

VALKEA RESOURCES CORP.

Consolidated Financial Statements

For the years ended June 30, 2026 and 2025

(Expressed in Canadian dollars)



Independent Auditor's Report

To the Shareholders of Valkea Resources Corp.

Opinion

We have audited the consolidated financial statements of Valkea Resources Corp. (the “Company”), which comprise the consolidated statements of financial position as at June 30, 2026 and June 30, 2025, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2026 and June 30, 2025, and its financial performance and its cash flows for the years then ended in accordance with 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 Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements for the year ended June 30, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of Impairment Indicators of Exploration and Evaluation Assets

Description

Management assesses whether there are indicators of impairment to exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Management applies judgement in assessing whether impairment indicators are present. No impairment indicators were identified by management as of June 30, 2026.

This matter was significant to our audit because the carrying value of the Company's exploration and evaluation assets at June 30, 2026, was \$ 12,052,333, which represents a significant portion of the Company's total assets and management applies significant judgement in assessing whether impairment indicators are present. See Note 4 and Note 8 to the consolidated financial statements.



How the Key Audit Matter Was Addressed in the Audit

Our approach to addressing the matter included the following procedures, among others:

Evaluated management's assessment as to whether there were any indicators of impairment to exploration and evaluation assets, which included the following:

- Obtained mineral claim and permit listings held by the Company and confirmed the mineral claims held with the related mining authorities.
- Considered the Company's intentions to carry out future exploration and evaluation expenditures which included reading Board of Directors' meeting minutes and enquiring as to the intentions and strategy of the Company.
- Assessed whether there were other changes in circumstances indicating that the exploration and evaluation expenditures may not be recoverable, based on the evidence obtained in other areas of the audit.

Other Information

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

Our opinion on the consolidated 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 consolidated 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 consolidated 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 Consolidated Financial Statements

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

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

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



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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 consolidated 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 Khrystyna Voytkova.

Vancouver, B.C.
September 2, 2026

"D&H Group LLP"
Chartered Professional Accountants

VALKEA RESOURCES CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	June 30, 2026 \$	June 30, 2025 \$
ASSETS			
Current			
Cash and cash equivalents		10,582,834	3,948,127
Amounts receivable	6	55,193	50,447
Prepaid expenses	7	61,533	81,993
		10,699,560	4,080,567
Deposits		64,872	64,120
Reclamation bond		22,758	20,745
Equipment		12,267	8,084
Exploration and evaluation assets	8	12,052,333	9,488,042
Total assets		22,851,790	13,661,558
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	487,981	782,772
Total liabilities		487,981	782,772
SHAREHOLDERS' EQUITY			
Share capital	10(b)	57,829,077	45,454,243
Warrant reserve		381,386	278,336
Reserve for share-based compensation		3,983,952	3,695,235
Accumulated other comprehensive income		103,266	82,295
Deficit		(39,933,872)	(36,631,323)
Total shareholders' equity		22,363,809	12,878,786
Total liabilities and shareholders' equity		22,851,790	13,661,558

Nature of operations (Note 1)

Subsequent events (Note 16)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Thomas Credland"

Director

/s/ "Louis Archambeault"

Director

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

VALKEA RESOURCES CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares)

	Note	Years ended June 30, 2026	2025
		\$	\$
Operating expenses			
Accounting and legal		232,723	289,529
Corporate development, marketing, and investor services	11	759,485	751,387
Depreciation		2,089	341
Exploration expenses	8	22,297	3,755
Management and professional fees	11	875,856	423,559
Office and administrative	11	219,541	166,872
Share-based compensation	10, 11	1,096,294	1,580,123
Transfer agent, listing and filing fees		111,222	137,029
		(3,319,507)	(3,352,595)
Other income (expenses)			
Foreign exchange loss		(24,586)	-
Gain on sale of equipment		-	4,885
Impairment of exploration and evaluation assets		-	(13,971,506)
Interest income		41,544	45,065
Net loss		(3,302,549)	(17,274,151)
Gain on translation to presentation currency		20,971	82,295
Comprehensive loss		(3,281,578)	(17,191,856)
Net loss per share:			
Basic and diluted		(0.06)	(0.64)
Weighted average number of common shares:			
Basic and diluted		55,358,594	26,806,504

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

VALKEA RESOURCES CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended June 30,	
	2026	2025
	\$	\$
Operating activities		
Net loss	(3,302,549)	(17,274,151)
Adjustments for:		
Depreciation	2,089	341
Share-based compensation	1,096,294	1,580,123
Gain on sale of equipment	-	(4,885)
Impairment of exploration and evaluation assets	-	13,971,506
Changes in non-cash working capital:		
Amounts receivable	(4,746)	38,843
Prepaid expenses	20,460	3,790
Accounts payable and accrued liabilities	(262,237)	288,603
Cash used in operating activities	(2,450,689)	(1,395,830)
Investing activities		
Investments in exploration and evaluation assets	(2,576,041)	(1,048,228)
Cash paid for purchase of equipment	(7,888)	-
Cash acquired in the acquisition of Sakumpu Exploration Oy	-	17,936
Cash paid for the acquisition of Sakumpu Exploration Oy	-	(1,500,000)
Transaction costs paid for the acquisition of Sakumpu Exploration Oy	-	(1,012,904)
Deposits for exploration permit	-	(64,120)
Proceeds from sale of equipment	-	6,816
Cash used in investing activities	(2,583,929)	(3,600,500)
Financing activities		
Proceeds from private placements	10,530,000	6,749,979
Unit issuance costs paid in cash	(74,252)	(293,149)
Share issuance costs paid in cash	(687,897)	-
Restricted cash released	-	2,414,000
Proceeds from options exercised	90,000	-
Proceeds from warrants exercised	1,812,456	875
Cash provided by financing activities	11,670,307	8,871,705
Effect of foreign exchange on cash and cash equivalents	(982)	(10,932)
Change in cash and cash equivalents	6,635,689	3,875,375
Cash and cash equivalents, beginning of year	3,948,127	83,684
Cash and cash equivalents, end of year	10,582,834	3,948,127
Composition of cash and cash equivalents:		
Cash	6,632,834	3,943,127
Cash equivalents	3,950,000	5,000
	10,582,834	3,948,127
Supplemental cash flow disclosures:		
Cash interest earned on cash and cash equivalents	41,544	44,928
Exploration and evaluation assets in accounts payable and accrued liabilities	153,385	185,939
Fair value of finders' warrants	189,944	123,903
Shares issued for acquisition of exploration and evaluation assets	-	5,500,000

