



FANCAMP EXPLORATION LTD.

Annual Consolidated Financial Statements

For the years ended April 30, 2025 and 2024

(Audited - Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Fancamp Exploration Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Fancamp Exploration Ltd. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2025 and 2024 and the consolidated statements of operations and comprehensive income, changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 10 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$5,931,227 as of April 30, 2025. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.



Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing the Company's rights to explore E&E Assets.
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Valuation of Convertible Promissory Note

As described in Note 8 to the consolidated financial statements, the carrying amount of the Company's convertible promissory note was \$27,640,000 as of April 30, 2025. As more fully described in Note 3 to the consolidated financial statements, convertible promissory notes are initially recognized at fair value and are measured at fair value at each reporting period with changes in fair value recognized in the consolidated statements of operations and comprehensive income. The fair value of the convertible promissory note is not quoted in an active market and is determined using valuation techniques that require management to make assumptions. There are significant unobservable inputs used in estimating the value of the convertible promissory note and significant judgments are made.

The principal considerations for our determination that the fair value of the convertible promissory note is a key audit matter is due to the estimation uncertainty underlying the valuations and the significant value of the convertible promissory note as at April 30, 2025. This determination required the use of appropriate valuation techniques which included significant unobservable inputs. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of the fair value of the convertible promissory note.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating the competency, capabilities and objectivity of the third-party valuator used by management.
- Reviewing the valuations report and substantively testing a sample of the assumptions within to independent sources of information.
- Utilizing valuations specialists to conclude on the appropriateness of the methodology used in the valuations report and to test the accuracy of the calculations in applying the methodology used in the valuations report.
- Checking and evaluating the financial statement disclosures in relation to the fair value of debt investments.

Accounting and Acquisition of Acadian Gold Corp.

As described in Note 9 to the consolidated financial statements, the carrying amount of the Company's joint venture with Acadian Gold Corp. was \$82,305 as of April 30, 2025. As more fully described in Note 3 to the consolidated financial statements, joint ventures are accounted for using the equity method.

The principal considerations for our determination that the acquisition of Acadian Gold Corp. is a key audit matter was that the transaction constituted a significant event during the year ended April 30, 2025 due to the complexities of the transaction. In addition, there was judgment by management when determining the fair value of the net assets contributed into the joint venture, as well as the determination that the acquisition should be accounted for as a joint venture. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of fair value of the consideration and net assets invested, as well as the judgment that the acquisition was a joint venture.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures include, among others:

- Reviewing and assessing the accounting treatment for the Acadian Gold Corp. joint venture.
- Reviewing management's conclusions with respect to the transaction as a joint venture, and the related guidance.
- Reviewing the arrangement agreement to gain an understanding of the key terms and conditions, including an assessment that the transaction was a joint arrangement.
- Assessing the adequacy of the consolidated financial statement disclosures.
- Utilizing valuations specialists to ensure the accuracy of the methodology used when calculating the fair value of the net assets contributed into the joint venture.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, 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 Consolidated Financial Statements

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

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

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

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

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

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

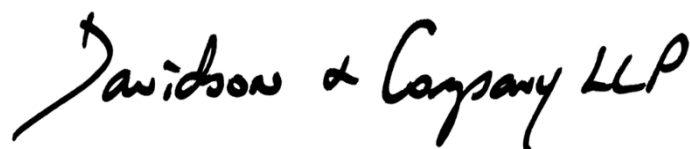
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

August 28, 2025

FANCAMP EXPLORATION LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Expressed in Canadian Dollars

	April 30 <u>2025</u>	April 30 <u>2024</u>
Assets		
Current Assets		
Cash and Cash Equivalents (Note 5)	\$ 415,920	\$ 564,117
Short Term Investments	-	3,449,707
Marketable Securities and Warrants (Note 6)	25,584,214	20,249,984
Accrued Interest Receivable	345,960	345,945
Sales Taxes Refundable	59,234	30,351
Investment Tax Credits Receivable	-	454,621
Accrued Mining Duty Receivable	-	49,009
Prepaid Expenses	<u>54,861</u>	<u>80,856</u>
	26,460,189	25,224,590
Non-Current Assets		
Equipment	4,803	8,301
Convertible Promissory Note (Note 8)	27,640,000	19,770,000
Investments in Associates and Joint Ventures (Note 9)	4,075,637	4,107,281
Exploration and Evaluation Assets (Note 10)	<u>5,931,227</u>	<u>6,171,872</u>
Total Assets	<u>\$ 64,111,856</u>	<u>\$ 55,282,044</u>
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 806,452	\$ 263,601
Due to Related Parties (Note 12)	466,691	141,425
Income Tax Payable (Note 13)	<u>6,057,096</u>	<u>6,057,096</u>
	7,330,239	6,462,122
Non-Current Liabilities		
Deferred Tax Liabilities (Note 13)	476,000	-
Deferred Quebec Mining Duties	<u>455,179</u>	<u>455,179</u>
Total Liabilities	<u>8,261,418</u>	<u>6,917,301</u>
Equity		
Share Capital (Note 11)	46,042,437	46,042,437
Contributed Surplus	15,013,694	14,525,209
Deficit	<u>(5,205,693)</u>	<u>(12,202,903)</u>
Total equity	<u>55,850,438</u>	<u>48,364,743</u>
Total Liabilities and Equity	<u>\$ 64,111,856</u>	<u>\$ 55,282,044</u>

Contingencies (Note 16)

Subsequent events (Note 18)

On behalf of the Board, approved on August 27, 2025

"Rajesh Sharma"

CEO

"Mark Billings"

Director

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

FANCAMP EXPLORATION LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Expressed in Canadian Dollars

	Year ended <u>April 30, 2025</u>	Year ended <u>April 30, 2024</u>
Expenses		
Accounting and Audit (Note 12)	\$ 253,456	\$ 355,425
Amortization and Depreciation	3,498	3,498
Directors Fees (Note 12)	113,000	120,000
Field Administration	123,989	203,156
Insurance	33,103	30,280
Interest Expenses and Bank Charges	14,101	19,910
Investor Relations	61,800	57,500
Legal Fees	962,627	538,833
Licences and Permits	1,016	1,076
Management and Consulting (Note 12)	458,933	674,955
Marketing and Promotion	7,545	4,780
Mineral Property Sundry Expenses	37,317	342
New Project Examination	-	7,560
Office Rent, Supplies and Services	30,606	41,636
Patent and Process Development	50,834	11,493
Share Transfer, Listing and Filing Fees	29,434	41,621
Share-based Payments (Note 11,12)	488,485	-
Technical Fees and Process Development	-	28,620
Trade Shows and Presentation	-	2,387
Travel and Accommodations	68,731	86,832
Payroll Expenses	<u>48,996</u>	<u>13,746</u>
Total Expenses	<u>(2,787,471)</u>	<u>(2,243,650)</u>
Other Income	89,903	-
Operator Fees	<u>82,187</u>	<u>-</u>
Loss from Operations	(2,615,381)	(2,243,650)
Interest Income	2,142,436	2,552,230
Dividends Received on Marketable Securities (Note 6)	540,000	540,000
Impairment of Exploration and Evaluation Assets (Note 10)	(227,230)	(1,187,164)
Unrealized Gain on Convertible Promissory Note (Note 8)	7,870,000	710,000
Loss on Acquisition of Assets (Note 10)	(2,106)	-
Loss on Equity Pick-up of Investments In Associates (Note 9)	(227,313)	(918,967)
Dilution Gain on Investment in Associates (Note 9)	109,970	885,467
Gain (Loss) on Marketable Securities (Note 6)	95,211	(1,000)
Unrealized Loss on Marketable Securities (Note 6)	<u>(212,377)</u>	<u>(2,770,867)</u>
Income (Loss) before Taxes	7,473,210	(2,433,950)
Deferred Tax Recovery (Expense) (Note 13)	<u>(476,000)</u>	<u>3,667,164</u>
Income and		
Comprehensive Income for the Year	\$ 6,997,210	\$ 1,233,214
Income Per Share - Basic and Diluted	\$ 0.03	\$ 0.01
Weighted Average Number of Shares Outstanding – Basic and Diluted	240,933,751	199,574,101

