



Financial Statements

As at December 31, 2025, and 2024

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Independent Auditor's Report

**Raymond Chabot
Grant Thornton LLP**
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To the Shareholders of
NeoTerrex Minerals Inc.

Opinion

We have audited the financial statements of NeoTerrex Minerals Inc. (hereafter "the Corporation"), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of loss and comprehensive loss, the statements of changes in equity and the statements of cash flows for the years ended December 31, 2025 and 2024, and notes to 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 Corporation as at December 31, 2025 and 2024, and its financial performance and its cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards").

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 Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 the 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 judgment 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation'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 Corporation'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 Corporation 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 on the audit resulting in this independent auditor's report is Carole Lepage.

Raymond Chabot Grant Thornton LLP

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Rouyn-Noranda
March 18, 2026

¹ CPA auditor, public accountancy permit no. A119351

NeoTerrex Minerals Inc.

Statements of Financial Position

As at December 31, 2025, and 2024

(In Canadian dollars)

	Note	2025	2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	4	2,696,129	3,250,957
Sales tax receivable		99,446	103,544
Tax credits and mining rights receivable		723,887	876,173
Prepaid expenses		12,800	15,304
Total assets		3,532,262	4,245,978
Liabilities			
Current liabilities			
Trade and other payables		608,704	262,482
Total liabilities		608,704	262,482
Equity			
Share capital	6	9,120,893	8,740,148
Warrants	6	79,000	395,400
Contributed surplus		1,211,322	815,922
Deficit		(7,487,657)	(5,967,974)
Total equity		2,923,558	3,983,496
Total liabilities and equity		3,532,262	4,245,978

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

On behalf of the Board of Directors

(s) Mathieu Stephens
Director

(s) V.E. Dale Burstall
Director

NeoTerrex Minerals Inc.

Statements of Loss and Comprehensive Loss

For the years ended December 31, 2025, and 2024

(In Canadian dollars, except for number of shares)

	Note	2025	2024
		\$	\$
Expenses			
Exploration and evaluation expenditures, net of tax credits and mining rights	7	892,199	1,654,358
Salaries	8	163,297	164,035
Share-based payments	8	-	760,000
Professional and consulting fees	8	226,965	282,609
Conferences and promotion		239,328	169,790
Regulatory and transfer agent fees		45,860	111,178
Insurance		36,094	40,301
Tax on flow-through shares under part XII.6 and III.14		(9,454)	26,526
Other		15,664	19,774
Total expenses		1,609,953	3,228,571
Other items			
Flow-through shares premium	5	-	384,512
Finance income		90,270	217,798
Total other items		90,270	602,310
Net loss and comprehensive loss		(1,519,683)	(2,626,261)
Loss per share – Basic and diluted		(0.02)	(0.03)
Weighted average number of shares outstanding – Basic and diluted		80,961,157	80,851,568

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

NeoTerrex Minerals Inc.

Statements of Changes in Equity

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

	Note	Number of Common Shares Outstanding	Share Capital	Warrants	Contributed Surplus	Deficit	Total Equity
			\$	\$	\$	\$	\$
Balance – December 31, 2023		80,851,568	8,740,148	395,400	55,922	(3,341,713)	5,849,757
Share-based payments	8	-	-	-	760,000	-	760,000
Net loss and comprehensive loss		-	-	-	-	(2,626,261)	(2,626,261)
Balance – December 31, 2024		80,851,568	8,740,148	395,400	815,922	(5,967,974)	3,983,496
Issue of unit on private placement	6	2,000,000	500,000	-	-	-	500,000
Less: Valuation of warrants	6	-	(79,000)	79,000	-	-	-
Unit issue cost		-	(40,255)	-	-	-	(40,255)
Initial fair value of warrants expired	6	-	-	(395,400)	395,400	-	-
Net loss and comprehensive loss		-	-	-	-	(1,519,683)	(1,519,683)
Balance – December 31, 2025		82,851,568	9,120,893	79,000	1,211,322	(7,487,657)	2,923,558

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

NeoTerrex Minerals Inc.