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

VALKEA RESOURCES CORP.
Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Subscription receipts	Warrant reserve	Reserve for share-based compensation	Accumulated other comprehensive income	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$	\$	\$
Balance, June 30, 2024	5,837,050	31,259,203	2,414,000	155,055	2,115,112	-	(19,357,172)	16,586,198
Shares issued for acquisition of exploration and evaluation assets	13,750,000	5,500,000	-	-	-	-	-	5,500,000
Shares issued from warrants exercised	2,187	1,497	-	(622)	-	-	-	875
Subscription receipts issued for cash	-	-	2,589,979	-	-	-	-	2,589,979
Conversion of subscription receipts to units	12,509,947	5,003,979	(5,003,979)	-	-	-	-	-
Units issued for cash	150,000	60,000	-	-	-	-	-	60,000
Units issued for private placement	16,400,000	4,100,000	-	-	-	-	-	4,100,000
Unit issuance costs	-	(470,436)	-	123,903	-	-	-	(346,533)
Share-based compensation	-	-	-	-	1,580,123	-	-	1,580,123
Gain on translation to presentation currency	-	-	-	-	-	82,295	-	82,295
Net loss	-	-	-	-	-	-	(17,274,151)	(17,274,151)
Balance, June 30, 2025	48,649,184	45,454,243	-	278,336	3,695,235	82,295	(36,631,323)	12,878,786
Units issued for private placement	10,000,000	2,500,000	-	-	-	-	-	2,500,000
Unit issuance costs	-	(131,298)	-	57,046	-	-	-	(74,252)
Shares issued for private placement	20,075,000	8,030,000	-	-	-	-	-	8,030,000
Share issuance costs	-	(820,795)	-	132,898	-	-	-	(687,897)
Shares issued from warrants exercised	5,221,440	1,899,350	-	(86,894)	-	-	-	1,812,456
Shares issued from options exercised	233,333	169,839	-	-	(79,839)	-	-	90,000
Share issued from DSUs exercised	1,813,305	727,738	-	-	(727,738)	-	-	-
Share-based compensation	-	-	-	-	1,096,294	-	-	1,096,294
Gain on translation to presentation currency	-	-	-	-	-	20,971	-	20,971
Net loss	-	-	-	-	-	-	(3,302,549)	(3,302,549)
Balance, June 30, 2026	85,992,262	57,829,077	-	381,386	3,983,952	103,266	(39,933,872)	22,363,809

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

1. NATURE OF OPERATIONS

Valkea Resources Corp. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on March 6, 2018. On September 17, 2024, the Company changed its name to Valkea Resources Corp. The Company's head office is located at Suite 300 - 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9. The Company's principal business activities include the acquisition and exploration of mineral property assets. The Company currently owns a highly prospective gold project portfolio in Finland and a legacy package of gold projects located proximate and adjacent to the Fosterville Gold Mine in Victoria, Australia ("Victorian Gold Projects").

The Company's common shares are publicly traded on the TSX Venture Exchange (the "TSXV") under the symbol "OZ", on the OTCQB Venture Market under the symbol "OZBKF" and the Frankfurt Stock Exchange under the symbol "4A7".

These audited consolidated financial statements for the years ended June 30, 2026 and 2025 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is an exploration-stage company and to date has not generated revenue nor positive operating cash flows. As at June 30, 2026, it has an accumulated deficit of \$39,933,872 (June 30, 2025 - \$36,631,323) and cash and cash equivalents of \$10,582,834 to settle current liabilities of \$487,981. While the Company has sufficient capital to continue as a going concern for the next twelve months, it expects to incur further losses in the development of its business. In order to execute its business strategy and continue as a going concern, the Company is dependent upon its ability to obtain additional financing in the form of equity or debt. There can be no assurance that additional financing will be available at terms advantageous to the Company or at all. These financial statements do not contain any adjustments that may be necessary in the event that the Company is unable to continue as a going concern. Adjustments arising from the non-continuation as a going concern would be material.

On September 18, 2024, the Company completed the acquisition with S2 Resources Limited ("S2") whereby the Company acquired all the issued and outstanding shares of Sakumpu Exploration Oy ("Sakumpu") (the "Transaction") (Note 5).

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on September 2, 2026.

These financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

b) Functional and presentation currency

The financial statements are presented in Canadian dollars ("\$" or "CAD"). The functional currency is the currency of the primary economic environment in which an entity operates and listed in Note 2(c) below. References to "AUD" are to Australian dollars, references to "EUR" are to euros.

During the year ended June 30, 2025, the Company changed the functional currency of Outback Goldfields Australia Pty Ltd from CAD to AUD. The change aligns the Company's functional currency with the currency of the primary economic environment in which it operates, as the majority of the Company's costs are denominated in AUD. In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, the change has been applied prospectively from July 1, 2024, with all items translated into AUD at the exchange rate on that date. The change did not have a material impact on the Company's financial statements.

c) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

2. BASIS OF PREPARATION (continued)

A summary of the Company's subsidiaries included in these financial statements as at June 30, 2026 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
Valkea Resources Corp.	Canada	100%	CAD	Holding company and head office
Outback Goldfields Australia Pty Ltd ("Outback Australia")	Australia	100%	AUD	Mineral exploration
Sakumpu Exploration Oy ⁽¹⁾	Finland	100%	EUR	Mineral exploration

(1) On September 18, 2024, the Company acquired 100% interest in Sakumpu Exploration Oy.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS

a) Foreign currency transactions

For foreign currency transactions, the Company translates each transaction by applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of the reporting period, monetary assets and liabilities denominated in foreign currency are restated using the closing exchange rate at the reporting date, and non-monetary assets and liabilities measured at fair value are translated using the exchange rate at the date when fair value was measured. Exchange differences are recognized in profit or loss for the period in which they arise. However, if fair value changes for a non-monetary item measured at fair value are recognized in other comprehensive income, the exchange difference component of the change in fair value is also recognized in other comprehensive income.

