

Cartier Resources Inc.

(an exploration company)

Financial statements

Years ended December 31, 2025 and 2024



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cartier Resources Inc.

Opinion

We have audited the financial statements of Cartier Resources Inc. (the "Entity"), which comprise:

- the statements of financial position as at December 31, 2025 and December 31, 2024
- the statements of loss and comprehensive loss for the years then ended
- the statements of changes in equity for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 auditor's report.

We are independent of the Entity 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.



Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Entity's ability to continue as a going concern depends on its ability to obtain the necessary financing to complete exploration and development, and its ability to realize future profitable production or proceeds from the disposition thereof. While it has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future

As stated in Note 1 in the financial statements, these events or conditions, along with other matters as set forth in Note 1 in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. 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.

In addition to the matter described in the "***Material Uncertainty Related to Going Concern***" section of the auditor's report, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Evaluation of Indicators of Impairment for Mining Assets and Deferred Exploration Costs

Description of the matter

We draw attention to Notes 2.3, 2.7, 2.11 and 9 of the financial statements. The Entity has mining assets of \$7,346,773 and deferred exploration costs of \$27,919,641. The carrying amounts of mining assets and deferred exploration costs are assessed by the Entity for impairment when indicators of impairment exist, typically when one of the following circumstances applies:

- Exploration rights have expired or will expire in the near future.
- No significant future exploration expenditures are foreseen.
- No commercially viable quantities are discovered and exploration and evaluation activities will be discontinued.
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale.
- The Entity completes an evaluation at each reporting period of potential impairment indicators. If any such indicator exists, then the asset's recoverable amount is estimated.



Why the matter is a key audit matter

We identified the evaluation of indicators of impairment for mining assets and deferred exploration costs as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of mining assets and deferred exploration costs. This matter was of most significance due to the difficulties in evaluating the results of our audit procedures to assess the Entity's determination of whether the factors, individually and in the aggregate, resulted in indicators of impairment.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following.

We evaluated the Entity's impairment indicators analysis and considered whether it was consistent with information obtained in other areas of the audit by:

- Assessing the status of the Entity's exploration rights through discussions with management and inspection of available correspondence with government authorities, to identify if any rights could be lost or not renewed by the Entity or by the government authorities.
- Evaluating whether future exploration expenditures are planned by the Entity and whether exploration and evaluation activities will be discontinued by:
 - Inspecting budgeted expenditures for the upcoming year and by considering the available cash flows, including the financing closed subsequent to year-end, to meet these budgeted expenditures.
 - Reading the Entity's internal and external communications and publicly available market information, such as meeting minutes, Entity's technical reports, press releases, management's discussion and analysis and commodity market prices.
 - Evaluating the Entity's ability to accurately budget the exploration expenditures by comparing the Entity's prior year budgeted exploration expenditures to the actual exploration expenditures incurred.

Other Information

Management is responsible for the other information. 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 and will 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 and remain alert for indications that the other information appears to be materially misstated.



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We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at 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 the 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 as issued by the International Accounting Standards Board, 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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- Determine, from the matters communicated with those charged with governance, 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 auditor's 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 auditor's report is Marc-André Fontaine.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Montréal, Canada

April 23, 2026

Cartier Resources Inc.

(an exploration company)

Statements of financial position

(In Canadian dollars)

	December 31, 2025	December 31, 2024
	\$	\$
Assets		
Current		
Cash (note 4)	7,749,672	1,228,177
Other short-term financial assets (note 5)	131,250	144,600
Receivables (note 6)	1,066,967	973,779
Prepaid expenses	130,411	21,467
	9,078,300	2,368,023
Non-current		
Property, plant and equipment (note 7)	41,911	10,751
Right-of-use assets (note 8)	45,605	82,089
Mining assets and deferred exploration costs (note 9)	35,266,414	35,350,120
	44,432,230	37,810,983
TOTAL ASSETS	44,432,230	37,810,983
Liabilities		
Current		
Accounts payable and accrued liabilities	526,121	162,466
Current portion of lease obligations (note 10)	37,303	36,201
Liability related to flow-through shares (note 17)	819,660	346,154
	1,383,084	544,821
Non-current		
Lease obligations (note 10)	9,501	46,803
Deferred income and mining taxes (note 16)	3,864,446	3,756,043
	5,257,031	4,347,667
TOTAL LIABILITIES	5,257,031	4,347,667
Equity		
Share capital and warrants (note 11)	70,021,107	60,556,122
Warrants - agent	127,713	-
Contributed surplus	4,841,046	4,468,031
Deficit	(35,745,347)	(31,406,293)
Accumulated other comprehensive loss	(69,320)	(154,544)
	39,175,199	33,463,316
TOTAL EQUITY	39,175,199	33,463,316
TOTAL LIABILITIES AND EQUITY	44,432,230	37,810,983

Basis of preparation and going concern (note 1)

Contingencies and commitments (note 17)

Subsequent event (note 21)

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

Approved on behalf of the Board of Directors

(Signed) Philippe Cloutier, Director

(Signed) Alain Laplante, Director

Cartier Resources Inc.

(an exploration company)

Statements of changes in equity

(In Canadian dollars)

	Number of shares	Share capital and warrants \$	Warrants agent \$	Contributed surplus \$	Deficit \$	Accumulated other comprehensive loss \$	Total equity \$
BALANCE AS AT DECEMBER 31, 2024	364,611,087	60,556,122	-	4,468,031	(31,406,293)	(154,544)	33,463,316
Net loss for the year	-	-	-	-	(4,339,054)	-	(4,339,054)
Other comprehensive loss	-	-	-	-	-	85,224	85,224
Total comprehensive loss	-	-	-	-	(4,339,054)	85,224	(4,253,830)
Issuance of shares net of issue costs (note 11)	76,692,053	9,009,294	127,713	-	-	-	9,137,007
Share-based payments (note 11)	-	-	-	567,456	-	-	567,456
Exercise of options (note 11)	2,900,000	439,691	-	(194,441)	-	-	245,250
Exercise of warrants (note 11)	100,000	16,000	-	-	-	-	16,000
BALANCE AS AT DECEMBER 31, 2025	444,303,140	70,021,107	127,713	4,841,046	(35,745,347)	(69,320)	39,175,199
BALANCE AS AT DECEMBER 31, 2023	351,800,077	59,443,625	-	4,100,303	(21,264,579)	(160,944)	42,118,405
Net loss for the year	-	-	-	-	(10,141,714)	-	(10,141,714)
Other comprehensive loss	-	-	-	-	-	6,400	6,400
Total comprehensive loss	-	-	-	-	(10,141,714)	6,400	(10,135,314)
Issuance of shares net of issue costs (note 11)	12,811,010	1,112,497	-	-	-	-	1,112,497
Share-based payments (note 11)	-	-	-	367,728	-	-	367,728
BALANCE AS AT DECEMBER 31, 2024	364,611,087	60,556,122	-	4,468,031	(31,406,293)	(154,544)	33,463,316

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

Cartier Resources Inc.