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

FANCAMP EXPLORATION LTD.**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**Expressed in Canadian Dollars

	Number of Shares	Capital Stock \$	Contributed Surplus \$	Income (Deficit) \$	Total equity \$
Balance, April 30, 2023	176,518,296	41,600,664	14,525,209	(13,436,117)	42,689,756
Shares issued for cash	64,415,455	4,579,082	-	-	4,579,082
Share issue costs		(137,309)	-	-	(137,309)
Income for the Year	-	-	-	1,233,214	1,233,214
Balance, April 30, 2024	240,933,751	46,042,437	14,525,209	(12,202,903)	48,364,743
Balance, April 30, 2024	240,933,751	46,042,437	14,525,209	(12,202,903)	48,364,743
Issuance of share options	-	-	488,485	-	488,485
Income for the Year	-	-	-	6,997,210	6,997,210
Balance, April 30, 2025	240,933,751	46,042,437	15,013,694	(5,205,693)	55,850,438

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

FANCAMP EXPLORATION LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Expressed in Canada Dollars

	Year ended April 30, 2025	Year ended April 30, 2024
Operating Activities		
Income for the Year	\$ 6,997,210	\$ 1,233,214
Items Not Affecting Cash in the Year		
Amortisation and Depreciation	3,498	3,498
Share-based Payments	488,485	-
Interest Income	(2,064,329)	(2,421,615)
		(3,667,164)
Deferred Tax (Recovery) Expense	476,000	
Loss on Equity Pick-up of Investment in Associates	227,313	918,967
Loss on Acquisition of Assets	2,106	-
Dilution Gain on Investment in Associates	(109,970)	(885,467)
Impairment of Exploration and Evaluation Assets	227,230	1,187,164
Unrealized Gain on Convertible Promissory Note	(7,870,000)	(710,000)
Realised Loss from disposal of Marketable Securities (95,211)		1,000
Unrealized Loss on Marketable Securities	<u>212,377</u>	<u>2,770,866</u>
	(1,505,291)	(1,569,538)
Changes in Non-Cash Working Capital Items		-
Sales Tax Refundable	(28,883)	12,299
ITC's Receivable	454,621	(169,502)
Mining Duties Receivable	49,009	831
Accrued Interest Receivable	(5,686)	-
Prepaid Expenses	25,995	(13,932)
Income Tax Payable	-	(608,017)
Accounts Payable and Accrued Liabilities	542,853	21,055
Due to Related Parties	<u>325,265</u>	<u>123,024</u>
	<u>(142,116)</u>	<u>(2,203,780)</u>
Investing Activities		
Sale (Purchase) of Short-Term Investments	3,449,707	(2,417,862)
Equipment	-	(4,120)
Sale (Purchase) of Marketable Securities	(2,813,318)	4,000
Investments in Associates	(170,252)	(876,350)
Exploration and Evaluation Assets	<u>(492,218)</u>	<u>(747,488)</u>
Total Investing Activities	<u>(26,081)</u>	<u>(4,041,820)</u>
Financing Activities		
Shares Issued for Cash, Net of Share Issuance Costs	-	4,441,773
Grants Received	<u>20,000</u>	<u>-</u>
Total Financing Activities	<u>20,000</u>	<u>4,441,773</u>
Decrease in Cash and Cash Equivalents	(148,197)	(1,803,827)
Cash and Cash Equivalents, Beginning of the Year	<u>564,117</u>	<u>2,367,943</u>
Cash and Cash Equivalents, End of the Year	<u>\$ 415,920</u>	<u>\$ 564,116</u>
Supplementary Disclosure of Non-Cash Financing and Investing Activities		
Marketable Securities Received as Interest on Promissory Note	\$ 2,070,000	\$ 2,075,670
Marketable Securities Received on sale of E&E Assets	400,000	-
Transfer of E&E Asset to Investment in JV	83,527	-

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



Note 1 – Nature and Continuance of Operations

Fancamp Exploration Ltd. (the “Corporation” or “Fancamp”) was incorporated under the laws of the Province of British Columbia. The Corporation owns interests in mineral properties in the Provinces of Ontario, Quebec and New Brunswick, Canada. Fancamp is an exploration stage enterprise in the business of mineral exploration. It is in the process of exploring its mineral properties interests and has not yet determined whether these properties contain ore reserves that are economically recoverable. The address of its registered office is 19th Floor, 885 West Georgia Street, Vancouver, B.C. V6C 3H4. The Corporation’s financial year end is April 30. The Corporation’s consolidated financial statements for the years ended April 30, 2025, and 2024 were approved by the Board of Directors on August 28, 2025. Fancamp Exploration Ltd. is listed on the TSX Venture Exchange (“TSXV”), trading under the ticker FNC.

Note 2 – Basis of Presentation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Basis of Consolidation

The consolidated financial statements included the accounts of the Corporation and its federally incorporated, 96% owned subsidiary, The Magpie Mines Inc. (the “Subsidiary” or “Magpie”) up to March 31, 2023, the date of loss of control (see Note 16), and its 100% owned subsidiary, FNC Technologies Inc.. The functional currency of these two subsidiaries is Canadian \$’s and all significant intercompany balances and transactions were eliminated on consolidation.

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3 of the Corporation’s consolidated financial statements for the years ended April 30, 2025 and 2024.

Going Concern

These consolidated financial statements have been prepared using accounting principles applicable to a going concern which assumes the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Management believes that there is adequate working capital available to meet the Corporation’s obligations and planned expenditures for the coming year.

Note 3 – Material Accounting Policy Information

Critical Accounting Judgement and Significant Accounting Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of commitments and contingencies at the date of the consolidated financial statements and the reported amount of expenses and income during the period. The estimates and associated



Note 3 – Material Accounting Policy Information - Continued

assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period of the revision and in any future periods affected. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

Critical Accounting Judgements

(i) Exploration and Evaluation Expenditures

The application of the Corporation's accounting policy for exploration and evaluation expenditures capitalized requires judgement in determining which expenditures are recognized as exploration and evaluation assets and applying the policy consistently. In making this determination, the Corporation considers the degree to which the expenditure can be associated with finding specific mineral resources that are economically recoverable.

(ii) Joint Venture under Joint Control

The Company holds a 50% interest in Acadian Gold Corp. Management assessed the arrangement under IFRS 11 and determined that key operating and financing decisions require unanimous consent of both parties, and that the parties share rights to the net assets through a separate legal entity. Accordingly, the investment is classified as a joint venture and accounted for using the equity method under IAS 28.