For the presentation of the consolidated financial statements, assets and liabilities of the Company's foreign operations whose functional currency is different from the presentation currency are translated at the closing exchange rate prevailing at the reporting date. Income and expenses are translated at the average exchange rates for the period where these approximate the rates on the dates of transactions. Exchange differences arising from translation of foreign operations are recognized in other comprehensive income in the period.

b) Cash and cash equivalents

Cash primarily includes cash on hand with a Canadian chartered bank and reputable banks in Australia and Finland. Cash equivalents include guaranteed investment certificates. Restricted cash indicates cash that has limitations or contingencies ahead of it being available to the Company.

c) Exploration and evaluation assets

All costs related to the acquisition, exploration and evaluation of mineral properties are capitalized as incurred and deferred until management establishes technical feasibility and economic feasibility of a property. When technical feasibility and commercial viability of a property is demonstrated, exploration and evaluation assets will be reclassified into property.

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Exploration and evaluation assets are assessed for impairment when facts or circumstances suggest that the carrying value of an exploration and evaluation asset may exceed its recoverable amount. If any such indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The estimated recoverable amount is determined on an asset-by-asset basis, except where such assets do not generate cash flows independent of other assets, in which case the recoverable amount is estimated at the cash generating unit ("CGU") level. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company will measure, present and disclose any resulting impairment loss.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS (continued)

d) Impairment of long-lived assets

The carrying value of long-lived assets, which consist primarily of exploration and evaluation assets, is reviewed at each reporting date to determine whether there is any indication that the carrying value of the asset may not be recoverable. If indication does exist, the recoverable amount is estimated which is the higher of fair value less cost to sell and the value in use. An impairment loss would be recorded in the statements of loss and comprehensive loss for the amount the carrying value exceeds the recoverable amount. Impairment is assessed at a CGU level, which for the Company are its individual gold projects.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of recoverable amount. An impairment loss is reversed through the statements of loss and comprehensive loss only to the extent that the assets or CGU's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU.

e) Equipment depreciation

The cost of equipment with a life greater than one year is depreciated over its estimated useful life less any expected salvage value.

f) Share capital

Common shares and warrants are classified as equity instruments. Costs directly identifiable to the issuance of new shares are shown in equity as a deduction to the related proceeds. Warrants issued to brokers or agents as a part of a financing transaction are measured at fair value using the Black-Scholes option pricing model and recorded in share capital and warrant reserve as share issuance costs.

Valuation of common shares and share purchase warrants issued in unit offerings

When units are issued as part of a financing transaction consisting of both common shares and share purchase warrants, proceeds are allocated using the residual method which first allocates value to the more reliable estimate based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in private placements is determined to be the more reliable estimate as there is an observable market price for the shares which is determined by the closing price on the issuance date. The remaining balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded to warrant reserve. Upon exercise, the value attributed to the exercised warrants is transferred to share capital.

g) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share, where applicable, is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares in the case of where they are in-the-money.

h) Share-based payments

Stock options

The fair value of stock options granted is recognized as an expense over the vesting period with a corresponding increase in reserve for share-based compensation. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. When stock options are exercised, shares are granted and the amount previously recorded in reserve for share-based compensation is credited to share capital less consideration paid on exercise.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS (continued)

Restricted share units ("RSUs") and deferred share units ("DSUs")

The RSU and DSU plans are available to the Company's directors, certain employees and consultants. RSUs and DSUs are exchangeable, at settlement date, for (i) one common share of the Company, (ii) a lump sum payment in cash equal to the market value of one common share of the Company on the settlement date, or (iii) any combination of the foregoing. The settlement date of RSUs is the vesting date of respective RSU issuances. The fair value of each RSU and DSU is measured at the grant date by reference to the Company's share price at that time. The fair value of RSUs and DSUs granted is recognized as share-based compensation over the vesting period.

i) Financial instruments

The Company's financial instruments are classified and subsequently measured in the following categories: amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). The classification is determined at initial recognition. A financial asset is derecognized when the contractual rights to cash flows from the financial asset expire, or when all associated risks and rewards of ownership of the asset are transferred. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

A summary of the Company's classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

Financial instruments	Classification
Financial assets	
Cash and cash equivalents	Amortized cost
Amounts receivable	Amortized cost
Reclamation bond	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost

Financial assets and liabilities at amortized cost

Financial assets and liabilities categorized as amortized costs are initially recognized at fair value, adjusted for transaction costs, and subsequently carried at amortized cost less any impairment.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Gains and losses on derecognition of financial assets and liabilities categorized as amortized costs are recognized in the statements of loss and comprehensive loss.

Financial assets and liabilities at FVTPL

Financial assets and liabilities categorized as FVTPL are recorded initially at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in financial assets and liabilities classified as FVTPL are recognized in the statements of loss and comprehensive loss in the period they are realized.

j) Current and deferred income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS (continued)

k) New accounting pronouncements

On April 9, 2024, the International Accounting Standards Board ("IASB") issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. These amendments updated classification and measurement requirements in IFRS 9 *Financial Instruments* and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the 'solely payments of principal and interest' criterion, including financial assets that have environmental, social and corporate governance-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company adopted these amendments effective July 1, 2025 retrospectively with no restatement of comparative information, in accordance with the transition requirements on initial application of IFRS 9, and adoption did not have a material impact on the classification, measurement, or disclosure of its financial instruments.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements and applying its accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgements, 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 and liabilities within the next financial year, are described below.

a) Impairment of exploration and evaluation assets

Each reporting period, management applies judgement in assessing whether there are any indicators of impairment related to exploration and evaluation assets. If an indicator exists, the recoverability of the exploration and evaluation asset is assessed using estimates, judgements and assumptions. To estimate recoverability, management considers current and forecasted commodity prices as well as the economic viability of the project.

b) Share-based payments

The Company measures the fair value of its share-based payments using the Black-Scholes option pricing model, which requires management to use judgements and estimates in determining the inputs used in the model. These inputs include the exercise price of the option, the life of the option, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares (if appropriate), and the risk-free interest rate for the life of the option.

c) Allocation of consideration among acquired mineral properties

Management applies judgement in determining the allocation of consideration paid amongst properties when acquired. Relevant factors and indicators are evaluated including number of properties/claims, status of the ability to explore, the geological prospectivity of the property, and land area open to exploration.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

d) Tax loss utilization

Management applies judgement in assessing, each reporting period, whether incurred losses have the potential to be utilized against future profits. Deferred tax assets are recognized for unused tax losses and other deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the losses can be utilized. In making this assessment, management considers projected future taxable income, the nature and timing of temporary differences, tax planning opportunities, and the expiry periods of loss carryforwards. No deferred tax assets have been recognized.

e) Asset acquisition versus business combination

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets is acquired. More specifically, consideration is given to the extent to which significant processes are acquired. When the acquisition does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

5. ACQUISITION OF SAKUMPU EXPLORATION OY

On September 18, 2024, the Company completed the Transaction whereby the Company acquired all of the issued and outstanding shares of Sakumpu from Norse Exploration Pty Ltd. (the "S2 Subsidiary"), an indirect wholly owned subsidiary of S2 pursuant to a share purchase agreement between the Company, the S2 Subsidiary, and S2 dated May 9, 2024 (the "Share Purchase Agreement"). Pursuant to the Share Purchase Agreement, the Company paid S2 \$1,500,000 in cash and issued 13,750,000 common shares of the Company at a fair value of \$0.40 per share to S2. As a result of the common shares issued to S2 and its common share ownership resulting from participation in private placements, S2 became the largest single shareholder of Valkea with an approximate 44.6% ownership at the time of the Transaction.