Statements of Cash Flows

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

	Note	2025	2024
		\$	\$
Operating activities			
Net loss		(1,519,683)	(2,626,261)
Adjustment for:			
Flow-through shares premium	5	-	(384,512)
Share-based payments	8	-	760,000
Changes in working capital items	11	490,810	(772,522)
Net cash from operating activities		(1,028,873)	(3,023,295)
Financing activities			
Proceeds from issuance of unit	6	500,000	-
Unit issue cost paid in cash		(25,955)	-
Net cash from financing activities		474,045	-
Change in cash and cash equivalents		(554,828)	(3,023,295)
Cash and cash equivalents, beginning of year		3,250,957	6,274,252
Cash and cash equivalents, end of year		2,696,129	3,250,957

Supplemental cash flow information (Note 11)

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

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

1. NATURE OF OPERATIONS AND NATURE OF ACTIVITIES

NeoTerrex Minerals Inc. (the "Corporation" or "NeoTerrex"), exists under the *Canada Business Corporations Act* ("CBCA") since December 21, 2023. The Corporation's common shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol NTX. Its head office is located at 5390 West River Drive, Ottawa, Ontario, K4M 1G4.

The Corporation is engaged in the acquisition and exploration of mineral properties for critical elements with its activities focused in prospective areas in Canada. The Corporation plans to ultimately develop the properties, bring them into production, option or lease the properties to third parties, or sell the properties outright. The Corporation has not determined whether these properties contain mineral reserves that are economically recoverable, and the Corporation is considered to be in the exploration stage. The Corporation will periodically have to raise additional funds to continue operations, 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.

Although the Corporation has taken steps to verify 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 Corporation's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

2. MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance with IFRS Accounting Standards and basis of preparation

The accompanying Financial Statements have been prepared in accordance with *International Financial Reporting Standards* ("IFRS Accounting Standards") as issued by the *International Accounting Standards Board* ("IASB"). The Financial Statements were approved and authorised for issue by the Board of Directors on March 18, 2026.

The Financial Statements have been prepared on an accrual basis and under the historical cost convention.

2.2 Functional and presentation currency

The Financial Statements are presented in Canadian dollars, which is the Corporation functional currency.

2.3 Financial assets and liabilities

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to receive the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards have been transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or when it expires.

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

Classification and initial measurement of financial assets

Financial assets are initially measured at fair value adjusted for transaction costs, if any.

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- Amortized cost;
- Fair value through profit or loss ("FVTPL");
- Fair value through other comprehensive income ("FVOCI").

In the periods presented, the Corporation does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both the Corporation's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the Statements of Loss and Comprehensive Loss are presented within finance income or finance cost, if any.

Subsequent valuation of financial assets – financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following condition:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Cash and cash equivalents are included in this category of financial instrument.

Impairment of financial assets

Financial assets at amortized cost are subject to impairment. The impairment provisions use the expected credit loss model. The Corporation considers a broader range of information when assessing credit losses, including past events, current conditions, reasonable and supportable forecasts that affect expected collectability of future cash flows of the financial instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Classification and measurement of financial liabilities

The Corporation's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposit, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.

2.5 Tax credits and mining rights receivable

The Corporation is entitled to a refundable tax credit on qualified exploration expenditures incurred and a refundable credit on duties for losses under the Mining Tax Act in Quebec (the "mining rights"). These tax credits are recognized as a reduction of the exploration costs incurred based on estimates made by management. The Corporation records these tax credits in the period when there is reasonable assurance with regard to collections and assessments and that the Corporation will comply with conditions associated with them.

2.6 Exploration and evaluation expenditures

The Corporation expenses all expenditures related to its exploration and evaluation properties until such time as the properties are put into commercial production. To date no commercial production has been carried out. Under this method, all amounts shown as exploration and evaluation expenditures represent costs incurred during the year less amounts reimbursed from exploration partners, if any.

2.7 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income taxes are calculated using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and their tax bases.

Deferred tax assets are recognized to the extent that is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Corporation's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are presented as noncurrent and generally recognized in full.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

2.8 Loss per share

Loss per share is computed by dividing the loss attributable to common equity holders of the Corporation by the weighted-average number of shares outstanding during the year. Diluted loss per share is calculated using the weighted average number of shares outstanding during the year for the calculation of the dilutive effect of dilutive instruments such as warrants and stock options unless they have an anti-dilutive effect.

