

Azimut Exploration Inc.

Financial Statements
August 31, 2025 and 2024



Independent auditor's report

To the Shareholders of Azimut Exploration Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Azimut Exploration Inc. (the Company) as at August 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's financial statements comprise:

- the statements of financial position as at August 31, 2025 and 2024;
- the statements of net earnings (loss) and comprehensive income (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
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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 August 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.

Key audit matter	How our audit addressed the key audit matter
Assessment of indicators of impairment of exploration and evaluations assets	Our approach to addressing the matter included the following procedures, among others:
Refer to note 2 – Summary of material accounting policies and note 4 – Critical accounting estimates, judgments and assumptions to the financial statements.	<ul style="list-style-type: none">Assessed the judgment by management in determining indicators of impairment related to exploration and evaluation assets, which included the following:
The carrying value of exploration and evaluation assets amounted to \$44,271,194 as at August 31, 2025. Exploration and evaluation assets are reviewed for an indication of impairment at each statement of financial position date or when a triggering event is identified. The determination of whether indicators of impairment exist requires the use of judgment by management. Factors which could trigger an impairment test (indicators of impairment) include, but are not limited to, (i) the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; (ii) substantive exploration and evaluation expenditures in a specific area are neither budgeted nor planned; and (iii) no commercially viable	<ul style="list-style-type: none">Obtained for all claims, by reference to government registries, evidence to support (i) the right to explore the areas and (ii) claims' expiration dates.Read the Board of Directors minutes and obtained budget approvals to (i) evidence continued and planned exploration and evaluation expenditures; (ii) assess whether the right to explore in the specific areas is expected to be renewed; and (iii) assess whether exploration for and evaluation of mineral resources in specific areas has not led to commercially viable deposits and that management as a result decided to discontinue such activities in the specific area.

Key audit matter	How our audit addressed the key audit matter
<p>deposits have been discovered, and management has decided to discontinue such activities in the specific area.</p> <p>The total impairment loss related to exploration and evaluation assets is \$2,003,000 for the year ended August 31, 2025, which pertained to disposed or abandoned claims.</p> <p>We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgment made by management in its assessment of indicators of impairment related to exploration and evaluation assets; which resulted in a high degree of subjectivity in performing procedures related to the judgment applied by management.</p>	

Other information

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a

material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Maxime Guilbault.

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec

December 19, 2025

¹ CPA auditor, public accountancy permit No. A128042

Azimut Exploration Inc.

Statements of Financial Position (in Canadian dollars)

	As at August 31, 2025 \$	As at August 31, 2024 \$
Assets		
Current assets		
Cash and cash equivalents (Note 5)	13,639,750	11,766,113
Amounts receivable (Note 6)	364,134	763,484
Prepaid expenses	137,927	101,260
Tax credits and mining rights receivable (Note 10)	3,699,596	1,047,592
Asset available for sale (Note 9)	1,550,000	-
	<u>19,391,407</u>	<u>13,678,449</u>
Non-current assets		
Investments (Note 7)	725,155	931,242
Property and equipment (Note 8)	1,151,630	1,507,074
Intangible assets	30,773	1,930
Right-of-use assets	316,785	50,513
Exploration and evaluation assets (Note 10)	44,271,194	41,493,946
	<u>46,495,537</u>	<u>43,984,705</u>
Total assets	<u>65,886,944</u>	<u>57,663,154</u>
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	3,120,995	3,392,355
Advances received for exploration work	3,044,929	687,111
Lease liabilities	66,386	50,673
Flow-through shares premium liability (Note 12)	-	442,314
	<u>6,232,310</u>	<u>4,572,453</u>
Non-current liabilities		
Lease liabilities	253,941	-
Asset retirement obligations (Note 11)	2,033,120	1,977,549
Deferred income tax liabilities	860,249	1,351,318
	<u>3,147,310</u>	<u>3,328,867</u>
Total liabilities	<u>9,379,620</u>	<u>7,901,320</u>
Equity		
Share capital (Note 12)	73,933,931	65,200,783
Underwriters' options	-	52,464
Stock options (Note 13)	4,926,650	4,533,469
Contributed surplus	5,190,098	5,039,601
Deficit	(27,543,355)	(25,064,483)
Total equity	<u>56,507,324</u>	<u>49,761,834</u>
Total liabilities and equity	<u>65,886,944</u>	<u>57,663,154</u>
Subsequent events (Note 20)		

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

Approved by the Board of Directors

(s) Vanessa Laplante Director

(s) Jean-Marc Lulin Director

Azimut Exploration Inc.

Statements of Net Earnings (Loss) and Comprehensive Income (Loss)

For the years ended August 31, 2025 and 2024

(in Canadian dollars, except number of common shares)

	2025 \$	2024 \$
Revenues		
Operator income	363,202	443,583
Expenses		
General and administrative (Note 14)	1,883,860	2,499,736
General exploration (Note 14)	31,159	10,379
Impairment of exploration and evaluation assets (Note 10)	2,003,000	936,659
Operating expenses	3,918,019	3,446,774
Financing cost (income), net		
Interest income	(321,266)	(462,268)
Interest, bank charges and other	19,587	60,687
Unwinding of discount on asset retirement obligations (Note 11)	57,910	71,511
	(243,769)	(330,070)
Other losses (gains)		
Change in fair value – investments (Note 7)	221,802	566,009
Gain on option payments on exploration and evaluation assets (Note 10)	(120,595)	(506,119)
Gain on sale of assets (Note 10)	-	(1,693,689)
	101,207	(1,633,799)
Loss before income taxes	(3,412,255)	(1,039,322)
Deferred income tax recovery (Note 16)	933,383	1,081,917
Net earnings (loss) and comprehensive income (loss) for the year	(2,478,872)	42,595
Basic and diluted net earnings (loss) per share (Note 17)	(0.028)	0.00
Weighted average number of shares outstanding (Note 17)	90,019,401	85,221,422

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

Azimut Exploration Inc.

Statements of Changes in Equity

For the years ended August 31, 2025 and 2024

(in Canadian dollars, except number of common shares)

	<u>Share capital</u>		<u>Underwriters' options</u>	<u>Stock options</u>	<u>Contributed surplus</u>	<u>Deficit</u>	<u>Total</u>
	Number	\$	\$	\$	\$	\$	\$
Balance as at September 1, 2024	85,593,644	65,200,783	52,464	4,533,469	5,039,601	(25,064,483)	49,761,834
Net loss and comprehensive loss for the period	-	-	-	-	-	(2,478,872)	(2,478,872)
Common shares private placement (Note 12)	14,520,666	8,712,400	-	-	-	-	8,712,400
Shares issued for exploration project acquisition	200,000	122,000	-	-	-	-	122,000
Stock options expired (Note 13)	-	-	-	(98,033)	98,033	-	-
Underwriters' options expired	-	-	(52,464)	-	52,464	-	-
Stock options exercised (Note 13)	240,000	88,800	-	(40,800)	-	-	48,000
Stock-based compensation (Note 13)	-	-	-	532,014	-	-	532,014
Share issue expenses	-	(190,052)	-	-	-	-	(190,052)
Balance as at August 31, 2025	<u>100,554,310</u>	<u>73,933,931</u>	<u>-</u>	<u>4,926,650</u>	<u>5,190,098</u>	<u>(27,543,355)</u>	<u>56,507,324</u>
Balance as at September 1, 2023	79,963,844	60,035,081	-	3,747,701	4,857,941	(25,107,078)	43,533,645
Net earnings and comprehensive income for the period	-	-	-	-	-	42,595	42,595
Common shares private placement	2,082,100	2,186,205	-	-	-	-	2,186,205
Flow-through private placement	2,992,700	6,000,365	-	-	-	-	6,000,365
Less: Premium	-	(3,037,592)	-	-	-	-	(3,037,592)
Stock options exercised	555,000	343,974	-	(156,124)	-	-	187,850
Stock options expired	-	-	-	(181,660)	181,660	-	-
Stock-based compensation	-	-	-	1,123,552	-	-	1,123,552
Share issue expenses	-	(327,250)	52,464	-	-	-	(274,786)
Balance as at August 31, 2024	<u>85,593,644</u>	<u>65,200,783</u>	<u>52,464</u>	<u>4,533,469</u>	<u>5,039,601</u>	<u>(25,064,483)</u>	<u>49,761,834</u>

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

Azimut Exploration Inc.

