with respect to Year 1, the Company recorded a gain as a result of the option payments as set out below:

Consideration		
3,850,000 shares of BRO common stock	$	577,500
Net cash received		717,071
Exploration/option related expenses paid by BRO		228,229
Total		1,522,800
Sunnyside property assets as of July 31, 2024		(671,634)
Gain on receipt of option payment	$	851,166

As of April 30, 2025, the Company had the following capitalized mineral property interests:

	Sunnyside Property ($)
Balance, April 30, 2025	-

Realization of assets

The investment in and expenditures on mineral property interests comprise substantially all of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing

(Expressed in Canadian Dollars)

3. MINERAL PROPERTY INTERESTS (Continued)

mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore.

The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values These costs will be depleted over the useful lives of the properties upon commencement of commercial production or written off if the properties are abandoned or the claims allowed to lapse.

Title to mineral property interests

Although the Company has taken steps to verify the title to mineral properties 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 unregistered prior agreements or transfers and title may be affected by undetected defects.

Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation.

The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral property interests, the potential for production on the property may be diminished or negated.

4. MARKETABLE SECURITIES

The Company holds common shares of Barksdale. The common shares are classified as FVTPL and are recorded at fair value using the quoted market price on April 30, 2025, and are therefore classified as Level 1 within the fair value hierarchy.

Continuity for the nine months ended April 30, 2025, and the fiscal year ended July 31, 2024, is as follows:

Marketable security	Balance, July 31, 2024 ($)	Additions ($)	Proceeds from Disposal ($)	Realized gain (loss) on disposal ($)	Balance, April 30, 2025 ($)	Unrealized gain (loss) on changes in fair value ($)	FMV Balance April 30, 2025 ($)
Barksdale (BRO.V)	-	642,320	460,500	(181,820)	-	-	-

On September 5, 2024, the Company received from Barksdale a share certificate for 3,850,000 shares of Barksdale common stock released from escrow with respect to the cash and share obligations for Year 1 under the terms of an Option agreement (Note 3).

(Expressed in Canadian Dollars)

5. TRADE AND OTHER PAYABLES

Trade and other payables for the Company are comprised of the following:

	Note	April 30, 2025 $	July 31, 2024 $
Trade payables and accruals		365,955	478,127
Trade payable related parties		462,226	623,899
Interest payable	7	48,327	45,274
Interest payable due to related parties	7, 6	814,704	711,715
Advance payable		-	25,000
Total		1,691,212	1,884,015

Included in trade payables are accrued interest and penalties of $321,976 (2024 - $321,976) related to Canadian and United States tax filings.

6. CONVERTIBLE DEBENTURES

On February 10, 2022, the Company completed debenture financing for an aggregate principal amount of $2,885,000 with maturity date of February 10, 2024, of which $2,850,000 was provided by a relative of the CEO and director of the Company. The Debentures accrue interest at a rate of 12% per annum, payable annually in cash, or, at the election of the Company, in common shares of the Company (each a “Share”) at $0.10 per Share. The Debentures are secured against the common shares of the Company’s wholly-owned subsidiary, Regal Resources USA, Inc., which holds an interest in the Sunnyside project. The Debentures are convertible by the holders thereof at any time into units (each a “Unit”) at a price of $0.10 per Unit, with each Unit being comprised of a Share and one-half of a common share purchase warrant (each whole warrant a “Warrant”). Each whole Warrant will be exercisable by the holder thereof to acquire an additional Share at an exercise price of $0.20 for a period of two years after issuance. On initial recognition, the Company allocated the proceeds of the compound financial instruments between the liability component and the equity component using the residual value method. The liability component was measured at fair value. Fair value is based on the market price of the debentures, or if no market price exists, fair value is determined by discounting the cash flows using a discount rate for a similar instrument with no conversion feature, which management has estimated to be 20%. The residual value was allocated to the equity component in reserves.