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.9 Equity

Share capital represents the amount received on the issue of common shares. Warrants represent the allocation of the amount received from units issued as well as the charge recorded for the broker warrants relating to financing. If shares are issued when warrants or share-based payment are exercised, the share capital account also comprises the compensation costs previously recorded as warrants or in contributed surplus. In addition, if shares are issued as consideration for the acquisition of a mineral property, they are measured at their fair value on the day of the conclusion of the agreement and recorded in the Statement of Loss and Comprehensive Loss under exploration and evaluation expenditures.

Warrants include charges related to the issuance of warrants until such equity instruments are exercised or expired. On expiry, warrant values are transferred to Contributed Surplus.

Unit placements

Proceeds from unit placements are allocated between shares and warrants according to their respective fair value. The Corporation uses the Black-Scholes pricing model to determine the fair value of the warrants issued.

Flow-through placements

Issuance of flow-through shares represents in substance an issue of common shares and the sale of the right to tax deductions to the investors. When the flow-through shares are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the Statement of Financial Position. The proceeds received from flow-through shares are allocated between share capital and the liability using the residual method. Proceeds are first allocated to shares according to the estimated fair value of existing shares at the time of issuance and any residual in the proceeds is allocated to liability related to the premium on flow-through shares. When eligible expenses are incurred and the Corporation has the intention to renounce its right to tax deductions to the investors, the amount recognized in liability related to the premium on flow-through shares is reversed and is recognized in profit or loss under flow-through shares premium.

Share-based payments

The Corporation operates an equity-settled share-based payments plan for its eligible directors, officers, employees and consultants. The plan does not feature any options for a cash settlement.

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are presented in Note 8.

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Corporation revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Loss and Comprehensive Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to Contributed Surplus.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

Equity-settled share-based payments (except for agent compensation warrants) are ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus. Equity-settled share-based payments to agents, in respect of an equity financing are recognized as issue costs of the equity instruments with a corresponding credit to Warrants, in Equity.

Contributed surplus includes charges related to share-based payments until such equity instruments are exercised. It also includes all outstanding options and expired warrants. When options are exercised, the related compensation costs are transferred to Share Capital.

2.10 Share and unit issue cost

Share and unit issue cost are accounted for in the period in which they are incurred and are recorded as a deduction to share capital, net of any underlying income tax benefit from the share and unit issue cost, in the year in which the shares and units are issued.

2.11 Deficit

Deficit includes all current and prior period retained profits or losses.

2.12 Provision

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Corporation and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Corporation's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Corporation's operations are in compliance with the current laws and regulations. Site restoration costs currently incurred are negligible.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. As at December 31, 2025 and 2024, there is no provision in the Statements of Financial Position.

2.13 Segmented reporting

The Corporation is organized into business units based on mineral properties and has one business segment, being the acquisition and exploration of mineral properties. All of the Corporation's activities are conducted in Canada.

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14 Standards, amendments and interpretations of standards which are not yet in force, and which have not been early adopted by the Corporation

At the date of authorisation of the Financial Statements, several new, but not yet effective, IFRS Accounting Standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Corporation and no interpretations have been issued that are applicable and need to be taken into consideration by the Corporation at either reporting date. Management of the Corporation anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

IFRS 18, Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 to improve reporting of financial performance. The new standard replaces IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The new Accounting Standard introduces significant changes to the structure of income statements and introduces new principles for aggregation and disaggregation of information. The impact of the amendments has not yet been determined by the Corporation.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the settlement date and the introduction of an accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date if specific conditions are met. If an entity elects to apply this accounting policy, it must do so for all settlements made through the same electronic payment system.
- Additional guidance on how an entity should assess whether contractual cash flows of a financial asset are consistent with a basic lending arrangement. This is intended to assist an entity to apply the requirements for assessing contractual cash flow characteristics to financial assets with features linked to environmental, social and governance (ESG) concerns.
- Clarifications on what constitute non-recourse features and what are the characteristics of contractually linked instruments
- Additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and the introduction of disclosure of the contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 with earlier application permitted.

The Corporation does not anticipate that the amendments will have a material effect on the Corporation's financial statements.

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

The Corporation has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

In particular, the Corporation has identified the following areas where significant judgments, estimates, and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the Financial Statements.