(iii) Classification of Gold Orogen under Marketable Securities

The Company holds one of seven board seats in Gold Orogen. While this provides limited representation, management determined it does not confer significant influence as defined under IAS 28. The investment is held primarily for liquidity and capital appreciation. Accordingly, the Company classified the investment as a marketable security measured at fair value through profit or loss.

(iv) Contingencies and Provisions

The Corporation recognizes a provision for potential loss only when there is a present obligation arising from a past event that is probable to result in an economic outflow that can be reliably estimated. Where a reliable estimate cannot be made for such an obligation, no provision is recognized and the obligation is deemed a contingent liability. Contingent liabilities also include possible obligations for which the possibility of future economic outflow is more than remote but less than probable. Management assesses the probability of a liability being payable as either remote, more than remote or probable. If the liability is considered to be less than probable, then the liability is not recorded, and it is only disclosed as a contingent liability. Judgement is applied in assessing the likelihood of the economic outflow.

(v) Control and/or Significant Influence over Investees

The Corporation has assessed the level of influence that the Corporation has on its investees, South Timmins Mining Inc., EDM Resources Inc., NeoTerrex Corporation, and Acadian Gold Corp. for which the Corporation owns 25%, 10.75%, 14.59% and 50% of the shareholdings, respectively, as at April 30, 2025 and concluded that the Corporation has significant influence over these investments since the Corporation has the power to participate in financial and operating policy decisions. The Corporation also has to exercise judgement on determining if they have control over their subsidiaries.



Note 3 – Material Accounting Policy Information – Continued**Critical Accounting Estimates****(i) Impairment of Long-lived Assets**

The Corporation reviews and assesses the carrying amount of exploration and evaluation assets, investments in associates and joint ventures for indicators of impairment when facts or circumstances suggest that the carrying amount is not recoverable. If impairment is indicated, the amount by which the carrying value of the assets exceeds the estimated fair value is charged to the consolidated statement of profit or loss.

(ii) Current and Deferred Taxes

The determination of income tax expense and the composition of deferred tax and mining tax assets and liabilities involves judgement and estimates as to the future taxable earnings, expected timing of reversals of deferred tax assets and liabilities, and interpretations of tax laws. The Corporation is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgements and estimates may materially affect the final amount of current and deferred tax provisions, deferred income tax assets and liabilities, and results of operations.

(iii) Share-based Payments

Fair values are determined using the Black-Scholes option pricing model. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Corporation's stock options.

(iv) Fair Value of Consideration Warrants

The Corporation uses the Partial Differential Equations model in measuring the fair value of consideration warrants. In applying the valuation technique, the Corporation makes use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. The volatility used to determine the fair value of the consideration warrants requires professional judgement due to the lack of trade volume of the associated security.

(v) Fair Value of Convertible Promissory Note

The fair value of convertible promissory note that are not quoted in an active market is determined using valuation technique, that require management to make assumptions that are based on market conditions existing as at the measurement dates. Changes in these assumptions as a result of changes in market conditions could affect the reported fair value of financial instruments. A third-party valuation software that is broadly used and industry-accepted is applied to calculate the fair value of the convertible promissory note. Equity component and bond component are determined with different credit risk, where the equity component and bond component are discounted using the applicable risk-free rate and credit adjusted discount rate, respectively.

(vi) Fair Value of Investment in Gold Orogen

The Company holds a 19.99% equity interest in Gold Orogen, classified as a marketable security and measured at fair value through profit or loss. As Gold Orogen is not publicly traded, fair value cannot be determined by reference to quoted market prices. Management has applied judgement in concluding that, given Gold Orogen's early-stage exploration status, the transaction price of the investment reasonably represents its fair value.



Note 3 – Material Accounting Policy Information – Continued

Financial Instruments

Financial assets

The Corporation classifies its financial assets in the following categories:

- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVTOCI)
- Amortized cost

The determination of the classification of financial assets is made at initial recognition. Marketable securities that are held for trading are classified as FVTPL; for other marketable securities and investments, on the day of acquisition the Corporation can make an irrevocable election to classify them as FVTOCI. No such election has been made in the past.

The Corporation's accounting policy for each of the categories is as follows:

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of profit or loss when incurred. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the consolidated statements of profit or loss.

Financial assets at FVTOCI

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income.

Financial assets at amortized cost

A financial asset is measured at amortized cost if the objective is to hold the financial asset for the collection on contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. The financial asset is classified as current or non-current based on its maturity date and is initially recognized at fair value plus transaction cost and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

The Corporation recognizes an allowance for expected credit losses on financial assets that are measured at amortized cost.



Note 3 – Material Accounting Policy Information – Continued

Financial assets - classification

The following table shows the classification of the Corporation's financial assets:

Financial asset	Classification
Cash and Cash Equivalents	Amortized cost
Short Term Investment	Amortized cost
Receivables	Amortized cost
Marketable Securities and Warrants	FVTPL
Convertible Promissory Note	FVTPL

Financial liabilities

The Corporation classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred.

The Corporation's accounting policy for each category is as follows:

Financial liabilities at FVTPL

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statements of profit or loss.

Transaction costs in respect of financial liabilities at FVTPL are recognized in the consolidated statements of profit or loss immediately.

Financial liabilities at amortized cost

At initial recognition, the Corporation measures financial liabilities at their fair value minus transaction costs that are directly attributable to their issuance. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

The effective interest method calculates the amortized cost of a financial liability and allocates interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial liability, or, where appropriate, a shorter period.

The following table shows the classification of the Corporation's financial liabilities:

	Classification
Accounts Payable and Accrued Liabilities	Amortized cost
Due to Related Parties	Amortized cost



Note 3 – Material Accounting Policy Information – Continued

Cash and Cash Equivalents

Cash and equivalents consist of cash at banks and short-term highly liquid deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. As part of its on-going cash management, the Corporation purchases highly liquid money market instruments with surplus cash. See Note 5.

Short-Term Investments

Short-term investments consist of a simple interest guaranteed income certificate held with a Canadian bank with term longer than 3 months. The carrying amounts of investments approximates fair market value due to the short-term maturity of these instruments.

Marketable Securities and Warrants

Marketable securities consist of common shares and warrants of publicly-traded companies listed on the TSX Venture Exchange as well as common shares of a private company. Marketable securities are classified as FVTPL and are recorded at their fair values using quoted market prices or using appropriate valuation techniques to estimate the fair value where market price is not readily available at the consolidated statement of financial position date. Subsequent revaluation resulting in unrealized gains or losses is recorded in the consolidated statements of profit or loss.

Convertible Promissory Note

Convertible promissory note is recognized initially at fair value. Subsequent to initial recognition, convertible promissory note is measured at fair value with changes in fair value recognized in the consolidated statements of profit or loss.

Investment in Associates and Joint Ventures

An associate is an entity over which the Corporation has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies. Significant influence is presumed to exist when the Corporation holds between 20% and 50% of the voting power of another entity, but can also arise where the Corporation holds less than 20% if it has the power to be actively involved and influential in policy decisions affecting the entity.