(an exploration company)

Statements of loss and comprehensive loss

Years ended December 31

(In Canadian dollars)

	<u>2025</u>	<u>2024</u>
	\$	€
Administrative expenses		
Salaries (note 12)	658,418	582,594
Consultants	9,515	1,723
Share-based payments (note 11)	483,519	287,999
Professional fees	123,325	131,422
Business development expenditures (analysts and brokers)	187,362	143,897
Road shows and gold shows	229,249	29,156
Investor relations	235,223	64,843
Insurance, taxes and permits	28,979	27,650
Depreciation of property, plant and equipment	4,740	3,243
Depreciation of right-of-use assets	21,573	21,097
Loss on disposal of property, plant and equipment	57	1,136
Office supplies	73,573	39,045
Telecommunications	7,286	6,068
Training and travel	13,898	18,504
Advertising and sponsoring	38,886	7,027
Information to shareholders	38,830	42,719
Part XII.6 tax related to flow-through shares	12,944	44,863
	<u>2,167,377</u>	<u>1,452,986</u>
Other expenses (income)		
Sale of property option (note 9 (a) (b) (c) (d))	(257,750)	(28,000)
Write-down of mining assets and deferred exploration costs (note 9)	3,388,054	9,921,411
Other exploration costs	11,029	2,176
Financial expenses (note 13)	43,098	6,322
Interest income	(162,395)	(99,064)
	<u>(5,189,413)</u>	<u>(11,255,831)</u>
Loss before deferred income and mining taxes	(5,189,413)	(11,255,831)
Deferred income and mining taxes (note 16)	(850,359)	(1,114,117)
	<u>(4,339,054)</u>	<u>(10,141,714)</u>
Net loss for the year attributable to shareholders	(4,339,054)	(10,141,714)
Change in fair value of other short-term financial assets (note 5)	85,224	6,400
Comprehensive loss for the year attributable to shareholders	(4,253,830)	(10,135,314)
Loss per share		
basic and diluted	<u>(0.01)</u>	<u>(0.03)</u>
Weighted average number of common shares outstanding		
basic and diluted	<u>418,331,881</u>	<u>354,519,268</u>

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

Cartier Resources Inc.

(an exploration company)

Statements of cash flows

Years ended December 31

(In Canadian dollars)

	<u>2025</u>	<u>2024</u>
	\$	\$
OPERATING ACTIVITIES		
Net loss	(4,339,054)	(10,141,714)
Adjustments for:		
Deferred income and mining taxes (note 16)	(850,359)	(1,114,117)
Share-based payments (note 11)	483,519	287,999
Sale of property option (note 9 (a) (b) (c) (d))	(257,750)	(28,000)
Write-down of mining assets and deferred exploration costs (note 9)	3,388,054	9,921,411
Interest on lease obligations	1,008	1,062
Depreciation of property, plant and equipment	4,740	3,243
Depreciation of right-of-use assets	21,573	21,097
Loss on disposal of property, plant and equipment	57	1,136
Interest paid on lease obligations capitalized as mining assets and deferred exploration costs (note 10)	(1,996)	(2,255)
Interest income	(162,395)	(99,064)
Interest received	156,959	99,064
	<u>(1,555,644)</u>	<u>(1,050,138)</u>
Net change in non-cash working capital items		
Receivables	(84,112)	(162,301)
Prepaid expenses	(108,944)	19,624
Accounts payables and accrued liabilities	17,748	(9,417)
Cash flows used in operating activities	<u>(1,730,952)</u>	<u>(1,202,232)</u>
FINANCING ACTIVITIES		
Proceeds from shares and warrants issuance (note 11)	11,398,595	1,487,432
Shares issue expenses (note 11)	(832,907)	(21,985)
Exercise of warrants (note 11)	16,000	-
Exercise of options (note 11)	245,250	-
Payments on lease obligations (note 10)	(36,200)	(35,662)
Cash flows from financing activities	<u>10,790,738</u>	<u>1,429,785</u>
INVESTING ACTIVITIES		
Disposal of other short-term financial assets (note 4)	156,324	-
Disposal of property's option (note 9)	200,000	-
Acquisition of property, plant and equipment	(38,365)	(2,210)
Tax credits received	-	266,137
Acquisition of mining assets and deferred exploration costs (note 8)	(2,856,250)	(4,003,001)
Cash flows used in investing activities	<u>(2,538,291)</u>	<u>(3,739,074)</u>
Net change in cash	6,521,495	(3,511,521)
Cash at the beginning of the year	1,228,177	4,739,698
Cash at the end of the year	7,749,672	1,228,177

Additional information (note 14)

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

Cartier Resources Inc.

(an exploration company)

Notes to the financial statements for the years ended December 31, 2025 and 2024

(In Canadian \$)

Incorporation and nature of operations

Cartier Resources Inc. (the "Company"), initially incorporated under Part 1 A of the Québec *Companies Act* on July 17, 2006, has been governed by the *Business Corporations Act* (Québec) since February 14, 2011. The head office is at 1740, chemin Sullivan, Suite 1000, Val-d'Or, Québec. Its activities primarily include the acquisition and exploration of mining properties in Canada.

The Company has not yet determined whether these properties contain economically recoverable ore reserves. Although, at the current stage of the exploration work, the Company is taking all industry standard measures to ensure that the mining property titles in which it has a financial interest are in good standing, these measures in place do not guarantee property titles to the Company. Property titles may be subject to prior unregistered agreements or non-compliance with regulatory requirements.

The recoverability of amounts reported for mining properties and deferred exploration expenses is dependent on the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production, or the proceeds of the transfer of such property. At the date of the financial statements, the carrying value of mining properties and deferred exploration expenses represents, in management's opinion, the best estimate of their net recoverable value. This value could however be reduced in the future.

On April 23, 2026, the Company's Board of Directors approved these annual financial statements.

1. Basis of preparation and going concern

Cartier Resources Inc. is an exploration companies with activities in Canada.

These financial statements were prepared on a going concern basis, using historical costs method, except for "Other short-term financial assets" which are measured at fair value and equity classified share-based payment arrangements which are measured at fair value at grant date pursuant to IFRS 2, Share-based payment.

The financial statements have been prepared on a going concern basis, meaning that the Company will be able to realize its assets and discharge its commitments and liabilities in the normal course of operations. To date, the Company has not earned revenues and is in the exploration and development stage. The Company has incurred a net loss and negative cash flow from operations of \$4,339,054 and \$1,730,952, respectively, during the year ended December 31, 2025, and has a deficit of \$35,745,347 as at December 31, 2025. The Company's ability to continue as a going concern depends on its ability to obtain the necessary financing to complete exploration and development, and its ability to realize future profitable production or proceeds from the disposition thereof. While it has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future. Management expects that the working capital (current assets less current liabilities) available to the Company, will cover its budgeted general administrative expenses and to meet its short-term obligations for the next 12 months. The Company has not yet determined whether its properties contain economically recoverable ore reserves. The recoverability of the amounts shown for mining properties is dependent on a number of factors outside the Company's control, including the existence of economic ore reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and future profitable production or proceeds from the disposal of properties. The above conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material.

Cartier Resources Inc.

(an exploration company)

Notes to the financial statements for the years ended December 31, 2025 and 2024

(In Canadian \$)

2. Material accounting policies

2.1 Overall considerations

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The material accounting policies that have been applied in the preparation of these financial statements are summarized below.