Significant management judgments

The following are significant management judgments in applying the accounting policies of the Corporation and have the most significant effect on the Financial Statements.

Recognition of deferred income tax assets and measurement of income tax expense

The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. Judgment is also involved in the determination of the expected manner of realisation or settlement of the carrying amount of the Corporation's assets and liabilities which is expected to be through the sale of the Corporation's assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses within the next financial year, are described below. The Corporation based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Corporation. Such changes are reflected in the assumptions when they occur.

a) *Share-based payments*

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Corporation has made estimates as to the volatility of the Corporation's own shares, the probable life of share options and warrants granted and the time of exercise of those share options and warrants. The model used by the Corporation is the Black-Scholes valuation model (see Notes 6 and 8).

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

b) *Tax credits and mining rights*

The calculation of the Corporation's refundable tax credit on qualified exploration expenditure incurred and refundable credit on duties for losses 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 issued by the relevant taxation authority and payment has been received. Difference arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit and refundable credit on duties for losses, exploration expenditures, and income tax expense in future periods (See Note 2.5).

4. CASH AND CASH EQUIVALENTS

As at December 31, 2025, cash and cash equivalents consisted of cash of \$691,441 and guaranteed investment certificates ("GICs") of \$2,004,688, bearing interest at a rate of 2.3% per annum, redeemable at any time and maturing between October 20 and December 3, 2026.

As at December 31, 2024, cash and cash equivalents consisted of cash of \$332,102 and GICs of \$2,918,855, bearing interest at rates between 3.4% and 4.2% per annum, redeemable at any time and maturing between August 15 and December 3, 2025.

5. LIABILITY RELATED TO THE PREMIUM ON FLOW-THROUGH SHARES AND COMMITMENTS

	2025	2024
	\$	\$
Beginning balance	-	384,512
Reduction related to qualifying Canadian exploration expenditures	-	(384,512)
Ending Balance	-	-

Flow-through expenditure commitment

The Corporation is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Corporation is engaged in realizing mining exploration work.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placements;
- One year after the Corporation has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Corporation's exploration expenses will qualify as Canadian exploration expenses, even if the Corporation is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors.

Flow-through commitment obligations

The Corporation will indemnify the subscribers flow-through share offerings against certain tax related amounts that may become payable by the shareholder as a result of the Corporation not meeting its expenditure commitments.

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

6. EQUITY

a) Share capital

Authorized

Unlimited number of common shares having no par value, voting and participating.

b) Private placement

On December 11, 2025, the Corporation completed a non-brokered private placement for aggregate proceeds of \$500,000 through the issuance of 2,000,000 units at a price of \$0.25 per unit. Each unit consists of one common share and one-half common share purchase warrant, with each such whole warrant entitling the holder to subscribe for one additional common share at a price of \$0.40 per share until December 11, 2027.

The 1,000,000 warrants issued in connection with the unit financing were assigned a fair value of \$79,000, after a pro-rata allocation of the fair value of the units' components, estimated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 2.62%, expected volatility of 94%, dividend yield of 0% and expected life of two years. As a result, the balance of \$421,000 was allocated to share capital. The underlying expected volatility was determined by reference to historical data of the Corporation's shares over the expected average life of the warrants.

c) Warrants

Compensation warrants could be exercised for an equivalent number of common shares. A summary of changes is presented below:

	2025		2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
		\$		\$
Outstanding, beginning	5,296,125	0.37	5,296,125	0.37
Expired	(5,296,125)	0.37	-	-
Issued	1,000,000	0.40	-	-
Outstanding, end	1,000,000	0.40	5,296,125	0.37

Compensation warrants outstanding as at December 31, 2025 and 2024 are as follows:

2025		2024		Exercise Price	Expiry Date
Number of Warrants	Carrying Value	Number of Warrants	Carrying Value		
	\$		\$	\$	
1,000,000	79,000	-	-	0.40	December 11, 2027
-	-	125,000	11,250	0.20	June 17, 2025
-	-	512,850	51,285	0.25	December 21, 2025
-	-	339,275	30,535	0.30	December 21, 2025
-	-	4,319,000	302,330	0.40	December 21, 2025
1,000,000	79,000	5,296,125	395,400		

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

(In Canadian dollars)