An investment in associate and joint venture is accounted for using the equity method. Under the equity method, investments in associates and joint ventures are carried in the statement of financial position at cost adjusted for post- acquisition changes in the Corporation's share of net assets of the associates or joint ventures, less any impairment losses. Losses in an associate in excess of the Corporation's interest in that associate and joint venture are recognized only to the extent that the Corporation has incurred a legal or constructive obligation to make payments on behalf of the associate and joint venture. Unrealized profits or losses on transactions between the Corporation and an associate and joint venture are eliminated to the extent of the Corporation's interest therein.



Note 3 – Material Accounting Policy Information – Continued

At the end of each reporting period, the Corporation assesses whether there is any evidence that an investment in associate is impaired. This assessment is generally made with reference to the timing of exploration work, work programs proposed, exploration results achieved, and an assessment of the likely results to be achieved from performance of further exploration by the associate. When there is evidence that an investment in associate is impaired, the carrying amount of such investment is compared to its recoverable amount. If the recoverable amount of an investment in associate is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period of impairment. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined has an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in the statements of profit or loss in the period the reversal occurs.

Exploration and Evaluation Assets

Costs directly related to the acquisition and evaluation of mineral properties are capitalized once the legal rights to explore the properties have been obtained. When it is determined that such costs will be recouped through successful development and exploitation, expenditures are transferred to tangible assets and depreciated over the expected productive life of the asset. Costs for a producing prospect are amortized on a unit-of-production method based on the estimated life of the ore-reserves, while costs for the prospects abandoned are written off.

Impairment reviews for capitalized exploration and evaluation costs are carried out on a project-by-project basis, with each project representing a single cash generating unit. An impairment review is undertaken at the end of each reporting period or when indicators of impairment arise but typically when one or more of the following circumstances apply:

- Unexpected geological occurrences that render the resource uneconomic;
- Title to the asset is compromised;
- Fluctuations in metal prices that render the project uneconomic;
- Variation in the currency of operations; and
- Threat to political stability in the country of operation.

From time to time, the Corporation may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as exploration and evaluation assets or recoveries when the payments are made or received.

The recoverability of the amounts capitalized for the undeveloped resource properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Corporation's interest in the underlying mineral claims, the ability to farm out its resource properties, the ability to obtain the necessary financing to complete their development and future profitable production or proceeds from the disposition thereof.



Note 3 – Material Accounting Policy Information – Continued

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties. The Corporation has investigated title to all of its resource properties and, to the best of its knowledge, title to all of its properties is in good standing.

Decommissioning Obligations

Decommissioning liabilities arise from the legal obligation to abandon and reclaim property, plant and equipment incurred upon the acquisition, construction, development and use of the asset. The initial liability is measured at the discounted value of the estimated costs to reclaim and abandon using a risk-free rate, subsequently adjusted for the accretion of discount and changes in expected costs. The decommissioning cost is capitalized in the relevant asset category. Costs capitalized to property, plant and equipment are depreciated into earnings based upon the unit-of-production method consistent with the underlying assets. Actual costs incurred upon settlement of the obligations are charged against the provision to the extent the provision was established. The Corporation had no asset retirement obligations recognized as of April 30, 2025 and 2024.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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 the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Deferred Quebec Mining Duties

The Corporation qualifies under the Mining Duties Act (Quebec) for a refundable credit on qualifying exploration and evaluation expenditures incurred in Quebec. Qualifying expenditures claimed for the purposes of receiving payment of this refund on a current basis will not be deductible in the calculation of duties from mineral production in future years. Accordingly, the full amount of such assistance has been recorded as deferred Quebec mining duties. On commencement of earnings from mineral production, the Corporation intends to amortize this amount as a reduction of mining duties then payable over the estimated productive life of its properties.

Exploration Tax Credits

The Corporation accounts for accrued tax credits on eligible exploration expenditures as a deduction from its mineral property interests, on a property by property basis, and will be charged to operations on the same basis as the deferred acquisition and exploration and evaluation expenditures. The exploration tax credits are accrued in the year when the exploration and evaluation expenditures are incurred, provided there is reasonable assurance that the Corporation has complied with, and will continue to comply with, all conditions needed to obtain the credits.



Note 3 – Material Accounting Policy Information – Continued

Share-based Payments

The Corporation accounts for share-based payments over the vesting period of the share options. Share purchase options granted to employees and directors and the cost of services received are evaluated and recognized on a fair value basis using the Black-Scholes option pricing model.

For transactions with parties other than employees, the Corporation measures the goods or services received and the corresponding increase in equity, directly, at the fair value of the goods and services received, unless that fair value cannot be estimated reliably. When the Corporation cannot estimate reliably the fair value of the goods or services received, it measures their fair value and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Deferred Share Units (“DSU”), Restricted Share Units (“RSU”) and Performance Share Units (“PSU”)

Deferred share units, Restricted share units and Performance share units are payable in cash or in equity instruments at the option of the Corporation. As the Corporation’s intention is to pay in equity, the share units are classified as equity-settled based on their fair value at grant date. The compensation cost is recorded as an expense over the vesting period or using management’s best estimate when contractual provisions restrict vesting until completion of certain performance conditions, with a corresponding increase in equity.

DSUs, RSUs and PSUs mandatorily redeemed in cash are liability-classified and are subsequently adjusted at each financial position reporting date for changes in fair value.

Flow-through Shares

The Federal and Provincial tax legislation permits an entity to issue securities to investors whereby the deductions for tax purposes relating to resource expenditures may be claimed by the investors and not by the entity. These securities are referred to as flow-through shares. The Corporation finances a portion of its exploration programs with flow-through shares.

At the time of issuance of flow-through shares, the Corporation allocates the proceeds between share capital and an obligation to deliver the tax deductions, which is recorded as a liability related to flow-through shares. The Corporation estimates the fair value of the liabilities related to flow-through shares using the residual method, deducting the quoted closing price of the common shares from the price of the flow-through shares at the date of the financing.

The liability related to flow-through shares recorded is reversed on renouncement of the right to tax deductions to the investors or when the Corporation has the intention to renounce of tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in reduction of deferred income tax expense.

Income Tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.



Note 3 – Material Accounting Policy Information – Continued

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable income or loss. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Income (Loss) Per Share

Basic income (loss) per share is calculated by dividing the income (loss) for the period by the weighted average number of shares outstanding in the year. Diluted income (loss) per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury method. Treasury method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rate. Diluted earnings per share is equal to the basic earnings per share as the outstanding options and warrants are anti-dilutive.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Foreign Currency Transactions and Translation

The Corporation and its subsidiary's functional currency is Canadian dollars. Transactions in other currencies are recorded in Canadian dollars at the rates of exchange prevailing when the transactions occur. Monetary assets and liabilities denominated in other currencies are translated into Canadian dollars at rates of exchange in effect at the statement of financial position dates. Exchange gains and losses are recorded in the consolidated statements of operations and comprehensive income.



Note 3 – Material Accounting Policy Information – Continued

Deconsolidation

When the Corporation loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity on the date it loses control. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost and no significant influence exists.

Note 4 – Future Accounting Changes

Certain pronouncements were issued by the IASB that are mandatory for accounting periods commencing on or after May 1, 2024. Certain new standards, amendments and interpretations have been issued but are not yet effective for the year ended April 30, 2025, and have not been early adopted by the Company. The most significant of these are:

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027). The Company is currently evaluating the impact of the new presentation requirements and enhanced disclosure obligations.