2.2 Share-based compensation

The Company has a stock option plan under which it may grant options to directors, officers, employees and consultants to acquire common shares of the Company. This plan does not include a cash settlement feature.

When an employee is compensated by means of share-based payments, the fair value of the options granted is measured at the date of grant using the Black-Scholes valuation model. Share-based compensation is recorded as an expense or as exploration costs, with the counterpart as an increase in "contributed surplus".

Where vesting periods or conditions apply, the expense is allocated over the vesting period on the basis of the best available estimate of the number of stock options expected to vest. Estimates are then revised at the end of each reporting period, or when there are indications that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustments prior to vesting are recognized in the current period. No adjustment is made to expenses recognized in prior periods if the number of stock options ultimately exercised differs from that expected at vesting.

When a stock option is exercised, the amounts received are credited to share capital. The fair value of each option is reversed from contributed surplus to share capital.

2.3 Mining assets and deferred exploration costs

The Company records its mining assets, including wholly-owned mining properties, undivided interests in mining properties and deferred exploration costs, at cost less certain recoveries.

Exploration costs are capitalized on the basis of each specific mining property or areas of geological interest until the mining assets to which they relate are placed into production, sold or allowed to lapse.

These costs will be amortized over the estimated useful life of the mining assets following commencement of production or written off if the mining assets or projects are sold or allowed to lapse.

General exploration costs not related to specific mining assets are expensed in the statement of loss and comprehensive loss as incurred.

The recoverability of the amounts recorded under mining assets and deferred exploration costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the financing needed to complete development, and future profitable production or proceeds from the disposal of these properties. The amounts shown for mining properties and deferred exploration costs are not necessarily indicative of present or future values.

Exploration and evaluation expenditures are costs incurred in the course of initial search for mineral deposits with economic potential. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Cartier Resources Inc.

(an exploration company)

Notes to the financial statements for the years ended December 31, 2025 and 2024

(In Canadian \$)

2. Material accounting policies (continued)

2.3 Mining assets and deferred exploration costs (continued)

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights, and the expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are capitalized as exploration and evaluation assets. Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-by-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less tax credits related to these expenses and any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable or is abandoned, the capitalized amounts are written down to their recoverable amounts and the difference is then immediately recognized in net loss.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property, plant and equipment in "Mining assets under construction". Before the reclassification, exploration and evaluation assets are tested for impairment and any impairment loss is recognized in profit or loss before reclassification.

At present, no technical feasibility or commercial viability of extracting a mineral resource has been confirmed.

Although the Company has taken steps to verify title to the mining properties in which it holds an interest, in accordance with industry practices for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Disposal of interest in connection with option agreement

On the disposal of interest in connection with an option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the considerations received directly from the acquirer are credited against the costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets or the sale of a written-off property option in profit or loss.

2.4 Credit on duties refundable and refundable tax credit for resources

The Company is entitled to a credit on duties refundable under the *Mining Duties Act*. This credit on duties refundable on exploration costs incurred in the Province of Quebec is recognized as a tax recovery on income. In accordance with IAS 12, *Income Taxes*, the credits on duties are applied against the deferred income taxes in the statement of financial position when the Company expects to continue holding the mining property once ready for production.

Furthermore, the Company is eligible for the refundable resource tax credit for mining companies on eligible exploration expenses incurred. The refundable tax credit may reach 28% of the amount of eligible expenses incurred between January 1 and March 25, 2025, and 22.5% of the amount of eligible expenses incurred after March 25, 2025. In accordance with IAS 20—*Accounting for Government Grants and Disclosure of Government Assistance*, this exploration tax credit has been applied to reduce the expenses incurred.

Cartier Resources Inc.

(an exploration company)

Notes to the financial statements for the years ended December 31, 2025 and 2024

(In Canadian \$)

2. Material accounting policies (continued)

2.5 Income and mining taxes

The income and mining tax expense is composed of current and deferred taxes. Taxes are recognized in the statement of loss unless they relate to items carried in other comprehensive income or directly in shareholders' equity.

Current income taxes and mining taxes

Current income tax and mining tax assets and/or liabilities comprise those obligations to, or claims from, tax authorities relating to the current or prior reporting periods that are unpaid at the reporting date. The current income tax expense is based on the income for the period adjusted for non-taxable or non-deductible items. The mining tax expense is based on the income for the period for each mining site under production adjusted for non-taxable or non-deductible items. Calculation of current income tax and mining taxes is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Management regularly examines positions in tax returns where tax regulations are subject to interpretation.

Deferred income taxes and deferred mining taxes

Deferred income taxes are recognized in respect of temporary differences between the tax basis of the assets and liabilities and their carrying amount in the statements of financial position. Deferred income tax assets and liabilities are calculated, on an undiscounted basis, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

2.6 Cash reserved for exploration

The Company raises flow-through funds for exploration under subscription agreements which require the Company to incur prescribed resource expenditures. These funds must be used for qualifying exploration expenditures for a pre-determined period. If the Company does not incur the resource expenditures, within a pre-determined timeframe, then it will be required to indemnify these shareholders for any tax and other costs payable by them.

2.7 Impairment of long-lived assets

Non-financial assets

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment.

The carrying amounts of mining properties and exploration and evaluation assets are assessed for impairment at the end of each reporting period or when indicators of impairment exist, typically when one of the following circumstances applies:

- Exploration rights have expired or will expire in the near future and it is not expected that they will be renewed;
- No future substantive exploration expenditures are budgeted;
- No commercially viable quantities discovered and exploration and evaluation activities will be discontinued;
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale.

At each reporting date, the entity performs an assessment of potential indicators of impairment. If such an indicator exists, the recoverable amount of the asset is estimated.

Cartier Resources Inc.

(an exploration company)

Notes to the financial statements for the years ended December 31, 2025 and 2024

(In Canadian \$)

2. Material accounting policies (continued)

2.7. Impairment of long-lived assets (continued)

Non-financial assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use, that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). The level identified by the Company for the purposes of testing exploration and evaluation assets for impairment corresponds to each mining property.

Mining properties and exploration and evaluation assets are also assessed for impairment upon the transfer of exploration and evaluation assets to development assets regardless of whether facts and circumstances indicate that the carrying amount of the exploration and evaluation assets is in excess of their recoverable amount.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to the assets in the unit (group of units) on a pro-rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8. Equity

Share capital represents the amount received on issue of shares less issue costs, net of any income tax benefit underlying these issue costs.

Flow-through financing

Canadian tax law allows a company to issue investment securities to investors for whom tax deductions for exploration expenses may be claimed by investors and not by the Company. These securities are called flow-through shares. The Company finances a portion of its exploration programs through the issuance of flow-through shares. On the issue date of the shares, the Company allocates the issue proceeds between the share capital and the obligation to remit tax deductions, which is recognized as a flow-through share liability. The Company estimates the fair value of the flow-through share liability using the residual method, deducting the market price of a common share at the price of a flow-through share on the closing date of the financing. A corporation may waive tax deductions based on what is known as the "general method" or the "retrospective method". When the waiver of tax deductions is made according to the general method, which the Company intends to make the waiver and capitalizes the expenses in the current year, then the Company records a deferred tax liability, with an expense of deferred tax. At this point, the obligation is reduced, with a tax recovery as a counterpart. When tax deductions are retrospectively waived, the Company records a deferred tax liability, with a deferred tax expense when the expenditures are made and capitalized. At this point, the obligation is reduced to zero, with a tax recovery as consideration. The Company uses the general method.