6. EQUITY (CONT'D)

d) *Escrowed shares*

29,008,000 common shares and 2,867,000 warrants of the Corporation held by principals of the Corporation are subject to a surplus security escrow agreement, (the "Surplus Escrowed Shares") in accordance with the Exchange policies, whereby a 36-month escrow period applies, with 5% to be released upon issuance of the final Qualifying Transaction Exchange Bulletin ("the Bulletin") (issued on January 5, 2024), 5% being releasable on the date that is 6 months from the date of the Bulletin, 10% being releasable on the dates that are 12 months and 18 months from the date of the Bulletin, 15% being releasable on the dates that are 24 months and 30 months from the date of the Bulletin and 40% being releasable on the date that is 36 months from the date of the Bulletin. As at December 31, 2025, 20,305,600 common shares (26,107,200 common shares as at December 31, 2024) and no warrants (2,580,300 warrants as at December 31, 2024) are subject to this escrow.

A further 4,781,000 common shares were held under a CPC escrow agreement (the "CPC Escrowed Shares"), with 25% to be released on the date of the Bulletin, and a further 25% being releasable every six months thereafter. As at December 31, 2024, 2,390,500 common shares were subject to this escrow (Nil as at December 31, 2025).

In addition to the Surplus Escrowed Shares certain non-principals are subject to Value Security Escrow in accordance with the Exchange policies for an aggregate of 2,900,000 of the Corporation with 10% to be released on the date of the Bulletin, and a further 15% being releasable every six months thereafter. As at December 31, 2025, 1,305,000 common shares (2,175,000 common shares as at December 31, 2024) are subject to this escrow.

e) *Policies and processes for managing capital*

The capital of the Corporation consists of the items included in Equity. The Corporation's objectives when managing capital are to maximize shareholders value, maintain an optimal share structure to reduce capital cost, safeguard its ability to continue its operations as well as its acquisition and exploration programs. As needed, the Corporation raises funds in the capital markets. The Corporation does not use long-term debt since it does not generate operating revenues. There is no dividend policy. The Corporation is not subject to any externally imposed capital requirements, including regulatory or contractual requirements. However, in connection with flow-through financings, the proceeds are required to be expended on qualifying Canadian exploration expenditures. The Corporation was in compliance with these requirements as at December 31, 2024, in respect of the flow-through financing completed in 2023.

The Corporation's properties are at the exploration stage and, as a result, the Corporation has relied on equity financing to fund its activities. Subject to the availability of funding, the Corporation will continue to evaluate and pursue additional properties with sufficient geological or economic potential.

NeoTerrex Minerals Inc.

Notes to Financial Statements

For the years ended December 31, 2025, and 2024

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7. EXPLORATION AND EVALUATION EXPENDITURES

	2025	2024
	\$	\$
Mineral acquisition and maintenance costs	35,611	86,700
Exploration and evaluation expenses, net of tax credits and mining rights	856,588	1,567,658
	892,199	1,654,358

Mineral acquisition and maintenance costs	Interest	2025	2024
		\$	\$
Quebec			
Mount Discovery	100%	317	1,657
Valour	Refer below for details	1,799	5,847
Galactic	100%	8,249	44,993
Gravitas	100%	6,048	-
Revolver	100%	-	8,393
Monument	100%	1,030	2,926
Strange Lake West	100%	9,608	14,966
Decelles	100%	5,151	-
Lindsay	100%	714	-
Beauchene	100%	-	-
Roman	100%	-	-
Riel	100%	2,695	-
Other	100%	-	7,918
		35,611	86,700

Exploration and evaluation expenses, net of tax credits and mining rights	2025	2024
	\$	\$
Quebec		
Mount Discovery	32,314	750,008
Valour	61,083	704,998
Galactic	323,042	471,108
Gravitas	257,607	-
Revolver	78,042	203,831
Monument	801,103	76,767
Strange Lake West	21,753	8,334
Decelles	1,400	560
Lindsay	280	4,060
Beauchene	280	4,215
Roman	474	8,996
Riel	280	-
Other	2,817	1,540
Sub-total	1,580,475	2,234,417
Less: tax credits and mining rights	(723,887)	(666,759)
	856,588	1,567,658

NeoTerrex Minerals Inc.