Amendments to IFRS 7 and IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2026). The amendments are expected to result in additional disclosures and may impact classification of certain financial assets. The Company is in the process of assessing the full effect of these amendments.

Management is yet to determine the impact of the recently issued standards on the Company's financial statements.

Note 5 – Cash and Cash Equivalent

Balance as on April 30	2025 \$	2024 \$
Cash in bank	65,256	564,117
High interest savings account	350,664	-
	<u>415,920</u>	<u>564,117</u>

Note 6 – Marketable Securities and Warrants

The Corporation holds shares and warrants in various public companies throughout the mining industry. During the year ended April 30, 2025, these shares and warrants were fair valued and this resulted in an unrealized loss of \$212,377 (2024 – unrealized loss of \$2,770,867). During the year ended April 30, 2025, the Corporation disposed of some marketable securities resulting in a gain of \$95,211 (2024 - loss of \$1,000).

The shares in various public companies are classified as FVTPL and are recorded at fair value using the quoted market price as at April 30, 2025 and are therefore classified as level 1 within the fair value hierarchy.

The warrants in various public companies are classified as FVTPL and are recorded at fair value using a Black-Scholes option pricing model with observable inputs and are therefore classified as level 2 within the fair value hierarchy. Consideration warrants received are valued as level 3 within the fair value hierarchy, also see Note 7.



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 6 – Marketable Securities and Warrants – Continued

The shares in the private company are classified as FVTPL and are recorded at fair value using market inputs, estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument as at April 30, 2025 and are therefore classified as level 3 within the fair value hierarchy.

The following table summarizes information regarding the Corporation's marketable securities as at April 30, 2025 and 2024:

	2025	2024
Balance at beginning of period, May 1	20,249,984	20,950,180
Additions	5,470,732	2,075,670
Proceeds on Disposals	(186,682)	(4,000)
Reclassification	167,346	-
Realized gain/(loss)	95,211	(1,000)
Unrealized gain/(loss)	(212,377)	(2,770,866)
Balance at end of period, April 30	25,584,214	20,249,984

- i) The Corporation held 833,000 common shares of Beauce Gold Fields Inc. at April 30, 2025 (2024 - 1,000,000). The common shares were valued at a per share quoted market price of \$0.06 at April 30, 2025 (2024 - \$0.04).
- ii) The Corporation held 2,700,000 common shares of Champion Iron Limited at April 30, 2025 (2024 - 2,700,000 common shares). These common shares were valued at a per share quoted market price of \$4.00 at April 30, 2025 (2024 - \$6.24). During the year ended April 30, 2025, the Corporation received a total of \$540,000 cash dividends from Champion Iron Limited (2024:\$540,000).
- iii) The Corporation held 1,250 common shares of Iconic Minerals Ltd. at April 30, 2025 (2024 - 1,250 common shares). The common shares were valued at a per share quoted market price of \$0.03 at April 30, 2025 (2024 - \$0.02).
- iv) The Corporation held 24,000,000 common shares of KWG Resources Inc. at April 30, 2025 (2024 - 4,280,000 common shares), 2,607,045 multiple voting shares (2024 - 1,447,323) and 4,044,453 warrants (2024 - 4,044,453). Each multiple voting shares are convertible to 100 common share and has voting right attached. The share purchase warrants are exercisable at prices between \$4.6916 and \$4.2651 per multiple voting share until September 1, 2027. These common shares and multiple voting shares were valued at a per share quoted market price of \$0.03 and \$ 2.90 respectively at April 30, 2025 (2024 - \$0.01 and \$1.20), while the share purchase warrants were valued at \$2,210,000 as at April 30, 2025 (2024 - \$210,000). The fair value of the share purchase warrants was estimated using the Partial Differential Equations model with weighted average assumptions for the grant as follows: stock price - \$2.71, risk-free interest rate - 2.49%, expected life of warrants - 2.33 years, and annualized volatility - 60% (2024 - stock price - \$1.20, risk-free interest rate - 4.0%, expected life of warrants - 3.33 years, and annualized volatility - 45%).
- v) The Corporation held 1 common shares of RT Minerals Corp. at April 30, 2025 (2024 - 20 common shares). These common shares were valued at a per share quoted market price of \$0.11 at April 30, 2025 (2024 - \$0.025).



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 6 – Marketable Securities and Warrants - Continued

- vi) The Corporation held 450,000 common shares of St-Georges Eco-Mining Corp. at April 30, 2025 (2024 – 450,000 common shares). These common shares were valued at a per share quoted market price of \$0.065 at April 30, 2025 (2024 - \$0.065).
- vii) The Corporation held 45,650 common shares of ZeU Technologies Inc. at April, 2025 (2024 – 45,650). These common shares were valued at a per share quoted market price of \$0.005 at April 30, 2025 (2024 – \$0.015).
- viii) The Corporation held 6,467,435 common shares of PTX Metals Inc. at April 30, 2025 post a 4:1 share consolidation (2024 – 25,869,741) and 3,233,718 share purchase warrants (2024 – 12,934,870). The share purchase warrants are exercisable at \$0.22 per share (after 4:1 stock consolidation) until March 14, 2028. These common shares were valued at a per share quoted market price of \$0.095 at April 30, 2025 (2024 – \$0.035), while the share purchase warrants were valued at \$187,545 as at April 30, 2025 (2024 - \$384,408). The fair value of the share purchase warrants was estimated using the Black-Scholes model with weighted average assumptions for the grant as follows: stock price - \$0.095, risk-free interest rate – 2.50%, expected life of warrants – 2.87 years, annualized volatility – 128.93% and dividend rate – 0% (2024 - stock price - \$0.035, risk-free interest rate – 3.81%, expected life of warrants – 4 years, annualized volatility – 153.96% and dividend rate – 0%).
- ix) The Corporation held 1,500,000 common shares of Vision Lithium Inc. at April 30, 2025 (2024 – 1,500,000). These common shares were valued at a per share quoted market price of \$0.015 at April 30, 2025 (2024 - \$0.035).
- x) The Corporation held 510 common shares of Nevada Lithium Resources Inc. at April 30, 2025 (2024 510). These common shares were valued at a per share quoted market price of \$0.14 at April 30, 2025 (2024 - \$0.17).
- xi) The Corporation held 390,000 share purchase warrants of EDM Resources Inc., exercisable at \$0.75 per share until May 2, 2026. These share purchase warrants were valued at \$237 as at April 30, 2025 (2024 – \$10,681). The fair value of these share purchase warrants was estimated using the Black-Scholes model with weighted average assumptions for the grant as follows: stock price - \$0.07, risk-free interest rate – 2.50%, expected life of warrants – 1.01 years, annualized volatility – 102.38% and dividend rate – 0%.
The Corporation held 1,450,909 share purchase warrants of EDM Resources Inc., exercisable at \$0.14 per share until January 31, 2027. These share purchase warrants were valued at \$30,518 as at April 30, 2025 (2024 – \$156,665). The fair value of these share purchase warrants was estimated using the Black-Scholes model with weighted average assumptions for the grant as follows: stock price - \$0.14, risk-free interest rate – 2.5%, expected life of warrants – 1.76 years, annualized volatility – 122% and dividend rate – 0%.
The Corporation held 1,547,727 share purchase warrants of EDM Resources Inc., exercisable at \$0.14 per share until November 28, 2027. These share purchase warrants were valued at \$41,345 as at April 30, 2025 (2024 – N/A). The fair value of these share purchase warrants was estimated using the Black-Scholes model with weighted average assumptions for the grant as follows: stock price - \$0.07, risk-free interest rate – 2.50%, expected life of warrants – 2.58 years, annualized volatility – 102.10% and dividend rate – 0%.
- xii) The Corporation held 1,433,500 share purchase warrants of NeoTerrex Mineral Inc., exercisable at \$0.40 per share until December 21, 2025. These share purchase warrants were valued at \$9,400 as at April 30, 2025 (2024 – \$732). The fair value of these share purchase warrants was estimated using the Black-Scholes model with weighted average assumptions for the grant as follows: stock price - \$0.13, risk-free interest rate – 2.47%, expected life of warrants – 0.64 years, annualized volatility – 100% and dividend rate – 0%.