Cartier Resources Inc.

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Notes to the financial statements for the years ended December 31, 2025 and 2024

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2. Material accounting policies (continued)

2.8. Equity (continued)

Warrants

Warrants are classified as equity as they are derivatives over the Company's own equity that will be settled only by the Company exchanging a fixed amount of cash for a fixed number of the Company's own equity instruments.

2.9. Presentation and functional currency

The financial statements are presented in Canadian dollars, the functional currency of the Company.

2.10. Financial instruments

Classification and valuation of financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI); or 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. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The Company made the irrevocable election to designate its investment in marketable securities as financial assets measured at FVOCI. As a result, changes in fair value will be recorded in other comprehensive income. When the financial asset will be derecognized, the accumulated gains and losses previously recognized in other comprehensive income will not be reclassified to net income as a reclassification adjustment.

Cartier Resources Inc.

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Notes to the financial statements for the years ended December 31, 2025 and 2024

(In Canadian \$)

2. Material accounting policies (continued)

2.10. Financial instruments (continued)

Classification and measurement of financial liabilities

Financial liabilities are classified into the following categories:

A financial liability is subsequently measured at amortized cost using the effective interest rate method. The Company currently classifies its trade and other payables as financial liabilities measured at amortized cost.

Financial liabilities at fair value are initially measured at their fair value and are revalued at each closing date, any variation being recognized in net income.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and financial liabilities are offset, and the net balance is presented in the statements of financial position, if and only if the Company has an established right to offset the amounts recognized and if it intends either to settle the net amount, or realize the asset and settle the liability simultaneously.

The following table summarizes the classification of different financial assets and liabilities.

Asset/Liability	Classification under IFRS 9
Cash	Amortized cost
Other short-term financial assets	Fair value through other comprehensive income
Accounts payable and accrued liabilities	Amortized cost

2.11. Accounting estimates and critical judgments

The preparation of financial statements requires management to make estimates, assumptions and judgments with respect to future events. These estimates and judgments are constantly challenged. They are based on past experience and other factors, in particular, forecasts of future events that are reasonable in the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by management, and will seldom equal the estimated results.

The following paragraphs describe the judgments in applying accounting policies.

Critical judgments:

Impairment of assets

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable value. Management regularly reviews the impairment assessment of its mining assets and deferred exploration costs. Each year, the Company performs an assessment of potential indicators of impairment. If there is such an indicator, the recoverable amount of the asset is estimated (note 2.7).

Income taxes and deferred mining taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in interpreting and applying the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Cartier Resources Inc.

(an exploration company)

Notes to the financial statements for the years ended December 31, 2025 and 2024

(In Canadian \$)

3. Standards and new or revised interpretations

3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management provides that all new accounting pronouncements will be adopted in the Company's accounting policies during the first period following the effective date of each pronouncement. New standards, amendments and interpretations that have not been adopted in the current year have not been presented, with the exception of IFRS 18, as they are not expected to have a material impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure of newly defined management-defined performance measures in a single note, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest.

IFRS 18 and the amendments to the other standards are effective for reporting periods beginning on or after January 1, 2027, with earlier application permitted. IFRS 18 will apply retrospectively with specific transition provisions.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

4. Cash

As at December 31, 2025 and 2024, cash included an account bearing interest and an account without interest, as shown below:

	December 31, 2025		December 31, 2024	
	\$	Interest rate	\$	Interest rate
Account bearing interest	7,546,494	1.95%-2.95%	62,701	3.05%-4.55%
Account without interest	203,178	-	1,165,476	-
Total	7,749,672		1,228,177	

Cash includes \$2,868,809 of funds to be incurred in eligible exploration expenses before December 31, 2026 (\$1,000,000 as at December 31, 2024 of funds to be incurred in eligible exploration expenses before December 31, 2025).

Cartier Resources Inc.

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Notes to the financial statements for the years ended December 31, 2025 and 2024

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5. Other short-term financial assets

Marketable securities of a quoted mining exploration company, at fair value through other comprehensive loss.

	December 31, 2025	December 31, 2024
	\$	\$
Balance at the beginning of the year	144,600	110,200
Additions (note 9)	57,750	28,000
Disposal	(156,324)	-
Change of value	85,224	6,400
	<u>131,250</u>	<u>144,600</u>

6. Receivables

	December 31, 2025	December 31, 2024
	\$	\$
Credit on mining rights refundable and refundable tax credit for resources	786,278	782,637
Commodity taxes	280,689	191,142
	<u>1,066,967</u>	<u>973,779</u>

7. Property, plant and equipment

	Leasehold improvements	Furniture and equipment ⁽¹⁾	Total
	\$	\$	\$
Cost			
Balance as at December 31, 2023	113,127	50,058	163,185
Additions	-	2,210	2,210
Dispositions	-	(4,453)	(4,453)
Balance as at December 31, 2024	113,127	47,815	160,942
Additions	-	38,365	38,365
Dispositions	-	(1,686)	(1,686)
Balance as at December 31, 2025	<u>113,127</u>	<u>84,494</u>	<u>197,621</u>
Accumulated depreciation			
Balance as at December 31, 2023	113,127	35,281	148,408
Depreciation	-	5,101	5,101
Dispositions	-	(3,318)	(3,318)
Balance as at December 31, 2024	113,127	37,064	150,191
Depreciation	-	7,148	7,148
Dispositions	-	(1,629)	(1,629)
Balance as at December 31, 2025	<u>113,127</u>	<u>42,583</u>	<u>155,710</u>
Carrying amount as at December 31, 2024	-	10,751	10,751
Carrying amount as at December 31, 2025	<u>-</u>	<u>41,911</u>	<u>41,911</u>

⁽¹⁾ As at December 31, 2025, furniture and equipment with a carrying value of \$9,114 (\$4,667 as at December 31, 2024) are used for exploration.

Cartier Resources Inc.

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Notes to the financial statements for the years ended December 31, 2025 and 2024

(In Canadian \$)

8. Right-of-use assets

	Total Building
	\$
Balance as at December 31, 2023	117,768
Depreciation	(35,679)
Balance as at December 31, 2024	82,089
Depreciation	(36,484)
Balance as at December 31, 2025	45,605

9. Mining assets and deferred exploration costs

	Cadillac	Wilson ^(b)	Fenton ^(c)	Total
<i>Ownership interest</i>	100%	100%	100%	
	\$	\$	\$	\$
Mining assets				
Balance as at December 31, 2024	7,346,773	72,000	724,644	8,143,417
Write-down	-	(72,000)	(724,644)	(796,644)
Balance as at December 31, 2025	7,346,773	-	-	7,346,773

Deferred exploration costs				
Balance as at December 31, 2024	24,617,500	498,016	2,091,187	27,206,703
Additions				
Geology	370,711	244	333	371,288
Drilling	2,146,290	-	-	2,146,290
Exploration office expenses	6,387	-	-	6,387
Engineering	466,097	-	-	466,097
Metallurgy	53,087	-	-	53,087
Surveying and access roads	76,404	-	-	76,404
Duties, taxes and permits	80,921	760	870	82,551
Depreciation of exploration leasehold improvements	2,408	-	-	2,408
Depreciation of right-of-use assets	14,911	-	-	14,911
Interest on lease obligations	988	-	-	988
Share-based payments (note 11)	83,937	-	-	83,937
Total deferred exploration costs	3,302,141	1,004	1,203	3,304,348
Impairment of deferred exploration costs	-	(499,020)	(2,092,390)	(2,591,410)
Additions during the year	3,302,141	(498,016)	(2,091,187)	712,938
Total deferred exploration costs as at December 31, 2025	27,919,641	-	-	27,919,641
Total mining asset and deferred exploration costs as at December 31, 2025	35,266,414	-	-	35,266,414

All mining properties held by the Company are located in northwestern Québec.