Statements of Cash Flows

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

	August 31, 2025 \$	August 31, 2024 \$
Cash flows (used in) from operating activities		
Net earnings (loss) for the year	(2,478,872)	42,595
Items not affecting cash		
Depreciation of property and equipment (Note 8)	39,746	72,810
Amortization of intangible assets	1,930	2,401
Depreciation of right-of-use assets	59,192	60,606
Change in fair value, investments (Note 7)	221,802	566,009
Impairment of exploration and evaluation assets (Note 10)	2,003,000	936,659
Gain on option payments on exploration and evaluation assets (Note 10)	(120,595)	(506,119)
Gain on sale of exploration property (Note 10)	-	(1,693,689)
Stock-based compensation cost (Note 13)	416,227	952,504
Unwinding of discount on asset retirement obligations (Note 11)	57,910	71,511
Recovery of deferred income taxes (Note 16)	(933,383)	(1,081,917)
	<u>(733,043)</u>	<u>(576,630)</u>
Changes in non-cash working capital items		
Amounts receivable	(36,953)	214,649
Prepaid expenses	(36,667)	58,788
Accounts payable and accrued liabilities	498,902	342,430
Advances received for exploration work	2,357,818	469,502
	<u>2,783,100</u>	<u>1,085,369</u>
	<u>2,050,057</u>	<u>508,739</u>
Cash flows from financing activities		
Issuance of common shares (Note 12)	8,712,400	2,186,205
Issuance of flow-through shares	-	6,000,365
Share issue expenses	(190,052)	(436,828)
Stock options exercised (Note 13)	48,000	187,850
Repayment of lease liabilities	(63,915)	(54,484)
	<u>8,506,433</u>	<u>7,883,108</u>
Cash flows from (used in) investing activities		
Additions to property and equipment (Note 8)	(12,040)	(59,897)
Additions to intangible assets	(30,773)	(2,270)
Recovery from insurances	-	88,100
Additions to exploration and evaluation assets	(9,733,108)	(5,808,903)
Option payments on E&E assets (Note 10)	100,000	890,000
Proceeds from sale of E&E assets (Note 10)	-	500,000
Proceeds from sale of investments	69,285	-
Tax credit and mining rights received	923,783	4,447,010
	<u>(8,682,853)</u>	<u>54,040</u>
Net change in cash and cash equivalents	<u>1,873,637</u>	<u>8,445,887</u>
Cash and cash equivalents – Beginning of the year	<u>11,766,113</u>	<u>3,320,226</u>
Cash and cash equivalents – End of the year	<u>13,639,750</u>	<u>11,766,113</u>
Additional information		
Interest received	321,266	462,268
Interest paid	(10,211)	(9,705)
Additional cash flow information (Note 18)		

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

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

1 Nature of operations and general information

Azimut Exploration Inc. (“Azimut” or the “Company”), governed by the *Business Corporations Act (Quebec)*, is in the business of acquiring and exploring mineral properties. The Company’s registered office is at 110 De La Barre Street, Suite 224, Longueuil, Quebec, Canada. The mining and mineral exploration business involves a high degree of risk, and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The Company’s shares are listed on the TSX Venture Exchange (“TSXV”) under the symbol AZM and on the OTCQX Market (“OTCQX”) under the symbol AZMTF.

Until it is determined that a property contains mineral reserves or resources that can be economically mined, it is classified as an exploration and evaluation asset (“E&E asset”). It has not yet been determined whether the Company’s properties contain economically recoverable ore reserves. The recoverability of the amounts shown for E&E assets depends on the existence of economically recoverable reserves, the Company’s ability to obtain necessary financing to complete the exploration and evaluation of its properties, and the profitable sale of the E&E assets.

Although management has taken steps to verify the titles to mineral properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration and evaluation of the properties, these procedures do not guarantee the Company’s title. Property titles may be subject to unregistered prior agreements and may not comply with regulatory requirements.

2 Summary of material accounting policies

The material accounting policies used in preparing these financial statements are described below.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The accounting policies applied to these financial statements are consistent with those applied in previous fiscal years unless otherwise stated. The Company’s Board of Directors approved these financial statements for issue on December 19, 2025.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value.

Presentation and functional currency

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

Jointly controlled assets and exploration activities

A jointly controlled asset involves joint control and offers joint ownership by the Company and other venturers of assets contributed to or acquired for the purpose of the joint venture (“JV”) without the formation of a corporation, partnership or other entity.

Where the Company’s activities are conducted through jointly controlled assets and exploration activities, the financial statements include the Company’s share in the assets and liabilities and the income and expenses from the joint operations.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances, and highly liquid short-term investments with original maturities of three (3) months or less from the date of purchase and which are readily convertible to known amounts of cash.

Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Company has transferred substantially all risks and rewards of ownership.

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

2 Summary of material accounting policies (cont'd)

Financial instruments (cont'd)

Financial assets and liabilities are offset, and the net amount is reported in the Statements of Financial Position when there is an unconditional and legally enforceable right to offset the recognized amounts and an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, the initial measurement includes transaction costs directly attributable to the asset's acquisition or origination. On initial recognition, the Company classifies its financial instruments into the following categories depending on the purpose for which the instruments were acquired.

- a) **Fair value through profit and loss investments:** Investments at fair value through profit and loss are equity investments recognized initially at fair value and subsequently measured at fair value. Gains or losses arising from changes in fair value are recorded in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss).
- b) **Amortized cost:** Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments constituted solely of payments of principal and interest that are held within a "held to collect" business model. Financial assets at amortized cost are initially recognized at the amount expected to be received, less, when material, a discount to reduce the financial assets to fair value. Subsequently, financial assets at amortized cost are measured using the effective interest method, less a provision for expected losses. The Company's cash and cash equivalents and amounts receivable are classified within this category.

Investments are currently measured at fair value with changes in fair value, including any interest or dividend income recognized in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss).

Financial liabilities at amortized cost: Accounts payable and accrued liabilities and advances received for exploration work, which are classified as financial liabilities at amortized cost, are initially recognized at the amount required to be paid, less, when material, a discount to reduce to fair value. Accounts payable and accrued liabilities and advances received for exploration work are measured at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities if payment is due within twelve (12) months. Otherwise, they are presented as non-current liabilities.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the Statement of Net Earnings (Loss) and Comprehensive Income (Loss) during the period in which they are incurred.

Property and equipment are depreciated as they become available using the declining balance method at the rates indicated below, except for camps and camps under finance lease, which are amortized using the straight-line method over periods of 54 and 126 months (camps) and 18 months (camps under finance lease). Depreciation of camps and camps under finance lease is capitalized to E&E assets.

	Rate
Office furniture	20%
Office equipment	20%
Computer equipment	30%
Specialized equipment	30%
Vehicle	30%

The Company allocates the amount initially recognized in respect of an item of property and equipment to its significant parts and depreciates separately each such part. Residual values, methods of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

2 Summary of material accounting policies (cont'd)

Property and equipment (cont'd)

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss).

E&E assets

E&E assets comprise mineral properties and deferred exploration and evaluation expenses. Expenditures incurred during activities before mineral resource exploration and evaluation begins, being all expenditures incurred prior to securing the legal rights to explore an area, are expensed as incurred and presented under general exploration in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss).

E&E assets include rights in mineral properties, paid for or acquired through a business combination or an acquisition of assets, and costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits. Mineral property rights are recorded at acquisition cost. Mineral property rights and options to acquire undivided interests in mineral property rights are depreciated only as these properties are put into commercial production. These costs are impaired when properties are abandoned or when cost recovery or resource access is uncertain.

From time to time, the Company may acquire or dispose of a property pursuant to the terms of an option agreement. Since options are exercisable entirely at the discretion of the option holder, the amounts payable or receivable are not recorded.

Option payments are recorded as additions to E&E assets when the payments are made, or as a reduction to E&E assets when payments are received.

From time to time, the Company may acquire or dispose of a property pursuant to the terms of an option agreement. Since options are exercisable entirely at the discretion of the option holder, the amounts payable or receivable are not recorded.

Proceeds on the sale of mineral properties are applied by property in reduction of the acquisition costs, then in reduction of the exploration costs and any residual is recorded in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss) unless contractual work is required, in which case the residual gain is deferred and will be reduced once the contractual disbursements are done.

Funds received from partners for exploration work on certain properties where the Company is the operator, as per agreements, are accounted for in the Statement of Financial Position as advances received for exploration work. These amounts are reduced gradually once the exploration work is performed. Project management fees, received when the Company is the operator, are recorded in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss).

The Company's exploration and evaluation expenditures for each separate area of interest are capitalized and include costs associated with prospecting, sampling, trenching, drilling and other work involved in the search for deposits, including topographical, geological, geochemical and geophysical activities. They also reflect costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition.

Exploration and evaluation expenditures include the cost of the following:

- establishing the volume and grade of deposits through core drilling, trenching and sampling activities in an orebody;
- determining the optimal extraction methods and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether the development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

When a project moves into the development phase, exploration and evaluation expenditures are capitalized to development costs in property and equipment and are tested for impairment.

Exploration and evaluation expenditures include overhead expenses directly attributable to the related activities.

Cash flows attributable to capitalized E&E costs are classified as investing activities in the Statements of Cash Flows.

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

2 Summary of material accounting policies (cont'd)

Impairment of non-financial assets

Property and equipment and exploration and evaluation assets are reviewed by management for indicators of impairment at each statement of financial position date or when a triggering event is identified. E&E assets are reviewed by area of interest. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent of other assets, the Company estimates the recoverable amount of the asset group to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell or value in use. 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 which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss). Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of the recoverable amount, but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the impairment charge for the period.

Government assistance

The Company is entitled to a refundable tax credit on qualified mineral exploration expenses incurred in the province of Quebec and to a mining duties credit, which are recorded against the deferred exploration expenditures in the financial position or recognized in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss) when the related general mining exploration expenses have been recognized in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss).

Provisions and asset retirement obligations

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation, and when the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions for asset retirement obligations are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, excluding the risks for which future cash flow estimates have already been adjusted. The increase in the provision due to the passage of time is recognized in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss). Changes in assumptions or estimates are reflected in the period in which they occur. The Company also records a corresponding asset amount, which is amortized in a logical and systematic manner.