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Note 6 – Marketable Securities and Warrants - Continued

xiii) The Corporation held 112,643,924 (2024: 112,643,924) common shares of The Magpie Mines Inc., a private company. These common shares were valued at Nil as April 30, 2025 (2024 - \$Nil). Also see Note 16.

xiv) On October 9, 2024, Fancamp invested \$2,500,000 into Gold Orogen to acquire 19.99% of the Gold Orogen Shares on an undiluted basis. Fancamp also invested \$500,000 into Lode Gold on a private placement basis in exchange for 1,428,571 special warrants of Lode Gold at an issue price of \$0.35 per Lode Gold Special Warrant, with each Lode Gold Special Warrant automatically convertible on the earlier of the completion of a spin out transaction and March 31, 2025 into one common share of Lode Gold and one common share purchase warrant of Lode Gold. Each Lode Gold Warrant shall be exercisable for one Lode Gold Share at a price of \$0.50 for a period of five years from the date of issue.

The Company holds a 19.99% equity interest in Gold Orogen, classified as a marketable security and measured at fair value through profit or loss. As Gold Orogen's shares are not publicly traded, the investment is categorized within the Level 3 fair value hierarchy under IFRS 13, since observable market inputs are not available. Management's valuation is based on unobservable inputs, including recent private financing activities. In the absence of active market data, management believes that the carrying value of the investment is the best estimate of fair value. The use of Level 3 inputs involves significant judgement, and changes in assumptions, such as future exploration results, commodity prices, or comparable market transactions, could result in material changes to the fair value of the investment.

Note 7 – Other Receivables

	April 30, 2025	April 30, 2024
	\$	\$
Other Receivables	1,964,511	1,964,511
Allowance for Doubtful Accounts	(1,964,511)	(1,964,511)

Other receivables include an unsecured, non-interest bearing, due on demand note in the amount of \$1,964,511 owed to Fancamp by Magpie. Pursuant to the deconsolidation, a previously eliminated intercompany amount became due and payable by Magpie to the Company and it was simultaneously determined that the expected credit loss was 100% of the receivable balance from Magpie. The Corporation is continuing its legal recourse to collect the amount owed. (see Note 15 - Contingencies).

Note 8 – Convertible Promissory Note

On September 1, 2022, the Corporation completed a transaction to transfer its rights, title and interests in the Koper Lake-McFaulds property and a one-time payment of \$1,500,000 to KWG Resources Inc. ("KWG"). The consideration consisted of: the issuance by KWG of a Secured Convertible Promissory Note (the "Note") in the principal amount of \$34,500,000; the issuance by KWG of warrants to purchase a total of 4,044,453 multiple voting shares; and the grant by KWG of a 2.0% net smelter return royalty (1/4 of which may be purchased by KWG at any time for \$5,000,000 and the next 1/4 of which is subject to a right of refusal in favor of KWG) on any direct or indirect interest in the mining claims held by KWG on and after September 1, 2022.

The Note has a four-year term maturing on September 1, 2026, which maturity date may on certain conditions be extended by KWG on at least six months' notice for an additional period of up to one year. The \$34,500,000 principal amount of the Note was convertible at \$4.6916 per multiple voting share of KWG (each, a "MVS") into 7,353,568 MVS (increasing to 7,703,816 MVS at \$4.4783 per MVS on September 1, 2023 and further increasing to 8,088,908 MVS at \$4.2651 per MVS (the "Base Conversion Price") on



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 8 – Convertible Promissory Note – Continued

September 1, 2024 (subject to further adjustment in certain circumstances)) and bearing interest in quarterly instalments at a rate of 6% per annum, payable at the option of KWG in cash or in MVS at the volume weighted average trading price for the five trading days prior to the interest payment date. KWG can prepay in cash during the term of the Note, provided that Fancamp has the right to convert the amount being prepaid at the Base Conversion Price and, for a period that is twelve (12) month prior to Maturity Date, KWG can prepay in MVS as opposed to cash, provided that: (i) MVS shall be issued to Fancamp at a price equal to the Base Conversion Price, and (ii) two times the base conversion price contractual trigger is met. KWG has the right to repay the principal amount in cash in whole or in part at any time on 30 days' notice (subject to the Corporation's right to convert into MVS at the Base Conversion Price during the notice period prior to payment in cash).

At the date of transaction, the fair value of the Warrants and Note were value using a Partial Differential Equations (level 3) with the following assumptions:

	Warrants	Secured Convertible Promissory Note
Stock price	\$3.00	\$3.00
Number of shares outstanding	16,979,106	16,979,106
Volatility rate	30%	30%
Risk-free interest rate	3.30%	3.30%
Credit spread	NA	42.00%
Expected life	4 years	5 years

As at April 30, 2025, the fair value of the Warrants and Note were valued using a Partial Differential Equations with the following assumptions:

	Warrants	Secured Convertible Promissory Note
Stock price	\$2.71	\$2.71
Number of shares outstanding	25,422,902	25,422,902
Volatility rate	60%	60%
Risk-free interest rate	2.51%	2.51%
Credit spread	NA	34.37%
Expected life	1 year 4 months	2 years and 4 months

As at April 30, 2024, the fair value of the Warrants and Note were valued using a Partial Differential Equations with the following assumptions:

	Warrants	Secured Convertible Promissory Note
Stock price	\$1.20	\$1.20
Number of shares outstanding	21,311,053	21,311,053
Volatility rate	45%	45%
Risk-free interest rate	4.00%	4.30%
Credit spread	NA	37.60%
Expected life	2 years and 4 months	3 years and 4 months



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 8 – Convertible Promissory Note – Continued

The fair value of the instrument as at April 30, 2024 and April 30, 2025 is as follows:

	Note	Warrant	Total
Fair value at April 30, 2023	\$ 19,060,000	\$ 2,240,000	\$ 21,300,000
Change in fair value	710,000	(2,030,000)	(1,320,000)
Fair value as at April 30, 2024	\$ 19,770,000	\$ 210,000	\$ 19,980,000
Change in fair value	7,870,000	2,000,000	9,870,000
Fair value as at April 30, 2025	\$27,640,000	\$2,210,000	\$29,850,000

The Corporation received a total of 1,409,722 MVS during the year for interest payments from KWG (2024 – 1,112,015) and recorded an interest income of \$2,142,436 (2024 - \$2,075,670).