The Company is subject to royalties on certain properties.

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Notes to the financial statements for the years ended December 31, 2025 and 2024

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9. Mining assets and deferred exploration costs (continued)

	Cadillac (formerly Chimo Mine)	Wilson ^(b)	Benoist ⁽¹⁾	Fenton ^(c)	Total
<i>Ownership interest</i>	100%	100%	100%	100%	
	\$	\$	\$	\$	\$
Mining assets					
Balance as at December 31, 2023	7,346,773	72,000	737,723	724,644	8,881,140
Write-down	-	-	(737,723)	-	(737,723)
Balance as at December 31, 2024	7,346,773	72,000	-	724,644	8,143,417
Deferred exploration costs					
Balance as at December 31, 2023	21,305,180	495,112	9,183,554	2,087,755	33,071,601
Additions					
Geology	396,181	2,342	-	3,297	401,820
Drilling	3,099,013	-	-	-	3,099,013
Geochemistry	279,569	-	-	-	279,569
Exploration office expenses	10,171	-	-	-	10,171
Surveying and access roads	208,703	-	-	-	208,703
Core shack rental and maintenance	235	-	-	-	235
Duties, taxes and permits	6,222	562	134	135	7,053
Depreciation of exploration leasehold improvements	1,859	-	-	-	1,859
Depreciation of right-of-use assets	14,582	-	-	-	14,582
Interest on lease obligations	1,193	-	-	-	1,193
Share-based payments (note 11)	79,729	-	-	-	79,729
Total deferred exploration costs	4,097,457	2,904	134	3,432	4,103,927
Impairment of deferred exploration costs	-	-	(9,183,688)	-	(9,183,688)
	4,097,457	2,904	(9,183,554)	3,432	(5,079,761)
Tax credits	(785,137)	-	-	-	(785,137)
Additions during the year	3,312,320	2,904	(9,183,554)	3,432	(5,864,898)
Total deferred exploration costs as at December 31, 2024	24,617,500	498,016	-	2,091,187	27,206,703
Total mining asset and deferred exploration costs as at December 31, 2024	31,964,273	570,016	-	2,815,831	35,350,120

All mining properties held by the Company are located in northwestern Québec.
The Company is subject to royalties on certain properties.

(1) Following an analysis of the work carried out to evaluate the future potential of each of the Company's properties, the exploration work on Benoist property was delayed for an indefinite period due to the project's difficult and costly logistics and access. The property represents 73 mining titles. As a result, the portions of the property for these claims and the related exploration expenses were written down for \$737,723 and \$9,183,688 as at December 31, 2024.

(a) On June 1, 2025, an option agreement was signed with Epic Gold Corp. (previously Exploits Discovery Corp.) ("Epic") to option 100% of the Company's interests in Benoist property located 70 km northeast of Lebel-sur-Quévillon. Upon signing the agreement, the Company received \$50,000 in cash and 437,500 common shares of Epic with a fair value of \$14,438. Those amounts were recorded in the statements of loss as the sale of an option on properties written-off during the year closed December 31, 2025.

In addition to the cash and common shares received at the signature of the option agreement, Epic will have the exclusive right to acquire a 100% interest by paying, over the four-year option period, cash payment totalling \$425,000 and issuing a total of 1,750,000 common shares of Epic to the Company and incurring exploration expenditures of at least \$3,500,000 on the Benoist property.

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Notes to the financial statements for the years ended December 31, 2025 and 2024

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9. Mining assets and deferred exploration costs (continued)

- (a) All shares issued under the agreement are subject to a four-month statutory hold period. If Epic acquires a 100% interest in the Benoist property, the Company will retain a 2% NSR production royalty on the Benoist property, of which 1% will be redeemable for \$2,000,000 and the other 1% will be redeemable by Epic for \$20,000,000.

The property Benoist was written off during the year ended December 31, 2024.

- (b) During the year ended December 31, 2025, the Company determined that there was an indicator of impairment and, in accordance with IAS 36, the Company wrote down the Wilson property. The property portions for mining rights and related exploration costs were written down by \$72,000 and \$499,020 respectively.

On June 1, 2025, subsequent to the written-down of the property, an option agreement was signed with Epic to option 100% of the interests in the Wilson property, located 15 km east of the municipality of Lebel-sur-Quévillon. Upon signing the agreement, the Company received \$100,000 in cash and 875,000 common shares of Epic with a fair value of \$28,875. Those amounts were recorded in the statements of loss as the sale of an option on properties written-off during the year closed December 31, 2025.

In addition to the cash and common shares received at the signature of the option agreement, Epic will have the exclusive right to earn a 100% interest by paying, over the four-year option period, cash payment totalling \$700,000 and issuing a total of 4,000,000 common shares of Epic to the Company and incurring exploration expenditures of at least \$4,750,000 on the Wilson property.

All shares issued under the agreement are subject to a four-month statutory hold period. If Epic acquires a 100% interest in the Wilson property, the Company will retain a 2% NSR production royalty on the Wilson property, of which 1% will be redeemable for \$2,000,000 and the other 1% will be redeemable by Epic for \$20,000,000.

- (c) During the year ended December 31, 2025, the Company determined that there was an indicator of impairment and, in accordance with IAS 36, the Company wrote down the Fenton property. The property portions for mining rights and related exploration costs were written down by \$724,644 and \$2,092,390 respectively.

On June 1, 2025, subsequent to the written-down of the property, an option agreement was signed with Epic to option 100% of the interests in the Fenton property, located 50 km southwest of Chapais. Upon signing the agreement, the Company received \$50,000 in cash and 437,500 common shares of Epic with a fair value of \$14,437. Those amounts were recorded in the statements of loss as the sale of properties option during the year closed December 31, 2025.

In addition to the cash and common shares received at the signature of the option agreement, Epic will have the exclusive right to earn a 100% interest by paying, over the four-year option period, cash payment totalling \$425,000 and issuing a total of 1,750,000 common shares of Epic to the Company and incurring exploration expenditures of at least \$4,000,000 on the Fenton property.

All shares issued under the agreement are subject to a four-month statutory hold period. If Epic acquires a 100% interest in the Fenton property, the Company will retain a 2% NSR production royalty on the Fenton property, of which 1% will be redeemable for \$2,000,000 and the other 1% will be redeemable by Epic for \$20,000,000.