The Company incurred transaction costs of \$1,128,268 comprised of legal fees and due diligence costs in connection with the Transaction, of which \$115,364 was incurred during the year ended June 30, 2024, and recorded in deferred transaction costs. Total transaction costs have been included as part of the total consideration in the Transaction.

Sakumpu did not qualify as a business under IFRS 3 *Business Combinations*, as it did not possess the significant inputs, processes, and outputs that together constitute a business at the time of acquisition. Therefore, the Transaction was accounted for as an asset acquisition. Accordingly, no goodwill was recorded and consideration measured at fair value was allocated to the assets and liabilities acquired.

A summary of the Company's consideration and the net assets acquired from Sakumpu as at September 18, 2024, acquisition date is as follows:

	\$
Consideration:	
Cash payments	1,500,000
Fair value of common shares issued to S2	5,500,000
Transaction costs	1,128,268
	8,128,268
Assets and liabilities acquired:	
Cash	17,936
Amounts receivable	73,603
Exploration and evaluation assets	8,041,728
Equipment	1,316
Accounts payable and accrued liabilities	(6,315)
	8,128,268

The amount of \$8,041,728 allocated to the exploration and evaluation assets was allocated to the Finnish properties (Note 8(a)).

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6. AMOUNTS RECEIVABLE

A summary of the Company's amounts receivable is as follows:

	June 30, 2026	June 30, 2025
	\$	\$
Goods and services taxes receivable	43,684	28,355
Other receivable	11,509	22,092
	55,193	50,447

As at June 30, 2026, other receivable balance represents rent receivable.

7. PREPAID EXPENSES

A summary of the Company's prepaid expenses is as follows:

	June 30, 2026	June 30, 2025
	\$	\$
Accounting and legal	2,709	-
Corporate development and marketing	28,577	34,733
Office and administrative	22,902	32,683
Transfer agent, listing, and filing fees	7,345	14,577
	61,533	81,993

8. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Victorian Gold Projects	Finnish Properties	Total
	\$	\$	\$
Balance, June 30, 2024	13,900,025	-	13,900,025
Acquisition costs	-	8,041,728	8,041,728
Depreciation	3,780	-	3,780
Drilling and trenching	-	328,007	328,007
Geological services	35,392	728,756	764,148
Project management	24,120	-	24,120
Recording and filing	191	238,838	239,029
Travel	-	64,802	64,802
Impairment of exploration and evaluation assets	(13,971,506)	-	(13,971,506)
Currency translation	7,998	85,911	93,909
Balance, June 30, 2025	-	9,488,042	9,488,042
Depreciation	-	2,234	2,234
Drilling and trenching	-	429,018	429,018
Geological services	-	1,720,934	1,720,934
Recording and filing	-	334,230	334,230
Travel	-	59,305	59,305
Currency translation	-	18,570	18,570
Balance, June 30, 2026	-	12,052,333	12,052,333

The Company does not capitalize expenditures on projects that were previously impaired. Expenditures on previously impaired projects are expensed.

8. EXPLORATION AND EVALUATION ASSETS (continued)

a) Finnish Properties

On September 18, 2024, the Company completed the Transaction with S2 (Note 5). The acquisition of Sakumpu includes several exploration licences, including the Aarnivalkea mineral prospect within the Paana Central exploration licence and of two licences which are subject to an earn-in agreement with Rupert Resources Corp. ("Rupert") (collectively, the "Finnish Properties"). These licences are wholly owned by Sakumpu.

Prior to the Transaction, in August 2021, Sakumpu entered into a farm-in option agreement with Rupert on the Sikavaara East and Sikavaara West exploration licence applications, covering an area of 37 km². Under this agreement, Rupert can spend up to EUR 3.4 million to earn a 70% interest in the Sikavaara East and Sikavaara West licences, with an initial expenditure requirement of EUR 1.2 million over the first three years. In October 2024, Rupert met the initial expenditure requirement of EUR 1.2 million and elected to proceed to the next stage to earn a 70% interest in the project by spending an additional EUR 2.2 million on exploration over the following three years. The Company would retain a 30% interest in these blocks if Rupert successfully completes the earn-in.

During the year ended June 30, 2026, all exploration and evaluation expenditures of the Company were related to the Paana project. There are no minimum exploration expenditure requirements on the Finnish Properties but annual minimum landholder payments are required. The estimated total annual landholder payments required in fiscal year 2027 total EUR 476,000. Landholder payments in fiscal years of 2028 and beyond are dependent upon the composition of retained licences and are estimated annually.

b) Victorian Gold Projects

The Victorian Gold Projects include Yeungroon, Silver Spoon, Ballarat West, and Glenfine projects located in Australia.

The minimum expenditure commitments associated with granted exploration licences at the Victorian Gold Projects are as follows. The Company has the flexibility to defer expenditures from one year to the next.

- \$419,800 for the year ended June 30, 2025 (met);
- \$317,300 for the year ended June 30, 2026 (met);
- \$25,000 for the year ended June 30, 2027; and
- \$25,000 for the year ended June 30, 2028.

On March 4, 2025, the Company completed the grant of an option on its Yeungroon, Ballarat West, and Silver Spoon projects ("YBWSS Option") to S2 which was contemplated as part of the Transaction. Pursuant to the YBWSS Option, S2 can earn an 80% interest in the Yeungroon, Ballarat West, and Silver Spoon projects by sole-funding total expenditures of AUD \$1.2 million within four years. Upon exercise of the YBWSS Option, S2 will hold an 80% interest in the Yeungroon, Ballarat West, and Silver Spoon projects, and the Company will retain 20% interest. The Company also granted S2 an option on its Glenfine project. During the year ended June 30, 2026, S2 withdrew from the Ballarat West and Glenfine joint venture options.