Note 9 – Investment in Associates and Joint Ventures

Name	Location	Ownership		Carrying Value	
		2025-04-30	2024-04-30	2025-04-30	2024-04-30
				\$	\$
EDM Resource Inc.	Nova Scotia	10.75%	10.75%	1,486,347	1,588,925
NeoTerrex Minerals Inc.	Ontario	14.59%	14.59%	1,510,628	1,526,770
South Timmins Mining Inc.	Ontario	25.00%	25.00%	996,357	991,586
Acadian Gold Corp.	New Brunswick	50.00%	-	82,305	-
Total				4,075,637	4,107,281

The Corporation held 5,737,121 common shares of EDM Resources Inc. at the year ended April 30, 2025 (2024 – 4,189,394). As the Corporation has three common directors, these common shares have been classified as an Investment in Associate for the year ended April 30, 2025. For the year ended April 30, 2025, Fancamp's share of loss in the results of EDM Resources Inc. was \$215,452 (2024 - \$217,185).

The Corporation held 11,799,000 common shares of NeoTerrex Corporation, a company with two common directors as at April 30, 2025 (2024 - 11,799,000). For the year ended April 30, 2025, Fancamp's share of net loss in the results of NeoTerrex Corporation was \$16,142 (2024 – \$514,566).

On March 13, 2023, the Corporation completed a transaction to pay \$130,000 and transfer its rights, title and interests in the Mallard/Heenan and Dorothy properties to South Timmins Mining Inc., in exchange for a 25% interest in South Timmins Mining Inc., with an option to increase its shareholding to 50% pursuant to a royalty agreement. Fancamp holds a 1% net smelter royalty ("NSR") in respect of the Mallard/Heenan and Dorothy properties, subject to a 50% decrease should Fancamp elect to increase its interests in South Timmins Mining Inc. to 50%. For the year ended April 30, 2025, Fancamp's share of profit in the results of South Timmins Mining Inc. was \$4,771 (2024 – Loss of \$187,215).

On October 9, 2024, the Company closed a transaction with Lode Gold Resources Inc and 1475039 B.C. Ltd. ("Gold Orogen"), a subsidiary of Lode Gold to advance the exploration and development of certain mineral properties located in the Yukon and New Brunswick. Pursuant to the above, Lode Gold transferred all of its interests in its mineral property located in New Brunswick and Fancamp transferred all of its interests in the Riley Brook mineral property located in New Brunswick to a newly incorporated joint-venture entity by the name of Acadian Gold Corp. of which Fancamp and Gold Orogen each own 50% of the outstanding shares and for which Fancamp acts as the initial operator of the mineral exploration work to be conducted by Acadian. Acadian granted Fancamp a 2% net smelter returns royalty on the Riley Brook Property, which shall be proportionally reduced under certain circumstances.



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 9 – Investment in Associates and Joint Ventures - Continued

The following is a reconciliation of the investment in EDM Resources Inc. for the years ended April 30, 2025 and 2024:

	2025	2024
Balance at beginning of Year, May 1	\$ 1,588,925	\$ 1,174,118
Reclassification	(167,346)	-
Cost of Investment	170,250	354,600
Share of net loss of Associate	(215,452)	(217,186)
Dilution gain from Associate	109,970	277,393
Balance at end of year, April 30	\$ 1,486,347	\$ 1,588,925

The following is a reconciliation of the investment in NeoTerrex Corporation for the years ended April 30, 2025 and 2024:

	2025	2024
Balance at beginning of period, May 1	\$ 1,526,770	\$ 716,512
Cost of Investment	-	716,750
Share of net loss of Associate	(16,142)	(514,566)
Dilution gain from Associate	-	608,074
Balance at end of year, April 30	\$ 1,510,628	\$ 1,526,770

The following is a reconciliation of the investment in South Timmins Mining Inc. for the years ended April 30, 2025 and 2024:

	2025	2024
Balance at beginning of period, May 1	\$ 991,586	\$ 1,178,801
Share of net gain (loss) of Associate	4,771	(187,215)
Balance at end of year, April 30	\$ 996,357	\$ 991,586

The following is a reconciliation of the investment in Acadian Gold Corp. for the years ended April 30, 2025 and 2024:

	2025	2024
Balance at beginning of period, May 1	\$ -	\$ -
Cost of Investment	83,527	-
Share of net loss of Associate	(1,222)	-
Balance at end of year, April 30	\$ 82,305	\$ -



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 9 – Investment in Associates and Joint Ventures – Continued

The following is a summary of financial information for the Corporation's associates for the years presented based on the latest publicly available information.

As at April 30, 2025 and 2024	EDM Resource Inc.		NeoTerrex Minerals Inc.		South Timmins Mining Inc.		Acadian Gold Corp	
	\$	\$	\$	\$	\$	\$	\$	\$
	2025	2024	2025	2024	2025	2024	2025	2024
Statement of Financial Position								
Cash	160,517	753,730	3,108,672	5,564,676	-	-	59,988	-
Current Assets	298,757	1,003,320	756,809	5,942,153	80,862	-	466,691	-
Non-current Assets	26,280,571	24,876,950	-	-	4,920,325	4,549,915	3,079,969	-
Current Liabilities	937,141	443,407	108,032	545,730	1,376,484	906,129	66,839	-
Non-current Financial Liabilities	-	-	-	-	-	-	-	-
Non-current Liabilities	14,726,579	14,274,090	-	-	-	-	-	-
Statement of Comprehensive Loss								
Depreciation and Amortization	(13,110)	(1,392)	-	-	-	-	-	-
Interest Income	334,070	68,780	177,010	187,808	-	-	-	-
Loss from Continuous Operation	(1,940,654)	(2,303,174)	(1,638,974)	(3,308,385)	19,084	(781,567)	(2,445)	-
Total Comprehensive Loss	(1,940,654)	(2,303,174)	(1,638,974)	(3,308,385)	19,084	(781,567)	(2,445)	-

Note 10 – Exploration and Evaluation Assets

The Corporation's active mineral exploration properties' interests are detailed below and in Schedule I – Summary of Deferred Costs on Exploration and Evaluation Assets. Please see details of exploration cost balance for the years ended April 30, 2025 and 2024 and Schedule II - Exploration Expenditures on Exploration Assets.

(a) 50% owned claims in the Province of New Brunswick

Pursuant to the agreement signed with Lode Gold Resources Inc and Gold Orogen (See Note 9), the Company transferred the Riley Brook properties to Acadian Gold Corp. Gold Orogen also transferred the McIntyre Brook properties to Acadian Gold. Riley Brook, being an early-stage exploration property with no proven reserves or cash flows, was transferred at cost, which management estimated as the fair value of its contribution into the joint venture. The Corporation has a 50% ownership interest in these claims in the Province of New Brunswick.

(b) 100% owned claims in the Province of Quebec

The Corporation has a 100% ownership interest in numerous claims in the Province of Quebec, including the Abitibi Corporation, Beauce Main BVB, Beauce Timrod, Clinton, DiLeo Lake, Grasset Laforest, Gaspé Bay Corporation, Grevet, Harvey Hill, Kinross, Lac Baude Baril, Magpie, Mingan, Risborough and Stoke properties. Certain of the properties are subject to the following royalties or option agreements:

Stoke Mountain

The Corporation has earned a 100% interest in claims located in the Eastern Townships of Quebec. The Optionor retains a 2% NSR, of which 1% may be bought back for \$1,000,000.