- (d) During the year ended December 31, 2024, the Company received 200,000 common shares of Delta with a fair value of \$28,000. This amount was recorded in the statements of loss as the sale of a written-off property option during the year closed December 31, 2024. Since Delta complied with the agreement, the Dollier property was transferred on December 17, 2024. The property Dollier was written off during the year ended December 31, 2015.

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Notes to the financial statements for the years ended December 31, 2025 and 2024

(In Canadian \$)

10. Lease obligations	December 31, 2025	December 31, 2024
Lease obligations included in the statement of financial position	\$	\$
Balance at the beginning of the year	83,004	118,666
Interests	1,996	2,255
Payments	(38,196)	(37,917)
Balance at the end of the year	46,804	83,004
Current portion of lease obligations	(37,303)	(36,201)
Lease obligations	9,501	46,803
Maturity analysis - contractual undiscounted cash flows		
Less than one year	38,196	38,196
One to five years	9,549	47,745
Total undiscounted lease obligations	47,745	85,941

11. Share capital and warrants

Authorized

Unlimited number of common shares, without par value, voting and participating

	December 31, 2025		December 31, 2024	
	Number	Amount	Number	Amount
Balance at the beginning of the year	364,611,087	60,556,122	351,800,077	59,443,625
Shares issued and paid				
Flow-through private placements (a) (f)	27,473,627	5,000,200	8,379,808	1,059,950
Renouncement of tax deductions on flow-through shares (a) (f)	-	(1,428,628)	-	(346,154)
Private placements (b) (c) (g)	49,218,426	6,398,395	4,431,202	487,432
Exercise of options (d)	2,900,000	439,691	-	-
Exercise of warrants (e)	100,000	16,000	-	-
	79,692,053	10,425,658	12,811,010	1,201,228
Share issue expenses (Note 11 and (a) (b) (c) (f) (g))	-	(960,673)	-	(88,731)
Balance at the end of the year	444,303,140	70,021,107	364,611,087	60,556,122

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11. Share capital and warrants (continued)

(a) Issuance of flow-through shares on April 23, 2025

On April 23, 2025, the Company completed a private placement through a broker. The Company issued 27,473,627 flow-through units (the "flow-through units") of the Company at a price of \$0.182 per flow-through unit, each flow-through unit consisting of one share and one warrant, each entitling the holder to subscribe for one common share at a price of \$0.18 for a period of 60 months following the closing date for gross proceeds of \$5,000,200. In connection with the offering, the agents received a commission of 6% of the gross proceeds received by the Company plus broker warrants, equivalent to 4% of the number of flow-through units sold. Each broker warrant entitles the holder to subscribe for one common share at a price of \$0.13 for a period of 24 months following the closing date. The offering is presented net of warrants, the value of which was established at \$65,475. Issuance costs totaling \$465,467 reduced the share capital.

The Company also renounced the tax deduction related to the flow-through shares, which reduced share capital by \$1,428,628. The consideration is presented as a liability related to flow-through shares.

(b) Issuance of common shares on April 23, 2025

On April 23, 2025, the Company completed a private placement through a broker. The Company issued 26,115,200 units (the "Units") of the Company at a price of \$0.13 per Unit, each unit consisting of one share and one warrant, each entitling the holder to purchase one common share at a price of \$0.18 for a period of 60 months following the closing date, for gross proceeds of \$3,394,976. In connection with the offering, the agents received a commission of 6% of the gross proceeds received by the Company plus broker warrants, equivalent to 4% of the number of units sold. Each broker warrant entitles the holder to subscribe for one common share at a price of \$0.13 for a period of 24 months following the closing date. The offering is presented net of warrants, the value of which was established at \$62,238. Issuance costs totaling \$314,670 reduced the share capital.

(c) Issuance of common shares on April 23, 2025

On April 23, 2025, the Company completed a private placement totaling \$3,003,419. In total, the Company issued 23,103,226 units (the "Units") at a price of \$0.13 per Unit, with each Unit consisting of one common share and one warrant, each entitling the holder to purchase one common share at a price of \$0.18 for a period of 60 months following the closing date. The Company incurred issuance costs of \$52,770 in connection with this financing.

(d) During the year ended December 31, 2025, the Company issued 2,900,000 common shares at prices ranging from \$0.065 to \$0.11 per share, for a total of \$245,250, following the exercise of options, while the fair value of the common share ranged from \$0.15 to \$0.225 per share at the time of exercise.

(e) During the year ended December 31, 2025, the Company issued 100,000 common shares at prices of \$0.16 per share, for a total of \$16,000, following the exercise of warrants, while the fair value of the common share ranged to \$0.205 per share at the time of exercise.

(f) Issuance of flow-through shares on December 27, 2024

On December 27, 2024, the Company completed a non-broker private placement. The Company issued 7,692,308 flow-through shares at a price of \$0.13 per share for gross proceeds of \$1,000,000. In connection with the offering, the agent received shares equal to 6% of the gross proceeds of the offering, which represents 687,500 shares for a value of \$59,950. Share issue expenses totalling \$11,410 were applied against the share capital.

The Company also renounced the tax deduction related to the flow-through shares, which reduced share capital by \$346,154. The consideration is presented as a liability related to flow-through shares.

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11. Share capital and warrants (continued)

(g) Issuance of common shares on November 15, 2024

On November 15, 2024, the Company completed a private placement totalling \$487,432. The Company issued a total of 4,431,202 units at a price of \$0.11 per unit. Each unit consists of one common share and one warrant, each entitling its holder to subscribe to one common share at a price of \$0.16 for a period of 36 months following the closing date. The Company incurred \$17,371 in share issue expenses in connection with this financing.

Share option plan

The Company has a share option plan that has been approved by the shareholders. The maximum number of common shares which may be reserved under the plan is limited to 10% of the number of common shares issued and outstanding (on a non-diluted basis). The options granted to any optionee cannot exceed 5% of the issued and outstanding common shares. The options are vested over a period of 12 months and are exercisable over a maximum of five years.

The following table summarizes the information about the outstanding share options:

	December 31, 2025		December 31, 2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
Outstanding at the beginning of the year	22,225,000	0.14	19,900,000	0.16
Granted - employees	7,200,000	0.17	7,250,000	0.08
Exercised	(2,900,000)	0.08	-	-
Expired	(3,800,000)	0.23	(4,925,000)	0.14
Outstanding at the end of the year	22,725,000	0.14	22,225,000	0.14
Exercisable at the end of the year	17,325,000	0.13	16,700,000	0.15

The following table summarizes certain information for share options outstanding and exercisable:

Exercise price	Outstanding options December 31, 2025			Exercisable options December 31, 2025		
	Number of options	Weighted average remaining life (years)	Weighted average exercise price	Number of options	Weighted average remaining life (years)	Weighted average exercise price
			\$			\$
\$0.065 to \$0.125	15,075,000	3.44	0.10	13,275,000	3.31	0.09
\$0.135 to \$0.185	2,250,000	1.41	0.15	2,250,000	1.41	0.15
\$0.195 to \$0.245	3,600,000	4.96	0.23	-	-	-
\$0.255 to \$0.305	1,800,000	0.40	0.31	1,800,000	0.40	0.31
\$0.065 to \$0.305	22,725,000	3.24	0.14	17,325,000	2.76	0.13