The minimum expenditure commitments associated with the granted exploration licences at the Victorian Gold Projects for the years ended June 30, 2026 and 2025 were satisfied by S2 pursuant to the option agreements described above.

Following a strategic evaluation of the Company's four projects in the year ended June 30, 2023, it was determined that given existing plans and finances available for exploration, the Company's priority projects were Yeungroon and Silver Spoon. As a result, the Glenfine and Ballarat West projects were impaired in the year ended June 30, 2023 and any future expenditures are expensed.

During the year ended June 30, 2025, the Company decided not to incur additional exploration expenses on the Yeungroon and Silver Spoon projects and successfully entered into a joint venture with S2 on these projects. As a result, the Yeungroon and Silver Spoon projects were considered to have met the criteria for impairment indicators, and as such were impaired. An impairment of exploration and evaluation assets of \$13,971,506 was recognized. Any future expenditures are expensed.

During the year ended June 30, 2026, the Company incurred exploration expenses of \$22,297 (2025 - \$3,755) on previously impaired properties.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	June 30, 2026	June 30, 2025
	\$	\$
Trade payables	138,565	531,861
Accrued liabilities	349,416	250,911
	487,981	782,772

10. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

Omnibus Equity Incentive Compensation Plan

The Company's Omnibus Equity Incentive Compensation Plan permits the issuance of equity-based awards representing up to 10% of the Company's outstanding common shares on a rolling basis. The Plan authorizes the grant of stock options, RSUs, DSUs, and performance share units to officers and employees.

b) Issued share capital

During the year ended June 30, 2026, the Company had the following share capital transactions:

- On January 14, 2026, the Company closed a private placement for gross proceeds of \$2,500,000 by issuing 10,000,000 units at a price of \$0.25 per unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole share purchase warrant is exercisable into one additional common share at a price of \$0.35 per common share until January 14, 2029. The gross proceeds from the units were allocated using the residual value method whereby the proceeds were allocated to the common shares based on the market value at the date of issuance and the remaining proceeds were allocated to the warrants and recognized in warrant reserve. As the fair value of the common shares on the issuance date was greater than the cash proceeds, \$nil residual value was allocated to the share purchase warrants. In connection with this private placement, the Company incurred unit issuance costs of \$131,298. Unit issuance costs were comprised of cash finders' fees of \$49,500, cash issuance costs of \$24,752 and the issuance of 198,000 finders' warrants with an aggregate fair value of \$57,046. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.35 until January 14, 2029. The finders' warrants were valued using the Black-Scholes option pricing model with a corresponding amount added to warrant reserve.
- On June 16, 2026, the Company closed a private placement for gross proceeds of \$8,030,000 by issuing 20,075,000 shares at a price of \$0.40 per share. In connection with this private placement, the Company incurred share issuance costs of \$820,795. Share issuance costs were comprised of cash finders' fees of \$450,300, cash issuance costs of \$237,597 and the issuance of 1,125,750 finders' warrants with an aggregate fair value of \$132,898. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.60 until June 16, 2027. The finders' warrants were valued using the Black-Scholes option pricing model with a corresponding amount added to warrant reserve.
- During the year ended June 30, 2026, the Company issued an aggregate of 5,221,440 common shares upon the exercise of 5,221,440 warrants at a weighted average exercise price of \$0.35 for gross proceeds of \$1,812,456. As a result, the total fair value of the warrants of \$86,894 was transferred from warrant reserve to share capital.
- During the year ended June 30, 2026, the Company issued an aggregate of 233,333 common shares upon the exercise of 233,333 stock options at a weighted average exercise price of \$0.39 for gross proceeds of \$90,000. As a result, the total fair value of the stock options of \$79,839 was transferred from reserve for share-based compensation to share capital.
- During the year ended June 30, 2026, the Company issued an aggregate of 1,813,305 common shares upon the settlement of 1,813,305 DSUs. As a result, the total fair value of the DSUs of \$727,738 was transferred from reserve for share-based compensation to share capital.

10. SHARE CAPITAL (continued)

During the year ended June 30, 2025, the Company had the following share capital transactions:

- On September 5, 2024, the Company closed a private placement for gross proceeds of \$60,000 by issuing 150,000 units at a price of \$0.40 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.60 per common share until September 5, 2027. The gross proceeds from the units were allocated using the residual value method whereby the proceeds were allocated to the common shares based on the market value at the date of issuance and the remaining proceeds were allocated to the warrants and recognized in warrant reserve. As the fair value of the common shares on the issuance date was equal to the cash proceeds, \$nil residual value was allocated to the share purchase warrants. In connection with this private placement, the Company paid cash finders' fees of \$3,700 and issued 9,000 finders' warrants with an aggregate fair value of \$2,566. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 until September 5, 2027. The finders' warrants were valued using the Black-Scholes option pricing model with a corresponding amount added to warrant reserve.
- On September 18, 2024, upon closing of the Transaction, 12,509,947 subscription receipts of the Company issued on June 21, 2024, and September 16, 2024 (Note 10(f)) were converted into 12,509,947 units of the Company. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant is exercisable into one common share at a price of \$0.60 per common share until September 18, 2027. The gross proceeds of \$5,003,979 were allocated using the residual value method whereby the proceeds were allocated to the common shares based on the market value at the date of issuance with remaining proceeds allocated to the warrants and recognized in warrant reserve. As the fair value of the common shares on the issuance date was equal to the cash proceeds, \$nil residual value was allocated to the share purchase warrants. In connection with the issuance of subscription receipts that subsequently converted to units, the Company incurred total unit issuance costs of \$340,743, including \$53,384 of cash issuance costs incurred during the year ended June 30, 2024 and recorded in deferred transaction costs. Unit issuance costs incurred during the year ended June 30, 2025 were comprised of cash finders' fees of \$121,113, cash issuance costs of \$89,779 and the issuance of 268,800 finders' warrants with an aggregate fair value of \$76,467. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 per share until September 18, 2027. The finders' warrants were valued using the Black-Scholes option pricing model with a corresponding amount added to the warrant reserve.
- On September 18, 2024, the Company issued 13,750,000 common shares at a fair value of \$0.40 per share to S2 for a total fair value of \$5,500,000 as a part of the consideration for the Transaction (Note 5).
- On March 6, 2025, the Company issued 2,187 common shares upon the exercise of 2,187 finders' warrants at an exercise price of \$0.40 for gross proceeds of \$875. As a result, the total fair value of the finders' warrants of \$622 was transferred from warrant reserve to share capital.
- On June 25, 2025, the Company closed a private placement for gross proceeds of \$4,100,000 by issuing 16,400,000 units at a price of \$0.25 per unit. Each unit consists of one common share of the Company and one-half of common share purchase warrant. Each whole share purchase warrant is exercisable into one additional common share at a price of \$0.35 per common share until December 24, 2026. The gross proceeds from the units were allocated using the residual value method whereby the proceeds were allocated to the common shares based on the market value at the date of issuance and the remaining proceeds were allocated to the warrants and recognized in warrant reserve. As the fair value of the common shares on the issuance date was greater than the cash proceeds, \$nil residual value was allocated to the share purchase warrants. In connection with this private placement, the Company incurred unit issuance costs of \$123,427. Unit issuance costs were comprised of cash finders' fees of \$70,500, cash issuance costs of \$8,057 and the issuance of 282,000 finders' warrants with an aggregate fair value of \$44,870. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.25 until December 24, 2026. The finders' warrants were valued using the Black-Scholes option pricing model with a corresponding amount added to warrant reserve.