Share-based payment transactions

The fair value of share options granted to employees is recognized as an expense or capitalized to E&E assets over the vesting period with a corresponding increase in stock options. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

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 Statement of Financial Position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

2 Summary of material accounting policies (cont'd)

Share capital and warrants

Common shares and warrants are classified as equity. Incremental costs directly attributable to the issuance of shares or warrants are recognized as a deduction from the proceeds in equity in the period where the transaction occurs. Proceeds from unit placements are allocated between shares and warrants issued on a pro-rata basis of their value within the unit using the Black-Scholes pricing model to determine the fair value of warrants issued.

Warrants issued to brokers, in respect of an equity financing, are recognized as share issue expenses, reducing the share capital with a corresponding credit to warrants.

Flow-through shares

The Company finances some exploration and evaluation expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The Company recognizes a deferred tax liability for flow-through shares and a deferred tax recovery at the moment the eligible expenditures are incurred. The difference between the quoted price of the common shares and the amount the investors paid for the shares (the “premium”), measured in accordance with the residual value method, is recognized as other liability, which is reversed in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss) as a deferred tax recovery when eligible expenditures have been made.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss) except to the extent that it relates to items recognized directly in other comprehensive loss or in equity, in which case it is recognized in other comprehensive loss or in equity, respectively. Mining taxes are Canadian provincial taxes levied on mining operations and are classified as income taxes because they are based on a percentage of mining profits.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, based on amounts expected to be paid to the tax authorities.

Deferred tax is calculated using the liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. A temporary difference is not provided for if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Loss per share

The Company presents basic and diluted income per share data for its common shares, calculated by dividing the loss by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss and the weighted average number of common shares outstanding for the effects of all warrants, brokers' units and stock options that may add to the total number of common shares in the case where they would not have an anti-dilutive impact.

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

2 Summary of material accounting policies (cont'd)

Segment disclosures

The Company currently operates in a single segment: the acquisition, exploration and evaluation of mineral properties. All of the Company's activities are conducted in the province of Quebec (Canada).

3 Accounting standards adopted and accounting standards issued but not yet effective

New accounting standards issued but not yet effective

IFRS 18, Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 to improve the reporting of financial performance. The new standard replaces IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies to annual reporting periods beginning on or after January 1, 2027, with earlier application permitted.

The new accounting standard introduces significant changes to the structure of income statements and introduces new principles for aggregation and disaggregation of information.

The impact of the adoption of the amendments has not yet been determined by the Company.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instrument Disclosures

In May 2024, the IASB published *Amendments to the Classification and Measurement of Financial Instruments* (Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*). The amendments to IFRS 9 clarify de-recognition and classification of specific financial assets and liabilities, respectively, while the amendments to IFRS 7 clarify the disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows on the occurrence or non-occurrence of a contingent event.

The amendments to IFRS 9 and IFRS 7 are effective for annual reporting beginning on or after January 1, 2026. Earlier application is permitted.

The impact of the adoption of the amendments has not yet been determined by the Company.

4 Critical accounting estimates, judgments and assumptions

Many of the amounts included in the financial statements require management to make judgments and/or estimates and assumptions. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements. Revisions to estimates are recognized prospectively.

Areas of critical estimates and assumptions affecting the amounts recognized in the financial statements include the following:

a) Asset retirement obligations

Asset retirement obligations arise from the development, construction and normal operation of mining property and equipment, as mining activities are subject to laws and regulations governing the protection of the environment. Such costs arising from the decommissioning of site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset as soon as the obligation to incur such costs arises. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, excluding risks for which future cash flow estimates have already been adjusted. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. The Company also records a corresponding asset amount, which is amortized over the remaining service life of the asset.

Future remediation costs are accrued based on management's best estimate at the end of each period of the undiscounted cash costs expected to be incurred at each site. Changes in estimates are reflected in the period during which an estimate is revised. Accounting for reclamation and remediation obligations requires management to estimate the future costs the Company will incur at each site to complete reclamation and remediation work required to comply with existing laws and regulations.

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

4 Critical accounting estimates, judgments and assumptions (cont'd)

a) Asset retirement obligations (cont'd)

The Company also estimates the timing of the cash outflow, which is subject to change and is currently estimated to be the year 2027 in the Nunavik region and the year 2033 in the James-Bay region (Elmer property), which represents a critical accounting estimate by the Company. Actual costs incurred may differ from the estimated amounts. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required from the Company. Increases in future costs could materially impact the amounts charged to activities for reclamation and remediation.

Areas of significant judgment affecting the amounts recognized in the financial statements include the following:

a) Valuation of the refundable duties credit for losses and the refundable tax credit for resources

The refundable mining duties credit and the refundable tax credit for resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at each Statement of Financial Position reporting date. Uncertainties exist with respect to the interpretation of tax regulations, including the mining duties credit and the tax credit for resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits and the amount and timing of their collection. The calculation of the Company's mining duties credit and tax credit for resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessments and payments has been received from the relevant taxation authority. Differences arising between the actual results following the final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to the mining duties credit and tax credit for resources, the exploration and evaluation assets and expenses, and the income tax expenses in future periods.

The amounts recognized in the financial statements are derived from the Company's best estimation and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means that the eventual resolution could differ from the accounting estimates, thereby impacting the Company's financial position, financial performance, and cash flows.

b) Impairment of non-financial assets

The Company's measurement of the carrying amount of non-financial assets is based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves comparing the estimated recoverable amounts of non-financial assets with their carrying values. The estimated recoverable amounts may differ from the actual recoverable amounts, and these differences may be significant and could materially impact the Company's financial position and results of operations. Assets are reviewed for an indication of impairment at each Statement of Financial Position reporting date or when a triggering event is identified.

Management is required to exercise judgement when assessing whether impairment indicators are present that trigger the requirement to perform a formal impairment test for exploration and evaluation assets. Factors which could trigger an impairment test (impairment indicators) include, but are not limited to: (i) the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; (ii) substantive exploration and evaluation expenditures in a specific area are neither budgeted nor planned, and (iii) no commercially viable deposits have been discovered, and management has decided to discontinue such activities in the specific area.

Based on an impairment analysis performed in 2025, the Company impaired certain properties for which some claims had been abandoned. In the Eeyou Istchee James Bay Territory of Quebec (the "James Bay region"), properties were impaired for a total amount of \$1,897,902, including the Pikwa Property, which was sold after August 31, 2025, classified as an asset available for sale, and impaired for \$967,132 to reflect the net realization value. In the Nunavik region, properties were impaired for a total amount of \$105,098 (see Note 10).

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

5 Cash and cash equivalents

As at August 31, 2025, the Company's cash and cash equivalents of \$13,639,750 (\$11,766,113 – August 31, 2024) included \$9.1 million of high-interest savings accounts bearing interest at 3.48% (\$5.5 million bearing interest at 4.15% – August 31, 2024), cashable at any time without penalty.

6 Amounts receivable

	As at August 31, 2025 \$	As at August 31, 2024 \$
Commodity taxes	338,230	510,872
Amounts receivable	25,904	252,612
Amounts receivable - Current	<u>364,134</u>	<u>763,484</u>

7 Investments

	2025 \$	2024 \$
Fair value through profit or loss investments		
Opening balance	931,242	36,251
Acquisitions (Note 10j)	85,000	-
Received from disposal of E&E assets (Note 10k)	-	1,461,000
Disposal	(69,285)	-
Change in fair value	<u>(221,802)</u>	<u>(566,009)</u>
Ending balance	<u>725,155</u>	<u>931,242</u>

The investments are mainly held in common shares of Canadian publicly traded companies. The fair value of each investment in common shares is based on the quoted market prices of those shares on a recognized stock exchange at the end of each reporting period.

8 Property and equipment

	Office furniture \$	Office equipment \$	Computer equipment \$	Specialized equipment \$	Camp ⁽¹⁾ \$	Vehicles ⁽¹⁾ \$	Total \$
Year ended August 31, 2025							
Opening net book amount	596	-	30,238	164,205	1,312,035	-	1,507,074
Additions	-	-	9,839	2,201	-	-	12,040
Change in estimate	-	-	-	-	(2,339)	-	(2,339)
Depreciation for the year ⁽¹⁾	<u>(596)</u>	<u>-</u>	<u>(8,979)</u>	<u>(44,076)</u>	<u>(311,494)</u>	<u>-</u>	<u>(365,145)</u>
Closing net book amount	<u>-</u>	<u>-</u>	<u>31,098</u>	<u>122,330</u>	<u>998,202</u>	<u>-</u>	<u>1,151,630</u>
As at August 31, 2025							
Cost	23,363	29,914	129,967	243,677	2,635,065	3,702	3,065,688
Accumulated depreciation	<u>(23,363)</u>	<u>(29,914)</u>	<u>(98,869)</u>	<u>(121,347)</u>	<u>(1,636,863)</u>	<u>(3,702)</u>	<u>(1,914,058)</u>
Net book amount	<u>-</u>	<u>-</u>	<u>31,098</u>	<u>122,330</u>	<u>998,202</u>	<u>-</u>	<u>1,151,630</u>