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11. Share capital and warrants (continued)

Exercise price	Outstanding options December 31, 2024			Exercisable options December 31, 2024		
	Number of options	Weighted average remaining life (years)	Weighted average exercise price \$	Number of options	Weighted average remaining life (years)	Weighted average exercise price \$
\$0.065 to \$0.125	14,375,000	4.10	0.09	8,850,000	3.66	0.09
\$0.135 to \$0.185	2,250,000	2.41	0.15	2,250,000	2.41	0.15
\$0.195 to \$0.245	3,800,000	0.70	0.22	3,800,000	0.70	0.22
\$0.255 to \$0.305	1,800,000	1.40	0.31	1,800,000	1.40	0.31
\$0.065 to \$0.305	22,225,000	3.13	0.14	16,700,000	2.58	0.15

The weighted average fair value of share options granted was estimated using the Black-Scholes model at \$0.12 (\$0.06 in 2024) per option using the following assumptions:

	2025	2024
Risk-free interest rate	2.77%	3.18%
Expected volatility	96%	93%
Dividend yield	Nil	Nil
Weighted average expected life	5 years	5 years

During the year ended December 31, 2025, the share-based payment expense was \$567,456 (\$367,728 in 2024). An amount of \$483,519 was presented in the statement of loss and comprehensive loss (\$287,999 in 2024) and an amount of \$83,937 was presented in mining assets and deferred exploration costs (\$79,729 in 2024).

Warrants

The following table presents the changes that occurred during the year:

	December 31, 2025			December 31, 2024		
	Number	Weighted average exercise price \$	Weighted average remaining contractual life (years)	Number	Weighted average exercise price \$	Weighted average remaining contractual life (years)
Outstanding at the beginning	11,431,202	0.16	1.35	7,000,000	0.16	1.39
Granted - private placements ⁽¹⁾	76,692,053	0.18	4.31	4,431,202	0.16	2.87
Exercised	(100,000)	0.16	-	-	-	-
Expired	(7,000,000)	0.16	-	-	-	-
Outstanding at the end	81,023,255	0.17	2.58	11,431,202	0.16	1.35

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11. Share capital and warrants (continued)

Warrants - agent

The following table presents the changes that occurred during the year:

	December 31, 2025			December 31, 2024		
	Number	Weighted average exercise price \$	Weighted average remaining contractual life (years)	Number	Weighted average exercise price \$	Weighted average remaining contractual life (years)
Outstanding at the beginning	-	-	-	-	-	-
Granted ⁽¹⁾	2,143,553	0.13	1.31	-	-	-
Outstanding at the end	2,143,553	0.13	1.31	-	-	-

⁽¹⁾ At issuance, the warrants are subject to a four months and one day statutory hold period. These warrants have a maximum term of 36 months following their date of issue.

During the year ended December 31, 2025, the weighted average fair value of warrants granted to agent was estimated using the Black-Scholes model at \$0.06 per option using the following assumptions:

	2025
Risk-free interest rate	2.41%
Expected volatility	111%
Dividend yield	Nil
Weighted average expected life	2 years

The outstanding warrants are as follows:

<u>Maturity date</u>	<u>Exercise price</u> \$	<u>Number</u>
April 2027	0.13	2,143,553
November 2027	0.16	4,331,202
April 2030	0.18	76,692,053
		83,166,808

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12. Employee remuneration

Employee benefits recognized are detailed below:

	December 31, 2025	December 31, 2024
	\$	\$
Salaries and fees	983,508	934,878
Fringe benefits	67,162	57,556
Share-based payments	484,956	361,995
Defined contribution pension plan	37,555	47,747
	<u>1,573,181</u>	<u>1,402,176</u>
Less: salaries and share-based payments capitalized in exploration and evaluation assets	<u>(445,915)</u>	<u>(511,452)</u>
Employee benefits	<u>1,127,266</u>	<u>890,724</u>

Employee benefits expense is allocated to the following items:

	December 31, 2025	December 31, 2024
	\$	\$
Salaries	658,418	582,594
Share-based payments	401,019	282,266
Road shows and gold shows	65,833	17,502
Training and travel	1,996	8,362
	<u>1,127,266</u>	<u>890,724</u>

13. Financial expenses

	December 31, 2025	December 31, 2024
	\$	\$
Interest and bank charges	42,090	5,260
Interests on lease obligations	1,008	1,062
Total of financial expenses	<u>43,098</u>	<u>6,322</u>

14. Cash flows

Additional information	December 31, 2025	December 31, 2024
	\$	\$

Items not affecting cash related to operating, financing and investing activities

Variation of share issue expenses included in accounts payable and accrued liabilities	-	6,796
Variation of deferred exploration costs included in accounts payable and accrued liabilities	345,905	3,563

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15. Financial instruments

Objectives and policies for managing financial risks

The Company is exposed to various financial risks resulting from its operations and investing activities. The directors and officers of the Company manage these risks.

The Company does not enter into speculative derivative financial instruments.

Financial risk

The following paragraphs describe the main financial risks the Company is exposed to and its risk management policies.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Cash bear interest at a fixed rate. In relation to these, the Company is exposed, to a limited extent, to a change in fair value because the Company plans to use it in the short term for its operations.

Liquidity risks

The Company establishes cash forecasts to ensure it has the necessary funds to fulfill its obligations. As indicated in note 1, the Company's ability to continue as a going concern depends, among other things, on obtaining the necessary financing to carry out exploration and development. Although the Company has been successful in obtaining financing in the past, there can be no assurance of success in the future.

Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the fiscal year, the Company has financed its exploration expense commitments, working capital requirements and acquisitions through private and flow-through financings.

All financial liabilities mature in less than 12 months.

Sensitivity to credit risk

The Company's exposure to credit risk is limited to the carrying value of its financial assets at the date of presentation of the financial information as disclose below:

	December 31, 2025	December 31, 2024
	<u>\$</u>	<u>\$</u>
Cash	<u>7,749,672</u>	<u>1,228,177</u>

The Company's financial assets are not secured by collateral or other credit enhancements.

The credit risk for cash is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings.

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Notes to the financial statements for the years ended December 31, 2025 and 2024

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15. Financial instruments (continued)

Fair value of financial instruments

The Company discloses the fair value hierarchy by which the financial instruments are evaluated and assigned to the following levels: Level 1 features a valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3 includes inputs for the asset or liability that are not based on observable market data. Marketable securities of a quoted mining exploration company are classified under Level 1.

The carrying amount of cash and accounts payables and accrued liabilities approximate their fair value based on the close date.