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7. EXPLORATION AND EVALUATION EXPENDITURES (CONT'D)

Mount Discovery

The Corporation owns the Mount Discovery property, and some claims are subject to a 2.5% net smelter royalty ("NSR"). The Corporation has a right to purchase one-half (1.25%) of the NSR for \$1,000,000. 1% of the NSR is held by the President, Chief Executive Officer ("CEO") and a director of the Corporation and 0.5% of the NSR is held by a company which is a shareholder of the Corporation and a director of the Corporation is an officer of this company.

Valour

On September 13, 2024, amended on October 16, 2024, the Corporation entered into an option agreement, pursuant to which the Corporation has been granted the right to acquire 50% of the title and interest in and to 34 mineral claims. 19 claims ("Block A") are owned by a non-related party and 15 claims ("Block B") are owned by the President, CEO and a director of the Corporation.

Pursuant to the terms of this agreement, to earn a 50% undivided interest in this property, the Corporation must, for the Block A, pay a total of \$5,000 to the vendor (paid as at December 31, 2024) and incur \$300,000 in work expenditures by December 31, 2025, and for the Block B, incur \$200,000 in work expenditures by December 31, 2025. Once the Corporation earns its initial interest of 50%, each party would contribute to the expenses pro-rate to their participating interest subject to subsequent adjustments in ownership made in accordance with the proportionate funding and dilution terms of the agreement. Dilution below 10% interest results in conversion of the interest to a 2% NSR with the right to purchase one-half (1%) of the NSR for \$1,000,000. The Corporation shall continue as the operator if it has at least a 50% interest in the joint operation.

The Corporation earned an initial 50% interest in Block A as of December 31, 2024, and continues to hold a 50% interest as at December 31, 2025.

The Corporation earned an initial 50% interest and an additional 35% interest, in Block B in accordance with the dilution provisions of the agreement, resulting in a total interest of 85% as of December 31, 2024. As at December 31, 2025, the Corporation holds a 100% in Block B, following the conversion of the remaining interest, diluted below 10%, into a 2% NSR.

Galactic

On February 16, 2024, amended on June 13, 2024, the Corporation entered into an agreement to acquire 22 claims in exchange for a cash payment of \$26,250 and granted a 2% NSR with the right to purchase one-half (1%) of such NSR for \$1,000,000.

Roman

The property is subject to a 2.0% NSR held by the President, CEO and a director of the Corporation. The Corporation has a right to purchase one-half (1%) of the NSR for \$500,000.

NeoTerrex Minerals Inc.

Notes to Financial Statements

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(In Canadian dollars)

8. EMPLOYEE REMUNERATION

a) Salaries

	2025	2024
	\$	\$
Salaries	232,100	221,250
Director fees	6,000	7,500
Benefits	15,403	13,641
	253,503	242,391
Less: salaries and benefits presented in exploration and evaluation expenditures	90,206	78,356
Salaries disclosed on the Statements of Loss and Comprehensive Loss	163,297	164,035

b) Share-based payments

Effective October 26, 2021, as amended on May 16, 2025, the Corporation adopted a stock option plan (the "Plan") to grant stock options to its directors, officers, employees and consultants. The most important terms are as follows:

- a) In accordance with the policies of the Exchange, the aggregate number of securities reserved for issuance under the Plan, at any point in time, will be 10% of the number of common shares of the Corporation issued and outstanding at the time the option is granted on a non-diluted basis, less any common share reserved for issuance under share options granted under share compensation arrangements other than the Plan;
- b) The exercise price of option grants will be determined by the Board of Directors but cannot be less than the closing market price of the common shares on the Exchange at the time of grant, less any applicable discount under the Exchange policies only for the consultants;
- c) All options granted under the Plan will expire no later than ten years from the date of grant;
- d) Options expire not later than 90 days after the optionee ceases to be a director or officer of the Corporation and not later than 30 days for the employees and consultants of the Corporation, subject to the expiry date of the option;
- e) All share-based payments will be settled in equity and the Corporation has no legal or constructive obligation to repurchase or settle the options in cash.