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

8 Property and equipment (cont'd)

	Office furniture \$	Office equipment \$	Computer equipment \$	Specialized equipment \$	Camp ⁽¹⁾ \$	Vehicles ⁽¹⁾ \$	Total \$
Year ended August 31, 2024							
Opening net book amount	1,650	5,606	32,430	256,366	1,241,727	92	1,537,871
Additions	700	-	7,297	51,900	-	-	59,897
Disposition	-	-	-	(88,100)	-	-	(88,100)
Change in estimate	-	-	-	-	356,114	-	356,114
Depreciation for the year ⁽¹⁾	(1,754)	(5,606)	(9,489)	(55,961)	(285,806)	(92)	(358,708)
Closing net book amount	596	-	30,238	164,205	1,312,035	-	1,507,074
As at August 31, 2024							
Cost	23,363	29,914	120,128	241,476	2,637,403	3,702	3,055,986
Accumulated depreciation	(22,767)	(29,914)	(89,890)	(77,271)	(1,325,368)	(3,702)	(1,548,912)
Net book amount	596	-	30,238	164,205	1,312,035	-	1,507,074

(1) Depreciation of property and equipment included in E&E assets in the amount of \$325,399 for the period ended August 31, 2025 (\$285,898 – August 31, 2024)

9 Asset available for sale

On November 12, 2025, Azimut and SOQUEM Inc. (“SOQUEM”) entered into an agreement with PMET Resources Inc. (“PMET”) for the sale of Azimut’s 50% participating interest in the Pikwa joint venture (“Pikwa”) to PMET. In consideration for the sale of its interest in Pikwa, Azimut received 420,958 of PMET’s common shares, representing gross proceeds of \$1,550,000. The transaction closed on November 28, 2025.

Participating interest in Pikwa

Carrying value of the property – August 31, 2025	\$ 2,517,132
Impairment of exploration and evaluation assets ⁽¹⁾	(967,132)
Ending balance – August 31, 2025	<u>1,550,000</u>

⁽¹⁾ As at August 31, 2025, Azimut had classified its 50% participating interest in Pikwa as an available-for-sale asset under current assets at the lower of the carrying amount and the fair value less costs to sell.

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

10 Exploration and evaluation assets

All mineral properties are in the Province of Quebec.

Change in E&E assets in 2025

Mineral property		Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Reclassifi- cation (Note 9)	Tax credit	Cost as at August 31, 2025	Accumulated impairment as at August 31, 2024	Impairment	Accumulated impairment as at August 31, 2025	Net book value as at August 31, 2025
		%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – Gold												
Elmer (Patwon Zone)	(l)	100										
Acquisition costs			231,433	271,590	-	-	-	503,023	-	-	-	503,023
Exploration costs			31,286,155	794,878	-	-	(289,161)	31,791,872	-	-	-	31,791,872
			31,517,588	1,066,468	-	-	(289,161)	32,294,895	-	-	-	32,294,895
SOQUEM – JB Alliance												
	(a)	50										
Acquisition costs			26,423	11,471	-	-	-	37,894	-	-	-	37,894
Exploration costs			297,917	3,259	-	-	(1,474)	299,702	-	-	-	299,702
			324,340	14,730	-	-	(1,474)	337,596	-	-	-	337,596
Opinaca												
	(c)	25 - 50										
Acquisition costs			166,159	3,580	-	-	-	169,739	(166,159)	-	(166,159)	3,580
Exploration costs			286,580	3,421	-	-	(1,493)	288,508	(286,580)	-	(286,580)	1,928
			452,739	7,001	-	-	(1,493)	458,247	(452,739)	-	(452,739)	5,508
Wabamisk (Rosa Zone)												
	(d)	100										
Acquisition costs			65,418	29,624	-	-	-	95,042	-	-	-	95,042
Exploration costs			352,173	205,586	-	-	(89,739)	468,020	-	-	-	468,020
			417,591	235,210	-	-	(89,739)	563,062	-	-	-	563,062
Other												
		100										
Acquisition costs			48,824	7,176	-	-	-	56,000	(39,698)	(16,302)	(56,000)	-
Exploration costs			43,608	365	-	-	(134)	43,839	(37,355)	(6,484)	(43,839)	-
			92,432	7,541	-	-	(134)	99,839	(77,053)	(22,786)	(99,839)	-
Total James Bay – Gold			32,804,690	1,330,950	-	-	(382,001)	33,753,639	(529,792)	(22,786)	(552,578)	33,201,061
James Bay – CSM *												
Mercator												
		100										
Acquisition costs			112,671	64,584	-	-	-	177,255	-	(88,628)	(88,628)	88,627
Exploration costs			181,185	125,188	-	-	(4,161)	302,212	-	(150,873)	(150,873)	151,339
			293,856	189,772	-	-	(4,161)	479,467	-	(239,501)	(239,501)	239,966
Corne												
		100										
Acquisition costs			56,817	-	-	-	-	56,817	-	(28,408)	(28,408)	28,409
Exploration costs			87,671	6,713	-	-	-	94,384	-	(47,092)	(47,092)	47,292
			144,488	6,713	-	-	-	151,201	-	(75,500)	(75,500)	75,701
JBN												
		100										
Acquisition costs			506,280	210,622	-	-	-	716,902	-	(98,808)	(98,808)	618,094
Exploration costs			198,638	1,329,652	-	-	(370,198)	1,158,092	-	(18,164)	(18,164)	1,139,928
			704,918	1,540,274	-	-	(370,198)	1,874,994	-	(116,972)	(116,972)	1,758,022

Azimut Exploration Inc.

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(in Canadian dollars)

10 Exploration and evaluation assets (cont'd)

Change in E&E assets in 2025 (cont'd)

Mineral property		Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Reclassi- fication (Note 9)	Tax credit	Cost as at August 31, 2025	Accumulated impairment as at August 31, 2024	Impairment	Accumulated impairment as at August 31, 2025	Net book value as at August 31, 2025
		%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – CSM (cont'd)												
JBL		100										
Acquisition costs			73,448	3,170	-	-	-	76,618	-	(60,086)	(60,086)	16,532
Exploration costs			996,284	86,461	-	-	(6,166)	1,076,579	-	(372,814)	(372,814)	703,765
			1,069,732	89,631	-	-	(6,166)	1,153,197	-	(432,900)	(432,900)	720,297
Wapatik	(e)	100										
Acquisition costs			-	40,480	-	-	-	40,480	-	-	-	40,480
Exploration costs			10,230	17,886	-	-	(7,947)	20,169	-	-	-	20,169
			10,230	58,366	-	-	(7,947)	60,649	-	-	-	60,649
Wabamisk CSM (Fortin Zone)		100										
Acquisition costs			46,029	62,758	-	-	-	108,787	(32,929)	-	(32,929)	75,858
Exploration costs			938,742	5,792,552	-	-	(2,673,648)	4,057,646	(916,580)	-	(916,580)	3,141,066
			984,771	5,855,310	-	-	(2,673,648)	4,166,433	(949,509)	-	(949,509)	3,216,924
Dalmas & Galinée	(b)	50										
Acquisition costs			88,686	33,992	-	-	-	122,678	-	-	-	122,678
Exploration costs			2,654,377	171,836	-	-	(32,099)	2,794,114	-	-	-	2,794,114
			2,743,063	205,828	-	-	(32,099)	2,916,792	-	-	-	2,916,792
SOQUEM CSM	(a)	50										
Acquisition costs			213,092	29,371	-	(128,032)	-	114,431	-	-	-	114,431
Exploration costs			2,706,041	56,228	-	(1,421,968)	(19,631)	1,320,670	-	(967,132)	(967,132)	353,538
			2,919,133	85,599	-	(1,550,000)	(19,631)	1,435,101	-	(967,132)	(967,132)	467,969
Other CSM		100										
Acquisition costs			54,888	-	-	-	-	54,888	(21,408)	(21,280)	(42,688)	12,200
Exploration costs			8,289	37,084	-	-	(16,689)	28,684	(88)	(21,831)	(21,919)	6,765
			63,177	37,084	-	-	(16,689)	83,572	(21,496)	(43,111)	(64,607)	18,965
Total James Bay – CSM			8,933,368	8,068,577	-	(1,550,000)	(3,130,539)	12,321,406	(971,005)	(1,875,116)	(2,846,121)	9,475,285
James Bay – CSM - Under option												
Corvet, Kaanaayaa & Wabamisk East	(i)	100										
Acquisition costs			-	-	-	-	-	-	-	-	-	-
Exploration costs			-	315	-	-	-	315	-	-	-	315
			-	315	-	-	-	315	-	-	-	315
Pilipas	(j)	100										
Acquisition costs			-	-	-	-	-	-	-	-	-	-
Exploration costs			6,800	3,125	(8,429)	-	(1,378)	118	-	-	-	118
			6,800	3,125	(8,429)	-	(1,378)	118	-	-	-	118

Azimut Exploration Inc.