On February 10, 2022	Face Value $	Equity Portion $	Liability Portion $
Convertible debenture	2,885,000	352,611	2,532,389

In February 2024 the Company entered into agreements to extend the maturity date of its outstanding convertible debentures originally issued on February 10, 2022, and due on February 12, 2024 (the “**Convertible Debentures**”) by one year to February 12, 2025 (the “**Extension**”). Pursuant to the Extension, all accrued and unpaid interest along with the principal amounts will become due and payable on February 12, 2025. As a result of the Extension the Company recorded a gain on modification in the amount of $102,226. Further, On February 3, 2025, Convertible Debentures in the principal amount of $2,885,000 were extended to mature on May 13, 2025.

The carrying value of the liability portion of the convertible debenture is as follows:

Balance, July 31, 2023	$	2,777,898
Accretion		107,102
Gain on modification		(102,226)
Balance, July 31, 2024		2,782,774
Accretion		102,226
Balance, April 30, 2025		2,885,000

(Expressed in Canadian Dollars)

6. CONVERTIBLE DEBENTURES (Continued)

The interest expense recorded in finance costs and interest payable included in trade and other payables during the three and nine months ended April 30, 2025 and 2024 are as follows:

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2025 $	**2024 $**	**2025 $**	**2024 $**
Accretion (Finance costs)	5,242	5,909	102,226	107,102
Interest on the note	84,416	85,364	258,939	260,835
Total	89,658	91,273	361,165	367,937

Balance, July 31, 2023	$	493,392
Interest expense		348,097
Cash payment		(120,915)
Balance, July 31, 2024		720,574
Interest expense		258,939
Cash payment		(154,454)
Balance, April 30, 2025*	$	825,059

*Of this amount $811,527 ($710,183 – July 31, 2024) reflects interest due and payable to a related party (Note 8)

7. LOANS PAYABLE

Loans payable consist of the following loans:

		April 30, 2025 $	**July 31, 2024 $**
May 2017 Loan	(1)	-	27,615
Various demand loans	(2)	234,675	259,175
Total		234,675	286,790

Interest and financing costs recorded for the three and nine months ended April 30, 2025, and 2024 are as follows:

		Three Months Ended April 30,		Nine Months Ended April 30,	
		2025 $	**2024 $**	**2025 $**	**2024 $**
May 2017 Loan	(1)	-	1,020	1,586	3,085
Various on demand loans	(2)	5,722	5,864	17,392	11,583
Total		5,722	6,884	18,978	14,668

(1) May 2017 Loan

On May 1, 2017, the Company entered into an unsecured loan with a third party in the amount of US$20,000. The loan bears interest at 15% per annum, was due for repayment in 6 months, and the Company is required to issue US$2,000 worth of stock at $0.10 per share as a bonus.

7. LOANS PAYABLE (Continued)

During the fiscal year ended July 31, 2023, the Company made cash payments in the amount of US$3,500. During the fiscal year ended July 31, 2024, the Company made cash payments in the amount of US$8,350. During the three months ended October 31, 2024, the Company retired the loan and accrued interest in full. Shares issuable under the agreement were waived and the holder agreed to a cash payment in the amount of US$2,000.

Interest payable included in trade and other payables and the principal outstanding in Canadian dollars as at April 30, 2025, and July 31, 2024, as follows:

	April 30, 2025 $	July 31, 2024 $
Interest payable ($) (including stock payable)	-	15,928
Loan payable ($)	-	27,615

(2) Demand Loans

During the year ended July 31, 2023, the Company entered into various loans with third parties in the accumulated amount of $55,000. The loans bear interest at 10% per annum and are due on demand.

During the year ended July 31, 2024, the Company entered into various loans with third parties in the accumulated amount of $204,175. The loans bear interest at 10% per annum and are due on demand.

During the three months ended October 31, 2024, the Company repaid loans in the principal amount of $30,000 and associated accrued interest payable of $1,948.

During the three months ended January 31, 2025, the Company entered into a loan with a third party in the amount of $5,500. The loans bear interest at 10% per annum and are due on demand.