10. SHARE CAPITAL (continued)

c) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, June 30, 2024	-	-
Issued	21,419,747	0.50
Exercised	(2,187)	0.40
Balance, June 30, 2025	21,417,560	0.50
Issued	6,323,750	0.39
Exercised	(5,221,440)	0.35
Balance, June 30, 2026	22,519,870	0.50

A summary of the Company's warrants outstanding as at June 30, 2026 is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	\$	Years
December 24, 2026	3,370,000	0.35	0.48
December 24, 2026	84,000	0.25	0.48
June 16, 2027	1,125,750	0.60	0.96
September 5, 2027	3,960	0.40	1.18
September 5, 2027	150,000	0.60	1.18
September 18, 2027	176,613	0.40	1.22
September 18, 2027	12,509,947	0.60	1.22
January 14, 2029	5,099,600	0.35	2.55
	22,519,870	0.50	1.39

During the year ended June 30, 2026, the Company had the following warrant transactions:

- In connection with the January 14, 2026 private placement, the Company issued 5,000,000 common share purchase warrants. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.35 per common share until January 14, 2029.
- In connection with the January 14, 2026 private placement, the Company issued 198,000 finders' warrants with an aggregate fair value of \$57,046, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the warrant reserve. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.35 per share until January 14, 2029.
- In connection with the June 16, 2026 private placement, the Company issued 1,125,750 finders' warrants with an aggregate fair value of \$132,898, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the warrant reserve. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.60 per share until June 16, 2027.
- During the year ended June 30, 2026, the Company issued an aggregate of 5,221,440 common shares upon the exercise of 5,221,440 warrants at a weighted average exercise price of \$0.35 for gross proceeds of \$1,812,456. As a result, \$86,894 recorded in reserves for the exercised warrants was reclassified to share capital.

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10. SHARE CAPITAL (continued)

A summary of the Company's inputs used in the Black-Scholes option pricing model for warrants issued during the year ended June 30, 2026 is as follows:

	January 14, 2026	June 16 2026
Share price	\$0.41	\$0.39
Exercise price	\$0.35	\$0.60
Expected life (years)	3.00	1.00
Risk-free interest rate	2.50%	2.73%
Expected volatility	111.27%	109.74%
Expected annual dividend yield	0.00%	0.00%

During the year ended June 30, 2025, the Company had the following warrant transactions:

- In connection with the September 5, 2024 private placement, the Company issued 9,000 finders' warrants with an aggregate fair value of \$2,566, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the warrant reserve. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 per share until September 5, 2027.
- In connection with the September 5, 2024 private placement, the Company issued 150,000 common share purchase warrants. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.60 per common share until September 5, 2027.
- In connection with the subscription receipts issued on June 21, 2024 and September 16, 2024 (Note 10(f)), the Company issued 268,800 finders' warrants with an aggregate fair value of \$76,467, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the warrant reserve. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 per share until September 18, 2027.
- On September 18, 2024, upon closing of the Transaction, 12,509,947 subscription receipts of the Company issued in the private placements that closed on June 21, 2024 and September 16, 2024 (Note 10(f)) were converted into 12,509,947 units of the Company. As a result, 12,509,947 common share purchase warrants of Company were issued. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.60 per common share until September 18, 2027.
- On March 6, 2025, the Company issued 2,187 common shares upon the exercise of 2,187 finders' warrants at an exercise price of \$0.40 for gross proceeds of \$875. As a result, the total fair value of the finders' warrants of \$622 was transferred from warrant reserve to share capital.
- In connection with the June 25, 2025 private placement, the Company issued 8,200,000 common share purchase warrants. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.35 per common share until December 24, 2026.
- In connection with the June 25, 2025 private placement, the Company issued 282,000 finders' warrants with an aggregate fair value of \$44,870, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the warrant reserve. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.25 until December 24, 2026.

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for warrants issued during the year ended June 30, 2025 is as follows:

Share price	\$0.36
Exercise price	\$0.42
Expected life (years)	2.24
Risk-free interest rate	2.88%
Expected volatility	105.51%
Expected annual dividend yield	0.00%

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10. SHARE CAPITAL (continued)

d) Stock options

A summary of the Company's stock option activity is as follows:

	Number of stock options outstanding	Weighted average exercise price
	#	\$
Balance, June 30, 2024	58,500	2.55
Granted	4,915,000	0.36
Expired	(33,333)	0.40
Balance, June 30, 2025	4,940,167	0.39
Granted	1,000,000	0.40
Exercised	(233,333)	0.39
Forfeited	(283,334)	0.36
Balance, June 30, 2026	5,423,500	0.39

A summary of the Company's stock options outstanding as at June 30, 2026 is as follows:

Date of expiry	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	\$	Years
February 23, 2028	14,000	14,000	1.10	1.65
July 9, 2028	5,833	5,833	3.00	2.03
October 21, 2028	38,667	38,667	3.00	2.31
September 16, 2029	2,750,000	1,866,667	0.40	3.22
June 23, 2030	1,615,000	1,085,000	0.30	3.98
January 13, 2031	1,000,000	333,333	0.40	4.54
	5,423,500	3,343,500	0.39	3.68

During the year ended June 30, 2026, the Company had the following stock option transactions:

- On January 14, 2026, the Company granted 1,000,000 stock options to certain directors and officers of the Company. These stock options have an exercise price of \$0.40, expire on January 13, 2031, and vest over a two-year period in three equal tranches with the first 1/3 on the grant date, and 1/3 every twelve months thereafter. The fair value of each stock option was determined by the Black-Scholes option pricing model, resulting in a total fair value of \$332,941, which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- During the year ended June 30, 2026, the Company issued an aggregate of 233,333 common shares upon the exercise of 233,333 stock options at an average exercise price of \$0.39 for gross proceeds of \$90,000.