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(in Canadian dollars)

10 Exploration and evaluation assets (cont'd)

Change in E&E assets in 2025 (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Reclassification (Note 9)	Tax credit	Cost as at August 31, 2025	Accumulated impairment as at August 31, 2024	Impairment	Accumulated impairment as at August 31, 2025	Net book value as at August 31, 2025
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – CSM - Under option (cont'd)											
Kukamas	(f)	100									
Acquisition costs		-	-	-	-	-	-	-	-	-	-
Exploration costs		55,976	26,607	(55,976)	-	-	26,607	-	-	-	26,607
		55,976	26,607	(55,976)	-	-	26,607	-	-	-	26,607
Total James Bay – CSM - Under option		62,776	30,047	(64,405)	-	(1,378)	27,040	-	-	-	27,040
Total James Bay		41,800,834	9,429,574	(64,405)	(1,550,000)	(3,513,918)	46,102,085	(1,500,797)	(1,897,902)	(3,398,699)	42,703,386
Nunavik – CSM											
Rex-Duquet	(g, h)	100									
Acquisition costs		1,384,830	60,732	-	-	-	1,445,562	(1,250,826)	(41,952)	(1,292,778)	152,784
Exploration costs		4,235,537	123,038	-	-	(27,430)	4,331,145	(3,855,358)	-	(3,855,358)	475,787
		5,620,367	183,770	-	-	(27,430)	5,776,707	(5,106,184)	(41,952)	(5,148,136)	628,571
Rex South	(h)	100									
Acquisition costs		532,267	51,246	-	-	-	583,513	(342,053)	(63,112)	(405,165)	178,348
Exploration costs		715,504	212,554	-	-	(34,409)	893,649	(440,251)	-	(440,251)	453,398
		1,247,771	263,800	-	-	(34,409)	1,477,162	(782,304)	(63,112)	(845,416)	631,746
Nantais	(h)	100									
Acquisition costs		185,487	-	-	-	-	185,487	(185,487)	-	(185,487)	-
Exploration costs		326,121	61	-	-	(27)	326,155	(326,121)	(34)	(326,155)	-
		511,608	61	-	-	(27)	511,642	(511,608)	(34)	(511,642)	-
Doran		100									
Acquisition costs		126,004	-	-	-	-	126,004	-	-	-	126,004
Exploration costs		50,190	-	-	-	-	50,190	-	-	-	50,190
		176,194	-	-	-	-	176,194	-	-	-	176,194
Total Nunavik – CSM		7,555,940	447,631	-	-	(61,866)	7,941,705	(6,400,096)	(105,098)	(6,505,194)	1,436,511
Nunavik – Gold											
Other		100									
Acquisition costs		738,409	-	-	-	-	738,409	(738,409)	-	(738,409)	-
Exploration costs		982,241	-	-	-	-	982,241	(982,241)	-	(982,241)	-
Total Nunavik – Gold		1,720,650	-	-	-	-	1,720,650	(1,720,650)	-	(1,720,650)	-

Azimut Exploration Inc.

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(in Canadian dollars)

10 Exploration and evaluation assets (cont'd)

Change in E&E assets in 2025 (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Reclassi- fication (Note 9)	Tax credit	Cost as at August 31, 2025	Accumulated impairment as at August 31, 2024	Impairment	Accumulated impairment as at August 31, 2025	Net book value as at August 31, 2025
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Nunavik – Uranium											
North Rae *	100										
Acquisition costs		485,129	-	-	-	-	485,129	(485,129)	-	(485,129)	-
Exploration costs		709,305	-	-	-	-	709,305	(709,305)	-	(709,305)	-
Total Nunavik – Uranium		<u>1,194,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,194,434</u>	<u>(1,194,434)</u>	<u>-</u>	<u>(1,194,434)</u>	<u>-</u>
Total Nunavik		<u>10,471,024</u>	<u>447,631</u>	<u>-</u>	<u>-</u>	<u>(61,866)</u>	<u>10,856,789</u>	<u>(9,315,180)</u>	<u>(105,098)</u>	<u>(9,420,278)</u>	<u>1,436,511</u>
Total E&E assets		<u>52,271,858</u>	<u>9,877,205</u>	<u>(64,405)</u>	<u>(1,550,000)</u>	<u>(3,575,784)</u>	<u>56,958,874</u>	<u>(10,815,977)</u>	<u>(2,003,000)</u>	<u>(12,818,977)</u>	<u>44,139,897</u>

* Fully impaired properties for which the Company still holds mining claims.

** CSM = critical and strategic minerals

Note that commodities reflect the main target of the exploration work performed during the period. This classification may change over time.

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

10 Exploration and evaluation assets (cont'd)

Change in E&E assets in 2024

Mineral property	Undivided interest	Cost as at August 31, 2023	Additions	Option payments	Sale of property	Tax credit	Cost as at August 31, 2024	Accumulated impairment as at August 31, 2023	Impairment	Accumulated impairment as at August 31, 2024	Net book value as at August 31, 2024
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – Gold											
Elmer	100										
Acquisition costs		198,676	32,757	-	-	-	231,433	-	-	-	231,433
Exploration costs		28,793,141	3,285,893	-	-	(792,879)	31,286,155	-	-	-	31,286,155
		28,991,817	3,318,650	-	-	(792,879)	31,517,588	-	-	-	31,517,588
SOQUEM – JB Alliance											
(a)	50										
Acquisition costs		74,000	7,048	-	-	-	81,048	-	-	-	81,048
Exploration costs		454,069	9,504	-	-	(24,483)	439,090	-	-	-	439,090
		528,069	16,552	-	-	(24,483)	520,138	-	-	-	520,138
Opinaca *											
(c)	25 - 100										
Acquisition costs		166,159	-	-	-	-	166,159	(148,416)	(17,743)	(166,159)	-
Exploration costs		286,580	-	-	-	-	286,580	(264,231)	(22,349)	(286,580)	-
		452,739	-	-	-	-	452,739	(412,647)	(40,092)	(452,739)	-
Wabamisk											
(d)	100										
Acquisition costs		65,418	-	-	-	-	65,418	-	-	-	65,418
Exploration costs		220,987	197,095	-	-	(65,909)	352,173	-	-	-	352,173
		286,405	197,095	-	-	(65,909)	417,591	-	-	-	417,591
Wapatik											
(e)	100										
Acquisition costs		-	-	-	-	-	-	-	-	-	-
Exploration costs		15,957	18,823	(15,957)	-	(8,593)	10,230	-	-	-	10,230
		15,957	18,823	(15,957)	-	(8,593)	10,230	-	-	-	10,230
Kukamas											
(f)	100										
Acquisition costs		36,718	-	(36,718)	-	-	-	-	-	-	-
Exploration costs		69,258	-	(13,282)	-	-	55,976	-	-	-	55,976
		105,976	-	(50,000)	-	-	55,976	-	-	-	55,976
Other											
100											
Acquisition costs		99,632	3,400	-	-	-	103,032	(57,706)	(3,400)	(61,106)	41,926
Exploration costs		36,880	25,165	-	-	(10,984)	51,061	(37,442)	-	(37,442)	13,619
		136,512	28,565	-	-	(10,984)	154,093	(95,148)	(3,400)	(98,548)	55,545
Total James Bay – Gold		30,517,475	3,579,685	(65,957)	-	(902,848)	33,128,354	(507,795)	(43,492)	(551,287)	32,577,068

Azimut Exploration Inc.

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(in Canadian dollars)

10 Exploration and evaluation assets (cont'd)

Change in E&E assets in 2024 (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2023	Additions	Option payments	Sale of property	Tax credit	Cost as at August 31, 2024	Accumulated impairment as at August 31, 2023	Impairment	Accumulated impairment as at August 31, 2024	Net book value as at August 31, 2024
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – Chromium-PGE											
Chromaska	100										
Acquisition costs		46,029	-	-	-	-	46,029	(32,929)	-	(32,929)	13,100
Exploration costs		921,721	30,205	-	-	(13,184)	938,742	(916,580)	-	(916,580)	22,162
Total James Bay – Chromium-PGE		967,750	30,205	-	-	(13,184)	984,771	(949,509)	-	(949,509)	35,262
James Bay – Base Metals											
Mercator	100										
Acquisition costs		112,671	-	-	-	-	112,671	-	-	-	112,671
Exploration costs		38,529	142,656	-	-	-	181,185	-	-	-	181,185
		151,200	142,656	-	-	-	293,856	-	-	-	293,856
Corne	100										
Acquisition costs		56,817	-	-	-	-	56,817	-	-	-	56,817
Exploration costs		36,738	50,933	-	-	-	87,671	-	-	-	87,671
		93,555	50,933	-	-	-	144,488	-	-	-	144,488
Others	100										
Acquisition costs		1,502	-	-	-	-	1,502	(822)	-	(822)	680
Exploration costs		835	-	-	-	-	835	-	-	-	835
		2,337	-	-	-	-	2,337	(822)	-	(822)	1,515
Total James Bay – Base Metals		247,092	193,589	-	-	-	440,681	(822)	-	(822)	439,859
James Bay – Nickel											
JBN-57	(k)	100									
Acquisition costs		-	6,092	-	(6,092)	-	-	-	-	-	-
Exploration costs		-	33,764	-	(21,220)	(12,544)	-	-	-	-	-
		-	39,856	-	(27,312)	(12,544)	-	-	-	-	-
JBN	100										
Acquisition costs		502,527	3,753	-	-	-	506,280	-	-	-	506,280
Exploration costs		102,596	83,641	-	-	12,401	198,638	-	-	-	198,638
		605,123	87,394	-	-	12,401	704,918	-	-	-	704,918
Total James Bay – Nickel		605,123	127,250	-	(27,312)	(143)	704,918	-	-	-	704,918
James Bay – Lithium											
Dalmas & Galinée	(b)	50									
Acquisition costs		78,662	10,024	-	-	-	88,686	-	-	-	88,686
Exploration costs		229,883	2,437,980	-	-	(13,486)	2,654,377	-	-	-	2,654,377
		308,545	2,448,004	-	-	(13,486)	2,743,063	-	-	-	2,743,063
Corvet & Kaanaayaa	(i)	100									
Acquisition costs		-	-	-	-	-	-	-	-	-	-
Exploration costs		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-

Azimut Exploration Inc.