Interest payable included in trade and other payables and the principal outstanding as of April 30, 2025, and July 31, 2024, are as follows:

	April 30, 2025 $	July 31, 2024 $
Interest payable ($)	34,795	18,956
Loans payable ($)	234,675	259,175

8. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

Issued

There were no share issuances during the nine months ended April 30, 2025.
There were no share issuances during the nine months ended April 30, 2024.

Stock options

There were no stock options issued or outstanding at April 30, 2025, and July 31, 2024. The 2013 Stock Option Plan terminated on April 9, 2023. There are currently no stock options plans in effect.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

Warrants

A summary of the Company's warrants and changes for the nine months ended April 30, 2025, and 2024 are as follows:

	April 30, 2025		April 30, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Opening balance	1,750,000	$ 0.20	1,750,000	$ 0.20
Expired	(1,750,000)	-	-	-
Issued	-	-	-	-
Closing balance	-	$ -	1,750,000	$ 0.20

A summary of the outstanding warrants is as follows:

	April 30, 2025			July 31, 2024		
Expiry Date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)
January 5, 2025	-	-	-	125,000	$ 0.20	0.45
January 20, 2025	-	-	-	625,000	$ 0.20	0.48
February 21, 2025	-	-	-	500,000	$ 0.20	0.56
March 2, 2025	-	-	-	500,000	$ 0.20	0.59
Total	-	-	-	1,750,000	$ 0.20	0.53

9. RELATED PARTY TRANSACTIONS

Key management compensation

The following related party transactions are in addition to those disclosed elsewhere in these consolidated financial statements:

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. Key management compensation comprises during the three and nine months ended April 30, 2025, and 2024 as below:

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2025 $	2024 $	2025 $	2024 $
Management fees [1]	-	30,000	-	90,000
Consulting fees [2]	-	24,000	-	72,000
Bonus[3]	-	-	36,650	-
Total	-	54,000	36,650	162,000

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (Continued)

[1] During the three months ended April 30, 2024, the Company paid or accrued management fees of $10,000 per month for the Company's CEO. A total of $90,000 was paid or accrued for the CEO in the nine months ended April 30, 2024. The Company's CEO ceased accruing management fees as of July 31, 2024.

[2] During the three months ended April 30, 2024, the Company paid or accrued fees of $4,000 per month each for two members of the Board of Directors for consulting fees commencing October 2021. Effective July 31, 2024, no additional fees have been incurred from board members as consulting fees.

[3] During the nine months ended April 30, 2025, the Company paid bonuses totalling $36,650 to the Company's CEO and the members of the Board of Directors with the CEO receiving a bonus of $10,000, two directors receiving a bonus of $10,000 and one director receiving a bonus of $6,650. The bonus payment was made in the three months ending January 31, 2025.

As at April 30, 2025, and July 31, 2024, the following amounts were included in trade and other payables and due to related parties owing to certain directors, offices and related persons:

	April 30, 2025 **$**	**July 31, 2024** **$**
Included in trade and other payables:		
Interest payable on loan[4]	3,177	1,532
Interest payable on convertible debenture (Notes 5 and 6(b)) [1]	811,527	710,183
Trade payables directors and officers	462,226	623,899
	1,276,930	**1,335,614**
Included in due to related parties:		
Due to CEO and director [2]	5,378	135,616
Due to entity controlled by director [3]	2,505	2,505
Loans payable to a director[4]	22,000	22,000
	29,883	**160,121**

1. Interest accrued on the convertible debenture due to a family member of the CEO and director;
2. Advances for working capital purposes provided by the CEO and director. These amounts are interest-free and payable on demand. During the nine months ended April 30, 2025, the Company repaid $130,238 of amounts outstanding to the CEO.
3. TAC Gold Corp., an entity controlled by a former director of the Company, advanced $2,505 to the Company for working capital purposes. These amounts are interest-free and payable on demand.
4. During the fiscal year ended July 31, 2024, the Company entered into loans with a member of the Board of Directors in the cumulative amount of $22,000. The loans bear interest at 10% per annum and are due on demand.