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for stock options granted on January 14, 2026 is as follows:

Share price	\$0.41
Exercise price	\$0.40
Expected life (years)	5.00
Risk-free interest rate	2.90%
Expected volatility	113.42%
Expected annual dividend yield	0.00%

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10. SHARE CAPITAL (continued)

During the year ended June 30, 2025, the Company had the following stock option transactions:

- On September 17, 2024, the Company granted 3,150,000 stock options to directors, officers, and consultants. These stock options have an exercise price of \$0.40, expire on September 16, 2029, and vest over a two-year period in three equal tranches with the first 1/3 on the grant date, and 1/3 every twelve months thereafter.
- On June 24, 2025, the Company granted 1,765,000 stock options to directors, officers, and consultants. These stock options have an exercise price of \$0.30, expire on June 23, 2030, and vest over a two-year period in three equal tranches with the first 1/3 on the grant date, and 1/3 every twelve months thereafter.

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for stock options granted during the year ended June 30, 2025 is as follows:

Share price	\$0.36
Exercise price	\$0.36
Expected life (years)	5.00
Risk-free interest rate	2.77%
Expected volatility	140.99%
Expected annual dividend yield	0.00%

During the year ended June 30, 2026, the Company recognized share-based compensation of \$597,980 (2025 - \$966,695) related to the vesting of stock options.

e) Deferred share units

A summary of the Company's DSU activity is as follows:

	Number of DSUs
	#
Outstanding, June 30, 2024	-
Granted	2,208,750
Outstanding, June 30, 2025	2,208,750
Granted	647,000
Exercised	(1,813,305)
Outstanding, June 30, 2026	1,042,445

During the year ended June 30, 2026, the Company had the following DSU transactions:

- On September 30, 2025, the Company granted 80,000 DSUs to certain directors of the Company. These DSUs will vest on September 30, 2026. The fair value of each DSU was determined by reference to the closing price of the Company's common shares on the grant date, resulting in a total fair value of \$38,400, which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On October 7, 2025, the Company granted 180,292 DSUs to certain officers of the Company. These DSUs will vest on October 7, 2026. The fair value of each DSU was determined by reference to the closing price of the Company's common shares on the grant date, resulting in a total fair value of \$95,555, which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On December 31, 2025, the Company granted 103,948 DSUs to certain directors of the Company. These DSUs will vest on December 31, 2026. The fair value of each DSU was determined by reference to the closing price of the Company's common shares on the grant date, resulting in a total fair value of \$39,500, which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On March 31, 2026, the Company granted 103,031 DSUs to certain directors of the Company. These DSUs will vest on March 31, 2027. The fair value of each DSU was determined by reference to the closing price of the Company's common shares on the grant date, resulting in a total fair value of \$45,333, which will be recognized as share-based compensation on a straight-line basis over the vesting period.

10. SHARE CAPITAL (continued)

- On April 10, 2026, the Company granted 135,135 DSUs to an officer of the Company. These DSUs vested on April 13, 2026, upon the officer's termination. The fair value of each DSU was determined by reference to the closing price of the Company's common shares on the grant date, resulting in a total fair value of \$54,054, which was recognized as share-based compensation upon vesting.
- On June 30, 2026, the Company granted 44,594 DSUs to certain directors of the Company. These DSUs vested immediately upon grant. The fair value of each DSU was determined by reference to the closing price of the Company's common shares on the grant date, resulting in a total fair value of \$16,500, which was recognized as share-based compensation on the grant date.
- During the year ended June 30, 2026, the Company issued an aggregate of 1,813,305 common shares upon settlement of 1,813,305 DSUs.

During the year ended June 30, 2025, the Company had the following DSU transactions:

- On September 17, 2024, the Company granted 1,931,250 DSUs to certain directors and officers of the Company. These DSUs will vest on September 17, 2025. The fair value of each DSU was determined to be the fair value of the Company's common share on grant date, resulting in total fair value of \$772,500 which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On March 3, 2025, the Company granted 98,750 DSUs to certain directors of the Company. These DSUs will vest on March 3, 2026. The fair value of each DSU was determined to be the fair value of the Company's common share on grant date, resulting in total fair value of \$39,500 which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On May 23, 2025, the Company granted 98,750 DSUs to certain directors of the Company. These DSUs will vest on May 23, 2026. The fair value of each DSU was determined to be the fair value of the Company's common share on grant date, resulting in total fair value of \$19,750 which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On June 30, 2025, the Company granted 80,000 DSUs to certain directors of the Company. These DSUs will vest on March 3, 2026. The fair value of each DSU was determined to be the fair value of the Company's common share on grant date, resulting in total fair value of \$25,600 which will be recognized as share-based compensation on a straight-line basis over the vesting period.

During the year ended June 30, 2026, the Company recognized \$498,314 (2025 - \$613,428) in share-based compensation related to the vesting of DSUs.

11. RELATED PARTY DISCLOSURES

Key management personnel are those with the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company's key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions with key management personnel is as follows:

	Years ended June 30,	
	2026	2025
	\$	\$
Corporate development, marketing, and investor services	151,788	134,903
Management and professional fees	875,856	423,418
Office and administrative	21,891	12,500
Share-based compensation	921,876	1,251,315
	1,971,411	1,822,136

On March 4, 2025, the Company completed the grant of the YBWSS Option to S2 and contemplated it as part of the Transaction (Note 8(b)).

11. RELATED PARTY DISCLOSURES (continued)

As at June 30, 2026, accounts payable and accrued liabilities included amounts due to related parties of \$164,497 (June 30, 2025 - \$229,816). The amounts due are unsecured, non-interest bearing, and due on demand.