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(in Canadian dollars)

10 Exploration and evaluation assets (cont'd)

Change in E&E assets in 2024 (cont'd)

Mineral property		Undivided interest	Cost as at August 31, 2023	Additions	Option payments	Sale of property	Tax credit	Cost as at August 31, 2024	Accumulated impairment as at August 31, 2023	Impairment	Accumulated impairment as at August 31, 2024	Net book value as at August 31, 2024
		%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – Lithium (cont'd)												
Pilipas	(j)	100										
Acquisition costs			20,790	-	(20,790)	-	-	-	-	-	-	-
Exploration costs			26,749	17,185	(37,134)	-	-	6,800	-	-	-	6,800
			47,539	17,185	(57,924)	-	-	6,800	-	-	-	6,800
SOQUEM – JB Alliance	(a)	50										
Acquisition costs			149,700	8,767	-	-	-	158,467	-	-	-	158,467
Exploration costs			1,903,257	815,373	-	-	(153,762)	2,564,868	-	-	-	2,564,868
			2,052,957	824,140	-	-	(153,762)	2,723,335	-	-	-	2,723,335
JBL		100										
Acquisition costs			73,448	-	-	-	-	73,448	-	-	-	73,448
Exploration costs			450,864	553,761	-	-	(8,341)	996,284	-	-	-	996,284
			524,312	553,761	-	-	(8,341)	1,069,732	-	-	-	1,069,732
Total James Bay – Lithium			2,933,353	3,843,090	(57,924)	-	(175,589)	6,542,930	-	-	-	6,542,930
Total James Bay			35,270,793	7,773,819	(123,881)	(27,312)	(1,091,764)	41,801,655	(1,458,126)	(43,492)	(1,501,618)	40,300,037
Nunavik – Gold												
Rex-Duquet	(g & h)	100										
Acquisition costs			1,372,065	12,765	-	-	-	1,384,830	(1,148,800)	(102,026)	(1,250,826)	134,004
Exploration costs			4,176,913	61,038	-	-	(2,414)	4,235,537	(3,527,133)	(328,225)	(3,855,358)	380,179
			5,548,978	73,803	-	-	(2,414)	5,620,367	(4,675,933)	(430,251)	(5,106,184)	514,183
Rex South	(h)	100										
Acquisition costs			521,539	10,728	-	-	-	532,267	(264,351)	(77,702)	(342,053)	190,214
Exploration costs			593,531	123,259	-	-	(1,286)	715,504	(327,810)	(112,441)	(440,251)	275,253
			1,115,070	133,987	-	-	(1,286)	1,247,771	(592,161)	(190,143)	(782,304)	465,467
Nantais*	(h)	100										
Acquisition costs			180,457	5,030	-	-	-	185,487	(95,299)	(90,188)	(185,487)	-
Exploration costs			325,984	243	-	-	(106)	326,121	(204,913)	(121,208)	(326,121)	-
			506,441	5,273	-	-	(106)	511,608	(300,212)	(211,396)	(511,608)	-
Other		100										
Acquisition costs			738,409	-	-	-	-	738,409	(738,282)	(127)	(738,409)	-
Exploration costs			982,241	-	-	-	-	982,241	(982,241)	-	(982,241)	-
			1,720,650	-	-	-	-	1,720,650	(1,720,523)	(127)	(1,720,650)	-
Total Nunavik – Gold			8,891,139	213,063	-	-	(3,806)	9,100,396	(7,288,829)	(831,917)	(8,120,746)	979,650
Nunavik – Base Metals												
Doran		100										
Acquisition costs			59,732	66,272	-	-	-	126,004	-	-	-	126,004
Exploration costs			37,237	15,524	-	-	(2,571)	50,190	-	-	-	50,190
Total Nunavik – Base Metals			96,969	81,796	-	-	(2,571)	176,194	-	-	-	176,194

Azimut Exploration Inc.

Notes to Financial Statements

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10 Exploration and evaluation assets (cont'd)

Change in E&E assets in 2024 (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2023	Additions	Option payments	Sale of property	Tax credit	Cost as at August 31, 2024	Accumulated impairment as at August 31, 2023	Impairment	Accumulated impairment as at August 31, 2024	Net book value as at August 31, 2024
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Nunavik – Diamonds											
Diamrex *	100										
Acquisition costs		52,948	-	-	-	-	52,948	-	(52,948)	(52,948)	-
Exploration costs		7,885	470	-	-	(205)	8,150	-	(8,150)	(8,150)	-
Total Nunavik – Diamonds		60,833	470	-	-	(205)	61,098	-	(61,098)	(61,098)	-
Nunavik – Uranium											
North Rae *	100										
Acquisition costs		484,977	152	-	-	-	485,129	(484,977)	(152)	(485,129)	-
Exploration costs		709,305	-	-	-	-	709,305	(709,305)	-	(709,305)	-
Total Nunavik – Uranium		1,194,282	152	-	-	-	1,194,434	(1,194,282)	(152)	(1,194,434)	-
Total Nunavik		10,243,223	295,481	-	-	(6,582)	10,532,122	(8,483,111)	(893,167)	(9,376,278)	1,155,844
Total E&E assets		45,514,016	8,069,300	(123,881)	(27,312)	(1,098,346)	52,333,777	(9,941,237)	(936,659)	(10,877,896)	41,455,881

* Fully impaired properties for which the Company still holds mining claims.

Note that commodities reflect the main target of the exploration work performed during the period. This classification may change over time.

	August 31, 2025 \$	August 31, 2024 \$
Acquisition and exploration – Net book value	44,139,897	41,455,881
Prepaid exploration expenses	131,297	38,065
	<u>44,271,194</u>	<u>41,493,946</u>

Azimut Exploration Inc.

Notes to Financial Statements

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10 Exploration and evaluation assets (cont'd)

- a) The James Bay Strategic Alliance (the “JB Alliance”) was formed between Azimut and SOQUEM on September 22, 2016, to identify, acquire and explore gold targets in the James Bay region. The properties are held as 50/50 joint venture (“JV”) projects, each property subject to a JV agreement between Azimut and SOQUEM. Azimut remains the operator of Munischiwan, Pontois and Desceliers. SOQUEM is the operator of Pikwa. On November 28, 2025, Azimut and SOQUEM concluded the sale of the Pikwa Property to PMET Resources Inc. (Note 9).
- b) The Dalmas and Galinée properties are subject to a JV agreement between Azimut and SOQUEM. On April 25, 2019, SOQUEM acquired a 50% interest in the Dalmas Property. Azimut remains the operator.
- c) The Opinaca A and B properties are subject to a JV agreement with the following parties:
- Opinaca A is a 50/50 JV project with Everton Resources Inc. (“Everton”).
 - Opinaca B is a 25/50/25 JV project with Hecla Quebec Inc. (“Hecla”) and Everton.
- d) The Wabamisk Property is 100% owned by Azimut and comprises 544 mining claims. Eight (8) of the property’s claims are subject to a 2.1% net smelter return (“NSR”) royalty with a buy-back of 1.05% for \$350,000.
- e) On September 21, 2020, the Company granted Mont Royal Resources Limited (“Mont Royal”) the option to earn a 50% interest in the Wapatik Property. On November 9, 2024, Mont Royal decided to terminate the option.
- f) On November 30, 2022, the Company granted KGHM International Ltd (“KGHM”) the option to earn an initial 50% interest (the “first option”) in the Kukamas Property by making cash payments to Azimut aggregating \$250,000, funding a minimum of \$5 million in work expenditures over four (4) years and performing a minimum of 5,000 metres of diamond drilling. Azimut acts as the operator during the first option phase.

KGHM may earn an additional 20% interest for a total interest of 70% (the “second option”) by making an additional cash payment of \$225,000 and incurring an additional \$4.2 million in work expenditures over three (3) years from the election date, and by delivering a preliminary economic assessment under National Instrument 43-101 on or before the third anniversary of the election notice. The second option period may be extended by up to three (3) years by incurring work expenditures of \$1,700,000 per extension year and making cash payments to Azimut of \$100,000 per extension year. KGHM will act as the operator during the second option.

If KGHM elects not to exercise the second option after exercising the first option, it must pay Azimut \$75,000 in cash as a final payment.

- g) The Duquet Property was transferred to Azimut on September 30, 2015, in consideration of an aggregate 2.25% NSR royalty on the property. The Duquet Property was combined with the Rex Property to form a single entity, known as the Rex-Duquet Property, and became subject to the Nunavik Alliance (see *h*).
- h) The Nunavik Strategic Alliance (the “Nunavik Alliance”) was formed between Azimut and SOQUEM on April 25, 2019, under which SOQUEM had the option to earn an initial 50% interest in the Rex (now Rex-Duquet), Rex South and Nantais properties. On October 1, 2024, SOQUEM decided to terminate the option.
- i) On July 7, 2023, the Company signed a Joint Venture Option agreements with Rio Tinto Exploration Canada Inc (“Rio Tinto”) for its wholly owned Corvet and Kaanaayaa lithium properties. The Company amended the agreement with Rio Tinto on July 23, 2025, to include a third property, Wabamisk East.