10. SEGMENTED INFORMATION

The Company has one industry segment, the exploration and development of mineral property interests, and operates in two geographic segments, Canada and the USA. As at April 30, 2025, and July 31, 2024, mineral property interests are held in the USA as below:

April 30, 2025	**July 31, 2024**
$0	$671,634

(Expressed in Canadian Dollars)

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The carrying values of trade and other payables, loans payable, convertible loans and due to related parties approximate their fair values of these financial instruments.

Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to mitigating liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due. The Company has a working capital deficiency at April 30, 2025 of $4,448,247 and will be required to generate additional funding to meet its contractual financial liabilities.

Market risk

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

(i) Interest rate risk

All of the Company's loans payable have fixed interest rates and therefore the Company has no interest rate risk.

(ii) Foreign currency risk

The Company is exposed to foreign currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar (primarily US dollars). The Company does not manage currency risk through hedging or other currency management tools. The Company's net exposure to foreign currency risk is as follows:

	April 30, 2025 **$**	**July 31, 2024** **$**
Cash	-	-
Accounts payable	10,317	48,331
Total exposure to currency risk		
Canadian dollar equivalent	13,540	63,607
Estimated fluctuations in FX	10%	10%
Estimated impact on Company's net loss and comprehensive loss	1,350	6,300

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

There is no change to the Company's approach to risk management during the nine months ended April 30, 2025 or the year ended July 31, 2024.

12. CAPITAL MANAGEMENT

The Company is an exploration stage company and currently does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of share capital and the payments made by Barksdale under the property option agreement. The Company does not use other sources of financing that require fixed payments of interest and principal and is not subject to any externally imposed capital requirements.

The Company defines its capital as components of deficit. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget to manage its costs and commitments.

The Company's capital management objective is to maximize investment returns to its equity-linked stakeholders within the context of relevant opportunities and risks associated with the Company's operating segment. Achieving this objective requires management to consider the underlying nature of exploration activities, availability of capital, the cost of various capital alternatives and other factors. Establishing and adjusting capital requirements is a continuous management process. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions. The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the nine months ended April 30, 2025 and 2024.

13. OTHER EVENTS

On April 16, 2025 the Company announced an Annual General Meeting of Shareholders to be held on June 20, 2025 in Vancouver, B.C., with a record date of May 6, 2025.

14. SUBSEQUENT EVENTS

On May 12, 2025 the holders of certain Convertible Debentures extended maturity a further sixty (60) days to July 12, 2025.

On May 13, 2025, Barksdale Resources Corp. announced that it had completed its required 7,620 metres (25,000 feet) of drilling and $6 million defined expenditures that entitles it to acquire an initial 51% interest in the Sunnyside project (Note 3 above). Barksdale may conclude the acquisition of 51% by making payments of $1.0 million cash and 5.0 million Barksdale shares to the Company any time before September 2025.

On May 21, 2025 the British Columbia Securities Commission ("BCSC") and the Ontario Securities Commission (collectively the "Securities Regulators") revoked cease trade orders issued on December 11 and 30, 2015 respectively by the Securities Regulators. The Company previously announced its intention to make application to revoke the Cease Trade Orders on December 23, 2024. The Cease Trade Orders were issued as a result of the Company's failure to file its audited annual financial statements and related management discussion and analysis and other materials for the year ended July 31, 2015.

On June 20, 2025 the Company held an Annual General Meeting of shareholders (the "Meeting"). At the Meeting shareholders passed the resolutions set out in the management information circular of the Company dated May 16, 2025, including setting the number of directors at four and electing four directors. The directors elected include three incumbents, Drew Brass, Tony Louie, and Greg Thomas, as well as a new director, David Kirk.

In anticipation of the next phase of development with respect to the Sunnyside Property and commencement of the Joint Operating Agreement with Barksdale, Regal is changing its name to Great Basin Metals Inc.