16. Deferred income and mining taxes

The reconciliation of the income tax expense, calculated using the statutory income tax rates of the federal government and the Province of Québec, to the income tax expense as per the financial statements, is as follows:

	December 31, 2025	December 31, 2024
	<u>\$</u>	<u>\$</u>
Loss before income and mining taxes	(5,189,413)	(11,255,831)
Recovery of combined federal and provincial income tax at 26.5% (26.5% as at December 31, 2024)	(1,375,194)	(2,982,795)
Deferred taxes related to exploration and evaluation assets funded by flow-through shares	1,198,070	974,342
Non-deductible expenses for income tax purposes	136,788	77,697
Share issue expenses not affecting earnings	(220,720)	(23,514)
Change in unrecognised tax benefits	639,528	2,065,415
Adjustment from previous years	(8,726)	(16,469)
Mining taxes related to exploration expense write-offs	(305,643)	(1,079,521)
Other	44,300	23,940
	108,403	(960,905)
Mining taxes	(3,641)	(5,463)
Flow-through premium	(955,121)	(147,749)
Deferred income and mining taxes	(850,359)	(1,114,117)

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Notes to the financial statements for the years ended December 31, 2025 and 2024

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16. Deferred income and mining taxes (continued)

The Company has accumulated, for federal and provincial income tax purposes, non-capital losses which can be applied against future years' taxable income and which will expire as follows:

Year	December 31, 2024	
	Federal	Provincial
	\$	\$
2026	5,699	4,765
2027	524,066	521,001
2028	725,416	718,518
2029	724,776	720,746
2030	955,459	952,206
2031	792,271	777,709
2032	1,114,872	1,100,591
2033	865,813	842,225
2034	808,358	800,904
2035	697,789	694,214
2036	584,553	580,931
2037	1,557,695	1,557,695
2038	1,337,806	1,337,806
2039	1,232,485	1,232,485
2040	1,468,539	1,468,539
2041	1,448,595	1,446,228
2042	1,555,613	1,550,295
2043	1,659,140	1,655,166
2044	1,347,377	1,344,917
2045	1,842,212	1,842,216
	21,248,534	21,149,157

Deferred tax assets unrecognized

Deferred tax assets have not been recognized as it is not probable that future taxable profits will be available and against which unused tax losses and unused tax credits could be charged. Deferred tax assets have not been recognized in respect of:

	December 31, 2025	December 31, 2024
	\$	\$
Non-capital losses	5,619,433	5,133,654
Share issue cost	239,556	101,039
Financial assets measured at fair value	63,493	74,786
Property, plant and equipment	78,978	77,069
Right-of-use assets	317	243
Mining assets and deferred exploration expenses	200,205	175,663
	6,201,982	5,562,454

There is no deferred tax assets related to share issue costs have been recognized (\$101,039 as at December 31, 2024).

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Notes to the financial statements for the years ended December 31, 2025 and 2024

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16. Deferred income and mining taxes (continued)

Significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Mining assets and deferred exploration expenses	<u>3,864,446</u>	<u>(3,756,043)</u>
Deferred tax liabilities	<u>3,864,446</u>	<u>(3,756,043)</u>

Change in deferred tax

	Balance December 31, 2024	Recognized in profit or (loss)	Balance December 31, 2025
	\$	\$	\$
Deferred exploration costs	<u>(3,756,043)</u>	<u>(108,403)</u>	<u>(3,864,446)</u>

Change in deferred tax

	Balance December 31, 2023	Recognized in profit or (loss)	Balance December 31, 2024
	\$	\$	\$
Property, plant and equipment	75,416	(75,416)	-
Right-of-use assets	239	(239)	-
Deferred exploration costs	(6,298,424)	2,542,381	(3,756,043)
Financial assets at fair value	75,634	(75,634)	-
Share issue cost	150,964	(150,964)	-
Non-capital losses	1,279,223	(1,279,223)	-
Total	<u>(4,716,948)</u>	<u>960,905</u>	<u>(3,756,043)</u>

17. Contingencies and commitments

The Company is partially financed through the issuance of flow-through shares. However, there is no guarantee that its expenses will qualify as Canadian exploration expenses, even if the Company 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. Moreover, tax rules regarding flow-through placements set deadlines for carrying out the exploration work no later than the first of the following dates:

- one year following the flow-through placements; or
- one year after the Company has renounced the tax deductions relating to the exploration work.

If the Company does not incur eligible exploration expenditures, it will be required to indemnify the holders of such shares against all taxes and other expenses incurred as a result of the Company not incurring the required exploration expenses.

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17. Contingencies and commitments (continued)

During the year ended December 31, 2025, the Company receive an amount of \$5,000,200 from a flow-through financing. Of the total 2025 flow-through financing, an amount of \$2,131,391 was used as deferred exploration expenses as at December 31, 2025. The Company renounced tax deductions in connection with this flow-through financings and a liability related to the flow-through shares issued in 2025 totalling \$1,428,628 which was recorded as a liability related to the flow-through shares at the time of the issuances. Management is required to incur eligible exploration expenditures by December 31, 2026. As at December 31, 2025, the portion of the liability related to flow-through shares is \$819,660.

During the year ended December 31, 2024, the Company receive an amount of \$1,000,000 from a flow-through financing. Of the total 2024 flow-through financing, an amount of \$1,000,000 (\$nil in 2024) was used as deferred exploration expenses as at December 31, 2025. The Company renounced tax deductions in connection with this flow-through financings and a liability related to the flow-through shares issued in 2024 totalling \$346,154 which was recorded as a liability related to the flow-through shares at the time of the issuances. Management is required to incur eligible exploration expenditures by December 31, 2025. As at December 31, 2025, there is no longer any portion of the liability related to flow-through shares is \$346,154 provided that the Company has incurred the required exploration expenses by December 31, 2025 (\$346,154 in 2024).

18. Transactions with key management personnel

The Company's key management personnel are members of the Board of Directors, the president, the vice-president and chief financial officer. The remuneration of key management personnel includes the following expenses:

	December 31, 2025	December 31, 2024
	\$	\$
Short-term employee benefits		
Salaries and fees including bonuses and benefits	825,108	783,764
Social security costs and contributions to the pension plan	88,989	83,321
Total short-term employee benefits	914,097	867,085
Share-based payments	449,934	323,632
Total remuneration	1,364,031	1,190,717

During the year ended December 31, 2025, one key management personnel has exercised 650,000 share options granted through the share-based payment plans (nil as at December 2024).

19. Related party transactions

During the year 2025, the Company paid \$25,305 (\$1,783 in 2024) to the spouse of a director for consultant fees. As at December 31, 2025, this amount has been recorded in administrative expenses in "Advertising and sponsoring", "Consultants" and "Road shows and gold showsn" the statements of loss and comprehensive loss ("Business development expenditures (analysts and brokers)" in 2024) and no amount is payable.

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20. Capital disclosures

The Company's objectives in managing its capital are to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company's capital is composed of shareholders' equity. The Company's primary uses of capital are to finance exploration expenditures and acquire properties. To effectively manage the Company's capital requirements, the Company has in place a rigorous planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives.

The Company expects that its current capital resources and its ability to obtain additional financing will support further exploration and development of its mineral properties for the next 12 months.

The Company is not subject, with regards to external rules, to any requirements regarding its capital, unless the Company completes a flow-through financing for which the cash must be reserved for exploration. As of December 31, 2025, the Company has \$2,868,809 cash reserved for exploration (\$1,000,000 as of December 31, 2024).

21. Subsequent event

Between January 5, 2026 and February 9, 2026, the Company issued 1,675,000 common shares at prices ranging from \$0.09 to \$0.15 per share, for a total of \$196,750, following the exercise of options, while the fair value of the common share ranged from \$0.255 to \$0.29 per share at the time of exercise.