Under the revised agreements, Rio Tinto can acquire a 50% interest in each property over four (4) years by funding \$25 million in exploration expenditures before December 31, 2028, and by making cash payments totalling \$1,700,000, including \$500,000 upon signing the initial agreement. The Company is the operator during this first option phase. Rio Tinto can earn an additional 20% interest over five (5) years with further work expenditures of \$60 million. Rio Tinto will act as the operator during this second option phase. Rio Tinto has indicated its intent to terminate the option agreements on December 31, 2025.

Azimut Exploration Inc.

Notes to Financial Statements

For the years ended August 31, 2025 and 2024

(in Canadian dollars)

10 Exploration and evaluation assets (cont'd)

- j) On December 8, 2023, the Company signed an Option to Joint Venture agreement with Ophir Gold Corp. (now Ophir Metals Corp.; "Ophir") for its wholly owned Pilipas Property. Under the agreement, Ophir can earn up to a 70% interest in the property from the Company over three (3) years by funding \$4 million in exploration expenditures and making payments totalling 6 million Ophir shares and \$100,000 in cash. During the year ended August 31, 2025, the Company received \$85,000 in shares of Ophir (Note 7, 19) and \$25,000 in cash.
- k) On April 30, 2024, Azimut and Patriot Battery Metals Inc. entered into an agreement for the sale of Azimut's 100% interest in the JBN-57 Property. In consideration for the sale of its property, Azimut received 150,000 shares of Patriot and \$500,000 in cash. Azimut retains a 2% NSR royalty on the property.
- l) On July 7, 2025, the Company acquired 100% interest in 103 claims forming the K2 Property adjacent to the Elmer Property in the Eeyou Istchee James Bay region from Dios Exploration Inc. ("Dios"), for a cash payment of \$120,000 and the issuance of 200,000 common shares of the Company. Dios will retain a 2.0% NSR royalty on the K2 claims, subject to a 1.0% NSR buydown for \$3,000,000.

11 Asset retirement obligations

The following tables summarize the Company's asset retirement obligations as at August 31, 2025 and August 31, 2024:

	2025			2024		
	Rex-Duquet, Rex South \$	Elmer \$	Total \$	Rex-Duquet, Rex South \$	Elmer \$	Total \$
Opening balance	1,229,011	748,538	1,977,549	1,006,149	543,775	1,549,924
Change in estimate	4,129	(6,468)	(2,339)	175,791	180,323	356,114
Unwinding of discount on asset retirement obligations	35,416	22,494	57,910	47,071	24,440	71,511
Ending balance	1,268,556	764,564	2,033,120	1,229,011	748,538	1,977,549

The following are the assumptions used to estimate the provisions for asset retirement obligations:

	Rex-Duquet, Rex South	Elmer	Total
Estimated undiscounted cash flows to settle obligations	\$1,094,929	\$758,316	\$1,853,245
Weighed average discount rate	2.61%	3.21%	
Estimated number of years before disbursements to settle obligations	1.50 year	7.50 years	

12 Share capital

An unlimited number of common shares are authorized, without par value, voting and participating.

On May 16, 2025, the Company closed a non-brokered private placement and issued a total of 14,520,666 common shares of the Company at a price of \$0.60 per share, for aggregate gross proceeds of \$8,712,400.

Flow-through shares premium liability

	2025 \$	2024 \$
Opening balance	442,314	-
Addition	-	2,875,549
Amortization	(442,314)	(2,433,235)
Ending balance	-	442,314

As at August 31, 2025, all E&E expenditures required under the flow-through financing agreement had been incurred (\$904,654 – August 31, 2024).

Azimut Exploration Inc.

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(in Canadian dollars)

13 Stock option plan

The number of shares reserved for issuance under the stock option plan was approximately 9.99% of the Company's common shares issued and outstanding. As at April 4, 2022, the Company filed for and received approval for an increase in the stock option plan, at which time the Company's 81,903,844 common shares were issued and outstanding. The maximum of 8,190,000 stock options may be granted. The exercise price of the options is set at the closing price of the Company's shares on the TSXV the day before the grant date. The options have a maximum term of ten (10) years following the grant date. If a blackout period should be in effect at the end of the term, the expiry date will be extended by ten (10) business days following the end of the blackout period. The options vest immediately unless otherwise approved and disclosed by the Board of Directors.

The following tables summarize the information about stock options outstanding and their vesting status as at August 31, 2025 and 2024:

	2025		2024	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding – Beginning of the year	6,035,000	0.88	5,598,000	0.82
Granted	855,000	0.61	1,212,000	0.93
Exercised	(240,000)	0.20	(555,000)	0.34
Expired	(85,000)	1.39	(220,000)	0.87
Outstanding – End of the year	6,565,000	0.87	6,035,000	0.88
Vested – End of the year	6,407,000		5,683,000	

The following tables summarize the information about stock options outstanding as at August 31, 2025 and August 31, 2024:

Exercise price \$	Weighted average remaining contractual life (years)	As at August 31, 2025	As at August 31, 2024
Between 0.19 and 0.50	2.29	570,000	810,000
Between 0.51 and 1.00	6.73	4,702,000	3,857,000
Between 1.01 and 1.50	6.99	1,285,000	1,360,000
Between 1.51 and 2.00	4.93	8,000	8,000
	5.71	6,565,000	6,035,000

On December 17, 2024 and February 20, 2025, the Company granted a total of 855,000 stock options to its directors, officers, employees and consultants. Of this number, 740,000 were granted to its directors and officers and 115,000 to its employees and consultants. These options are exercisable for a 10-year period and vest immediately.

During the 2024 fiscal year, 1,212,000 stock options were granted to board members, management, employees and consultants, with a fair value of \$970,183. These stock options vest immediately, except for three grants, for which half the options vest immediately and the other half one year after the grant date.

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For the years ended August 31, 2025 and 2024

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13 Stock option plan (cont'd)

The options were accounted for at their fair value, determined by the Black-Scholes option pricing model based on the vesting period and the following weighted average assumptions:

	Year ended August 31, 2025	Year ended August 31, 2024
Closing price on the day before the grant date	\$0.61	\$0.93
Exercise price	\$0.61	\$0.93
Risk-free interest rate	3.16%	3.93%
Expected volatility	85%	88%
Expected life	10 years	10 years
Expected dividend yield	0%	0%
Fair value of options granted	\$0.52	\$0.80

14 Expenses by nature

	2025 \$	2024 \$
Salaries and fringe benefits	764,435	739,560
Stock-based compensation (Note 13)	416,227	952,504
Professional and maintenance fees	213,792	226,945
Administration and office	113,268	103,758
Business development and administration fees	56,345	45,185
Advertising	1,042	2,351
Rent	3,025	7,874
Insurance	76,582	88,134
Conferences and meetings	138,276	197,608
Depreciation of property and equipment (Note 8)	39,746	72,810
Amortization of intangible assets	1,930	2,401
Depreciation on right-of-use asset	59,192	60,606
General and administrative expenses	1,883,860	2,499,736
Salaries for project generation	26,889	12,807
Other exploration expenses	4,270	5,612
Refundable duties credit for losses and refundable tax credit for resources, net	-	(8,040)
General exploration	31,159	10,379

15 Related party transactions

Compensation of key management

Key management consists of the directors, the President and Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Vice-President of Corporate Development (starting May 16, 2022) ("VPD") and the Vice-President of Exploration (starting April 13, 2023) ("VPE"). The compensation paid or payable for services provided by key management was as follows:

	2025 \$	2024 \$
Salaries	1,120,065	1,032,500
Director fees	159,916	140,000
Stock-based compensation	428,988	965,067
	1,708,969	2,137,567

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15 Related party transactions (cont'd)

The amounts of \$590,427 for salaries (\$560,000 in 2024) and \$189,747 for stock-based compensation (\$94,746 in 2024) were capitalized to E&E assets.

As at August 31, 2025, accounts payable and accrued liabilities include \$129,191 (\$56,250 as at August 31, 2024) owed to key management.

Some key management employees are subject to employment agreements that provide for payments on termination of employment without serious reason or following a change of control, providing for payments equivalent up to once or, as applicable, twice an individual's base salary. The indemnity paid must not represent more than 10% of the Company's cash and cash equivalents at such time. As at August 31, 2025, the entitled indemnity amounted to a minimum \$792,846 and a maximum \$1,549,333.