As at June 30, 2025, the other receivable balance of \$22,092 included in amounts receivable (Note 6) was a receivable from a related company under common control.

12. CAPITAL MANAGEMENT

The Company's capital consists of all components of shareholders' equity. The Company manages its capital structure based on the funds available to the Company, in order to support exploration. The Board of Directors does not impose quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the management of capital, the Company considers all types of equity and is dependent on third party financing, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at June 30, 2026, financial instruments included cash and cash equivalents, amounts receivable, reclamation bond, and accounts payable and accrued liabilities. All of the Company's financial instruments are classified as and measured at amortized cost.

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash and cash equivalents.

The Company minimizes its credit risk related to cash by placing cash and cash equivalents with major financial institutions. The Company considers the credit risk to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's primary exposure to liquidity risk is through accounts payable and accrued liabilities. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. As at June 30, 2026, the Company had cash and cash equivalents of \$10,582,834 (June 30, 2025 - \$3,948,127) and working capital (current assets less current liabilities) of \$10,211,579 (June 30, 2025 - \$3,297,795). As at June 30, 2026, the Company had accounts payable and accrued liabilities of \$487,981 (June 30, 2025 - \$782,772). As at June 30, 2026, liquidity risk is assessed as low. The Company had sufficient cash on hand to discharge its financial liabilities as they become due but will require additional funding to continue operations.

c) Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to foreign exchange risk from fluctuations in the Canadian dollar to the Australian dollar and the euro. A 1% change in the Canadian dollar exchange rate relative to the Australian dollar would change the Company's net loss and comprehensive loss by approximately \$253; and a 1% change in the Canadian dollar exchange rate relative to the euro would change the Company's net loss and comprehensive loss by approximately \$1,697.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

A summary of the Company's financial assets and liabilities as at June 30, 2026 that are denominated in the Australian dollar and the euro is as follows:

	AUD	EUR
	\$	\$
Financial assets		
Cash	4,007	52,110
Amounts receivable	845	16,757
Reclamation bond	22,758	-
	27,610	68,867
Financial liabilities		
Accounts payable and accrued liabilities	2,326	238,605
	2,326	238,605
Net financial assets	25,284	(169,738)

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Years ended June 30,	
	2026	2025
	\$	\$
Net loss for the year	(3,302,549)	(17,274,151)
Combined federal and provincial statutory income tax rates	27%	27%
Expected income tax recovery	(891,688)	(4,664,020)
Non-deductible expenditures and non-taxable revenues	296,003	426,618
Change in statutory, foreign tax, foreign exchange rates and other	(119,341)	55,721
Share issuance costs	(205,780)	(93,564)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	2,660,409	516,371
Temporary differences originated in the year	-	9,984
Change in unrecognized deferred tax assets	(1,739,603)	3,748,890
Provision for income tax recovery	-	-

A summary of the significant components of the Company's deferred tax assets and liabilities is as follows:

	Years ended June 30,	
	2026	2025
	\$	\$
Share issuance costs and financing fees	220,763	74,851
Non-capital losses	6,802,514	6,532,433
Equipment	(1,222)	(1,617)
Exploration and evaluation assets	(2,410,467)	(253,802)
Charitable donations	675	-
Unrecognized deferred tax asset	(4,612,263)	(6,351,865)
Net deferred tax asset	-	-

VALKEA RESOURCES CORP.
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14. INCOME TAXES (continued)

A summary of the significant components of the Company's temporary differences and unused tax losses that have not been included on the consolidated statement of financial position is as follows:

	June 30, 2026	Expiry date range	June 30, 2025	Expiry date range
Temporary differences	\$		\$	
Share issuance costs and financing fees	817,639	2047 to 2050	277,226	2046 to 2049
Non-capital losses by country				
Canada	8,704,458	2038 to 2046	18,809,976	2038 to 2045
Australia	5,273,317	No expiry date	4,762,031	No expiry date
Finland	3,611,463	2027 to 2046	39,060	2035

15. SEGMENTED INFORMATION

The Chief Operating Decision Maker ("CODM") of the Company has been identified as the Chief Executive Officer, who makes strategic decisions and allocates resources based on the information available by operating segment. The CODM determines the reportable segments of the Company based on the availability of discrete financial results and the nature of operations relating to each operating segment. The CODM identified three reportable segments being 1) Canada, 2) Australia, and 3) Finland.

A summary of the Company's assets and liabilities by geographic segment as at June 30, 2026 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Current assets	10,624,720	5,973	68,867	10,699,560
Non-current assets	-	28,271	12,123,959	12,152,230
Total assets	10,624,720	34,244	12,192,826	22,851,790
Total liabilities	(247,050)	(2,326)	(238,605)	(487,981)

A summary of the Company's assets and liabilities by geographic segment as at June 30, 2025 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Current assets	3,782,527	17,617	280,423	4,080,567
Non-current assets	-	27,783	9,553,208	9,580,991
Total assets	3,782,527	45,400	9,833,631	13,661,558
Total liabilities	(616,610)	-	(166,162)	(782,772)

A summary of the Company's net loss by geographic segment for the year ended June 30, 2026 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Operating expenses	3,196,170	47,566	75,771	3,319,507
Operating loss	(3,196,170)	(47,566)	(75,771)	(3,319,507)
Foreign exchange loss	(23,933)	-	(653)	(24,586)
Interest income	41,544	-	-	41,544
Net loss	(3,178,559)	(47,566)	(76,424)	(3,302,549)

VALKEA RESOURCES CORP.
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15. SEGMENTED INFORMATION (continued)

A summary of the Company's net loss by geographic segment for the year ended June 30, 2025 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Operating expenses	3,277,173	40,058	35,364	3,352,595
Operating loss	(3,277,173)	(40,058)	(35,364)	(3,352,595)
Gain on sale of equipment	-	4,885	-	4,885
Impairment of exploration and evaluation assets	-	(13,971,506)	-	(13,971,506)
Interest income	44,927	2	136	45,065
Net loss	(3,232,246)	(14,006,677)	(35,228)	(17,274,151)

16. SUBSEQUENT EVENTS

On July 12, 2026, 25,000 stock options with an exercise price of \$0.30 expired unexercised.

On July 24, 2026, the Company granted 2,602,167 stock options to certain directors, officers and consultants with an exercise price of \$0.32. The stock options vest over a two-year period in three equal tranches with the first 1/3 on the grant date, and 1/3 every twelve months thereafter.