On January 29, 2024, the Corporation granted to its directors and officers 4,000,000 options exercisable at \$0.25 per option, valid for a term of five years and vesting immediately. The estimated fair value of \$0.19 per option amounts to a total share-based payments expense of \$760,000. The fair value of the granted options was determined using the Black-Scholes option pricing model using the following assumptions: share price of \$0.25, an exercise price of \$0.25, risk-free interest rate of 3.43%, expected life of options of 5 years, expected volatility rate of 101% and an expected dividend rate of 0%.

The underlying expected volatility used in the Black-Scholes option pricing model was determined by reference to historical data of similar companies' shares over the expected average life of the options.

NeoTerrex Minerals Inc.

Notes to Financial Statements

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8. EMPLOYEE REMUNERATION (CONT'D)

Options outstanding and exercisable as at December 31, 2025, and 2024 are as follows:

Number of Options	Carrying Value	Exercise price	Expiry date
	\$	\$	
4,000,000	760,000	0.25	January 29, 2029

c) Compensation to Key management

The Corporation's key management personnel include the President & CEO, the Chief Financial Officer & Corporate Secretary as well as members of the board of directors. Key management remuneration is as follows:

	2025	2024
	\$	\$
Short-term benefits		
Salaries including benefits	163,297	163,746
Professional and consulting fees	78,470	94,860
Unit issue cost	8,503	-
Long-term compensation		
Share-based payments	-	760,000
Total compensation	250,070	1,018,606

The Corporation has an employment agreement with the President and CEO and a consulting agreement with a wholly-owned company of the Vice-President and Corporate Secretary. Both agreements provide that, in the event of termination without cause or of a change of control, aggregate compensation of \$475,000 is payable.

d) Related party transactions in the normal course of operations

In addition to the amounts listed above in the compensation to key management and elsewhere in the Financial Statements, the following are the related party transactions:

The Vice-President & Corporate Secretary of the Corporation provided the Corporation with management consulting services through his wholly owned company. During 2025, this officer indirectly charged professional fees of \$86,973 (\$94,860 in 2024) debited to professional and consulting fees (\$78,470 in 2025 and \$94,860 in 2024) and unit issue cost (\$8,503 in 2025 and \$Nil in 2024). In addition, his company charged \$44,600 (\$47,990 in 2024) for the support staff in respect of bookkeeping and administrative support. As at December 31, 2025, there was an outstanding payable of \$14,544 (\$8,724 as at December 31, 2024) to his company.

A law firm in which a director of the Corporation is a partner provided the Corporation with legal services. During 2025, the firm invoiced fees of \$54,419 (\$61,049 in 2024) debited to professional and consulting fees (\$47,672 in 2025 and \$61,049 in 2024) and unit issue cost (\$6,747 in 2025 and \$Nil in 2024). The amount billed is based on normal market rates. As at December 31, 2025, there was a payable of \$26,768 (\$9,541 as at December 31, 2024) owing to his firm.

NeoTerrex Minerals Inc.

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8. EMPLOYEE REMUNERATION (CONT'D)

During 2025, the Corporation incurred \$346,213 (\$201,069 in 2024) for helicopter transportation services provided by Héli-Transport Inc. ("HTI") for the transport of personnel and equipment to its properties. HTI is considered a related party as it is related to HTS Holdings Inc. ("HTS"), a shareholder of the Corporation. A director of the Corporation is also an officer of HTS. As at December 31, 2025, there was a payable of \$244,714 (\$Nil as at December 31, 2024) owing to HTI.

The transactions were conducted in the normal course of operations and were measured at the exchange amount, being the amount established and agreed to by the related parties, which approximates prevailing market rates.

9. INCOME TAXES

(a) Relationship between expected tax expense and accounting profit or loss

The relationship between the expected tax expense based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the Statement of Loss and Comprehensive Loss can be reconciled as follows:

	2025	2024
	\$	\$
Expected tax recovery calculated using the combined federal and provincial tax rate of 26.5% (26.5% in 2024)	(402,716)	(797,855)
Adjustment to expected income tax benefit		
Tax effect of flow-through renunciation	-	261,077
Share-based payments	-	201,400
Prior year adjustments	-	(65,531)
Non-deductible expenses and other	(17,485)	(11,212)
Temporary differences not recognized	420,201	412,121
Income tax expense	-	-

(b) Major components of tax expenses (income)

The major components of tax expenses (income) are outlined below:

	2025	2024
	\$	\$
Origination of temporary differences	(420 201)	(607,667)
Tax effect of flow-through shares renunciation	-	261,077
Prior year adjustments	-	(65,531)
Change in temporary differences not recognized	420 201	412,121
Income tax expense	-	-

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Notes to Financial Statements

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(In Canadian dollars)

9. INCOME TAXES (CONT'D)

(c) Deferred income taxes

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

	2025		2024	
	Federal	Provincial	Federal	Provincial
	\$	\$	\$	\$
Net operating losses carried-forward	3 195 116	3,189,951	2,364,353	2,364,328
Share and unit issue cost	323 068	323,068	492,362	492,362
Exploration and evaluation expenditures	2,050,173	3,577,173	1,083,488	2,610,488
	5,568,357	7,090,192	3,940,203	5,467,178

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can use the benefits.

Recognized deferred income tax assets and liabilities

	Balance as at December 31, 2024	Recognized in profit and loss	Balance as at December 31, 2025
	\$	\$	\$
Tax credits and mining rights receivable	(71,567)	(3,114)	(74,681)
Exploration and evaluation expenditure	71,567	3,114	74,681
		-	-
Income tax expense		-	

Recognized deferred income tax assets and liabilities

	Balance as at December 31, 2023	Recognized in profit and loss	Balance as at December 31, 2024
	\$	\$	\$
Tax credits and mining rights receivable	(19,974)	(51,593)	(71,567)
Exploration and evaluation expenditure	19,974	51,593	71,567
		-	-
Income tax expense		-	

As of December 31, 2025, the Corporation has available non-capital losses for Canadian income tax purposes which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses will expire in the following years:

	Federal	Provincial
	\$	\$
2041	104,606	104,606
2042	489,048	489,049
2043	974,362	974,336
2044	796,337	796,337
2045	830 763	825,623
Income tax expense	3 195 116	3,189,951

NeoTerrex Minerals Inc.

Notes to Financial Statements

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(In Canadian dollars)

10.FINANCIAL INSTRUMENTS

Financial Risk Factors

The Corporation has exposure to credit risk and liquidity risk. The Corporation's Board of Directors has overall responsibility for the oversight of these risks and reviews the Corporation's policies on an ongoing basis to ensure that these risks, which are summarized below, are appropriately managed.

The Corporation does not actively engage in the trading of financial instruments for speculative purposes.

Credit risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its counterparties to fulfill their obligations on maturity periods or due to adverse market conditions.

The Corporation's financial assets exposed to credit risk are primarily composed of cash and cash equivalents. The carrying amount of cash and cash equivalents represents the Corporation maximum credit exposure.

The credit risk for cash and cash equivalent is considered negligible, since the counterparty is a reputable Canadian bank with high quality external credit ratings.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. Liquidity risk management serves to maintain a sufficient amount of cash and cash equivalents and to ensure that the Corporation has financing source for a sufficient amount.

Since its incorporation, the Corporation has financed its exploration and evaluation programs, its working capital requirements and acquisition of mineral properties through private financings and the issuance of equity. As at December 31, 2025, the Corporation has a working capital of \$2,923,558 (\$3,983,496 as at December 31, 2024) including cash and cash equivalents of \$2,696,129 (\$3,250,957 as at December 31, 2024). Management believes it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due.

The Corporation will periodically have to raise additional funds to continue operations, 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.

As at December 31, 2025, the contractual maturity of the Corporation's trade and other payables of \$608,704 (\$262,482 as at December 31, 2024) are normally paid within 30 days and are subject to normal trade terms.

Fair value

The carrying value of cash and cash equivalents, and trade and other payables are considered to be a reasonable approximation of their fair value because of the short-term maturity and contractual terms of these instruments.

NeoTerrex Minerals Inc.

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11.SUPPLEMENTAL CASH FLOW INFORMATION

	2025	2024
Changes in non-cash operating working capital:	\$	\$
Sales tax receivable	4,098	(6,521)
Tax credits and mining rights receivable	152,286	(666,759)
Prepaid expenses	2,504	22,960
Trade and other payables	331,922	(122,202)
	490,810	(772,522)
Non-cash transactions excluded from the Statements of Cash Flows:		
Trade and other payables related to unit issue cost	14,300	-