16 Income taxes

Component of income tax

The deferred tax expense consists of the following items:

	2025	2024
	\$	\$
Deferred income tax expense	(491,069)	1,351,318
Amortization of flow-through share premiums	(442,314)	(2,433,235)
Recovery of deferred income taxes	(933,383)	(1,081,917)

The effective income tax rate differs from the Canadian statutory tax rate due to the following items:

	2025	2024
	\$	\$
Loss before income taxes	(3,412,256)	(1,039,428)
Combined federal and provincial income tax of 26.5% (26.5% in 2024)	(904,248)	(275,448)
Non-deductible expenses (non-taxable revenue)	111,542	378,277
Change in unrecognized deductible temporary differences	50,364	(210,588)
Tax effect of renounced flow-through share expenditures	239,733	1,350,363
Amortization of flow-through share premiums	(442,314)	(2,433,235)
Adjustments from previous year-end	11,540	108,714
Recovery of deferred income taxes	(933,383)	(1,081,917)

As at August 31, 2025 and 2024, the significant components of the Company's deferred income tax assets and liabilities are as follows:

	2025	2024
	\$	\$
Non-capital losses	3,168,000	2,799,000
Capital losses	29,000	38,000
Investments	201,000	163,000
Share and warrant issue expenses	-	205,000
Property and equipment and intangible assets	(7,000)	(105,000)
Exploration and evaluation assets	(4,791,000)	(4,974,000)
Asset retirement obligations	539,000	524,000
Right-of-use asset	(84,000)	(13,000)
Lease liability	85,000	13,000
	(860,000)	(1,350,000)

Azimut Exploration Inc.

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16 Income taxes (cont'd)

Component of income tax (cont'd)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred income tax liabilities as at August 31, 2025 and 2024 are comprised of the following:

	2025 \$	2024 \$
Deferred income tax assets		
Non-capital losses	3,168,000	2,799,000
Capital losses	29,000	38,000
Investments	201,000	163,000
Share and warrant issue expenses	-	205,000
Asset retirement obligations	539,000	524,000
Lease liability	85,000	13,000
	<u>4,022,000</u>	<u>3,742,000</u>
Deferred income tax liabilities		
Property and equipment and intangible assets	(7,000)	(105,000)
Exploration and evaluation assets	(4,791,000)	(4,974,000)
Right-of-use asset	(84,000)	(13,000)
	<u>(4,882,000)</u>	<u>(5,092,000)</u>
Unrecognized deferred income tax liabilities		
	<u>(860,000)</u>	<u>(1,350,000)</u>
Deferred tax, net		
	<u>(860,000)</u>	<u>(1,350,000)</u>
Unrecognized deferred income tax assets		
	<u>-</u>	<u>-</u>
Deferred tax presented	<u>(860,000)</u>	<u>(1,350,000)</u>

The ability to realize tax benefits depends on a number of factors, including the sale of properties. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recognized. Unrecognized deferred tax assets amounted to \$Nil for 2025 (\$Nil for 2024).

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16 Income taxes (cont'd)

As at August 31, 2025, the amounts and expiry dates of the losses available to reduce income tax in future years are as follows:

	Federal \$	Provincial \$
2045	1,358,000	1,358,000
2044	1,221,000	1,221,000
2043	1,529,000	1,529,000
2042	1,075,000	1,076,000
2041	797,000	797,000
2040	702,000	700,000
2039	74,000	74,000
2038	211,000	210,000
2037	185,000	184,000
2036	306,000	306,000
2035	410,000	409,000
2034	514,000	512,000
2033	436,000	434,000
2032	790,000	787,000
2031	687,000	705,000
2030	719,000	719,000
2029	816,000	818,000
2026	139,000	99,000
	<u>11,969,000</u>	<u>11,938,000</u>

As at August 31, 2025, the Corporation has accumulated capital losses in Canada for income tax purposes amounting to approximately \$218,000 (\$283,000 – August 31, 2024), and these can be carried forward indefinitely against future capital gains.

17 Net loss (earnings) per share

For the year ended August 31, 2025, the diluted loss per share was the same as the basic loss per share since the potential dilutive instruments had an anti-dilutive effect.

For the year ended August 31, 2024, the diluted net earnings per share were calculated using the basic weighted average number of shares outstanding of 85,221,422 adjusted by the potential dilutive instruments of each stock option where the exercise price was lower than the average market price of the Company's share. During the year ended August 31, 2024, there were 640,949 stock options vested with an exercise price lower than the average market price of the Company's shares. As a result, the diluted weighted-average number of shares of 85,862,371 was used to calculate diluted net earnings per share in 2024.

18 Additional cash flow information

	2025 \$	2024 \$
Acquisition of E&E assets included in accounts payable and accrued liabilities	2,286,838	2,620,800
Depreciation of property & equipment included in E&E assets	325,399	285,898
Refundable duties credit for losses and refundable tax credit for resources presented as a reduction in E&E assets, net	3,575,784	1,098,346
Option payment received in shares presented as a reduction in E&E assets	85,000	240,000
Proceeds from sale of E&E assets received as shares, presented as a reduction in E&E assets	-	1,221,000
Stock-based compensation included in E&E assets	115,787	171,048

In the year ended August 31, 2025, the Company changed the presentation of the cash flow statement to present the advances received for exploration work on a net basis within the cash flows from operating activities as it better reflect the nature of the operations. The comparatives for 2024 were adjusted accordingly.

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18 Additional cash flow information (cont'd)

The funds are received from partners for exploration work on certain properties where the Company is the operator and are reduced gradually once the exploration work is performed, together with the project management fees.

Therefore, the cash flows (used in) from operating activities for the year ended August 31, 2024, changed from (\$512,299) to \$508,739 after the reclassification, the additions to exploration and evaluation assets changed from (\$10,906,276) to (\$5,808,903) and the cash flows from investing activities changed from \$1,075,078 to \$54,040.

	2025	2024
	\$	\$
Advances received for exploration work	6,521,008	6,118,414
Advances used for exploration work	3,834,681	4,671,579

19 Financial instruments, financial risks and capital management

Classification

The Company's financial instruments as at August 31, 2025, consist of cash and cash equivalents, amounts receivable, investments, accounts payable and accrued liabilities, and advances received for exploration work. The fair value of these financial instruments is either equal to their fair value (investments) or approximates their carrying value due to their short-term maturity or the fact that they bear interest at current market rates.

The classification of the Company's financial instruments is summarized as follows:

		Fair value	
		2025	2024
		\$	\$
Financial assets	Classification		
Cash and cash equivalents	Amortized cost	13,639,750	11,766,113
Amounts receivable	Amortized cost	364,134	763,484
Investments	Fair value through profit and loss	725,155	931,242
		14,729,039	13,460,389
Financial liabilities			
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	3,120,996	3,392,355
Advances received for exploration work	Financial liabilities at amortized cost	3,044,929	687,111
		6,165,925	4,079,466

The Company defines the fair value hierarchy under which its financial instruments are valued as follows: Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities; Level 2 includes inputs other than quoted prices in Level 1 that are observable for assets or liabilities, either directly or indirectly; and Level 3 includes inputs for assets or liabilities that are not based on observable market data. There was no transfer of hierarchy level during the years ended August 31, 2025, and 2024.

Financial risks

The Company's use of financial instruments exposes it to various financial risks, such as credit risk, liquidity risk and market risk.

Credit risk

The Company's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. Cash and cash equivalents are deposited in Canadian chartered bank accounts or invested in a diversified manner in securities with investment-grade ratings, for which management believes the risk of loss is minimal.

The credit risk associated with trade accounts receivable from partners arises from the possibility that the partners may be unable to repay their debts. These receivables result from expenditures incurred on behalf of partners. In 2025 and 2024, no allowance for doubtful accounts was recorded. The Company closely monitors its cash position to reduce its credit risk on amounts receivable.

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19 Financial instruments, financial risks and capital management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. As at August 31, 2025, the Company had sufficient funds, with a cash and cash equivalents balance of \$13,639,750 (\$11,766,113 – August 31, 2024), to settle current liabilities of \$6,432,310 (\$4,572,453 – August 31, 2024).

The following are the contractual maturities of financial liabilities, including interest where applicable, as at August 31, 2025:

	Carrying amount \$	Contractual cash flows \$	0 to 12 months \$	12 to 24 months \$	More than 24 months \$
Accounts payable and accrued liabilities, advances received for exploration work	6,165,924	6,165,924	6,165,924	-	-
Lease liabilities	320,327	408,082	84,018	85,334	238,730

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's risk in that respect arises from its cash and cash equivalents and is not significant.

Equity price risk

Equity price risk is the risk that the fair value of a financial instrument varies due to changes in the Canadian mining sector and equity market. Changes in the fair value of investments at fair value through profit and loss are recorded under other gains and losses in the Statement of Net Earnings (Loss) and Comprehensive Income (Loss). For the Company's investments at fair value through profit and loss, a variation of $\pm 10\%$ of the quoted market price as at August 31, 2025, would result in an estimated effect on the net income (loss) of \$73,000 for the year ended August 31, 2025 (\$93,000 – August 31, 2024).

The fair values of the investments in common shares of Canadian publicly traded companies are classified as Level 1 in the fair value hierarchy.

Capital management

The Company considers the items included in equity as capital components.

In terms of capital management, the Company's objective is to maintain its ability to continue as a going concern. Management reviews its capital management approach on an ongoing basis, and as needed, the Company raises funds through private placements.

There were no significant changes in the Company's approach to capital management during the year ended August 31, 2025. The Company is not subject to any externally imposed capital requirements unless the Company closes a flow-through placement, in which case the funds so raised are committed to being spent on qualifying exploration expenses. The variation in capital components is depicted in the Statements of Changes in Equity.

20 Subsequent event

On November 25, 2025, the Company filed for an increase in the number of reserved common shares by 1,862,000 for future issuance under the Option Plan for a total of 10,052,000, or approximately 9.99% of the Company's 100,629,310 issued and outstanding common shares as at November 11, 2025. The increase in the number of shares reserved under the option plan was approved on December 16, 2025.