Robidoux, Gaspé Bay Group

The Corporation has sold its interest in these claims for cash payments totaling \$100,000 (received) and



Note 10 – Exploration and Evaluation Assets – Continued

the issuance of common shares of Canadian Gold Resources Ltd. at a value of \$400,000 (received). A loss of \$2,106 was booked in respect of the transaction.

During the year the claims under Gaspé Bay Corporation and Risborough were impaired amounting to \$400,590 and \$22,635 respectively.

(c) Mineral property royalty interests

Beauce HPQ claims

The Corporation has been granted a 3.5% Gross Metal Royalty on any gold production extracted.

Fermont Properties claims

On July 8, 2021, the Corporation entered into a royalty purchase agreement with Champion Iron Limited, whereby Champion acquired 100% ownership interest in the Lac Lamêlée property along with the 3.0% NSR and the 1.5% NSR interest in the O'Keefe-Purdy, Harvey-Tuttle, Bellechasse, Oil Can, Fire Lake North Consolidated, Peppler Lake and Moiré Lake properties ("Fermont Properties"). Fancamp received consideration of \$1.3 million in cash, plus certain future finite production payments payable once certain iron ore production thresholds have been reached with respect to iron ore production from the Fermont Properties.

Johan Beetz claims

The Corporation retains a 3.0% NSR for the first two years of commercial production, increasing to 5% thereafter.

Lac La Blache claims

The Lac La Blache claims are subject to a royalty interest of 2.0% of NSR, rising to 4% two years following production.

Koper Lake – McFaulds claims

The Koper-Lake McFaulds claims are subject to a 2.0% NSR (one-quarter of which may be purchased by KWG Resources Inc. at any time for \$5 million and the next one-quarter of which is subject to a right of first refusal in favour of KWG) on any direct or indirect interest in the Mining Claims held by KWG on and after September 1, 2022.

Wells claims

The Wells claims are subject to 2.0% NSR on all mineral production.

Mallard/Heenan/Dorothy claims

The Mallard/Heenan/Dorothy claims are subject to a 1.0% NSR, subject to a decrease to a 0.5% NSR should Fancamp increase its ownership in South Timmins Mining Inc. to 50%.

(d) Impairment of mineral properties interests

During the year ended April 30, 2025, the Corporation has written off/down a total of \$227,230 (2024 - \$1,187,164) on its exploration and evaluation assets for those properties management determined to be expired or no immediate plans for exploration activities.



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 11 – Share Capital**(a) Authorized: Unlimited common shares without par value****Issued:**

On December 21, 2023, the Corporation closed a non-brokered private placement of \$4,561,582 through the sale of 60,165,455 common shares, at a price of \$0.07 and 4,000,000 flow-through shares, at a price of \$0.0875. \$137,309 was recorded as share issuance costs. As the flow-through shares were issued at market price no deferred flow-through premium was recorded. The Corporation has a commitment to incur \$350,000 in qualifying expenditures associated with the flow-through shares.

There are a total of 240,933,751 shares issued and outstanding as of April 30, 2025 (2024 – 240,933,751).

(b) Share purchase warrants

As at April 30, 2025, there were Nil common share purchase warrants outstanding (2024 – Nil).

(c) Management incentive options

The Corporation's stock option plan provides for the granting of stock options totaling in aggregate up to 10% of the Corporation's total number of shares issued and outstanding on a non-diluted basis. The stock option plan provides for the granting of stock options to regular employees and persons providing investor relation services or consulting services up to a limit of 5% and 2% respectively of the Corporation's total number of issued and outstanding shares per year. The stock options are fully vested on the date of grant, except stock options granted to consultants or employees performing investor relation activities, which vest over 12 months. The option price must be greater or equal to the discounted market price on the grant date and the option expiry date cannot exceed five years after the grant date.

A summary of the options granted under the Corporation's plan as at April 30, 2025 and 2024 and the changes during the year then ended is as follows:

	No. of Options	Weighted average exercise price (\$)
Outstanding, April 30, 2023 and 2024	13,070,000	0.12
Expired	(2,500,000)	0.12
Granted	9,250,000	0.08
Outstanding, April 30, 2025	19,820,000	0.10



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 11 – Share Capital - Continued

The weighted average remaining contractual life for the management incentive options outstanding as at April 30, 2025 is 2.94 years (2024 – 2.56 years).

Stock based compensation related to options granted/vested is \$488,485 (2024 - \$Nil).

A summary of stock options outstanding and exercisable is as follows:

Exercise price per share (\$)	Expiry Date	2025		2024	
		Options outstanding	Options vested	Options outstanding	Options vested
0.12	2026-11-09	9,250,000	9,250,000	11,750,000	11,750,000
0.12	2027-02-21	1,320,000	1,320,000	1,320,000	1,320,000
0.08	2029-10-29	8,750,000	8,675,000	-	-
0.075	2029-11-26	500,000	500,000	-	-
		19,820,000	19,745,000	13,070,000	13,070,000

Note 12 – Related Party Transactions and Balances

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly, including any directors (executive and non-executive) of the Corporation.

Transactions for the year ended April 30:	2025	2024
Management Fees	\$ 372,500	\$ 575,020
Director Fees	113,000	120,000
Consulting Fees	37,650	47,765
Accounting and Audit	40,067	-
Stock-based Payments	419,634	-

Balance with related parties as of April 30		2025	2024
Account Head	Description	\$	\$
Accounts payable & Accrued Liabilities	Amounts due to directors and officers	18,547	141,424
Due to Related Party	Due to Acadian Gold Corp	466,691	-



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 13 – Income Taxes

The following table reconciles the expected income taxes expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of operations and comprehensive loss for the years ended April 30, 2025 and 2024:

	2025	2024
Loss for the year	\$7,473,210	\$ (2,433,950)
Expected income tax (recovery)	\$1,980,401	\$ (644,997)
Change in statutory, foreign tax, foreign exchange rates and other	4,126	1,170,309
Permanent differences	(112,093)	242,581
Impact of flow through share	92,750	92,750
Tax effect of deconsolidation	-	(36,387)
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	(65,184)	-
Change in unrecognized deductible temporary differences	(1,424,000)	(4,491,421)
Total income tax expense (recovery)	\$ 476,000	\$ (3,667,164)
Current income tax	\$ -	\$ -
Deferred tax recovery	\$ 476,000	\$ (3,667,164)

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

	2025	2024
Deferred tax assets (liabilities)		
Share issue costs	\$ 21,812	\$ -
Non-capital losses	33,000	-
Property and equipment	(903)	(942)
Mineral properties	(1,153,312)	(1,280,033)
Marketable securities	(1,616,349)	(2,408,627)
Intercompany Receivable - Magpie	260,298	-
Promissory Note	1,817,900	3,689,601
Magpie Investment	64,644	-
Investment in Associate	96,242	-
Net deferred tax liability	\$ (476,668)	\$ -



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 13 – Income Taxes - Continued

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2025	Expiry Date Range	2024	Expiry Date Range
	\$		\$	
Temporary Differences				
Share issue costs	82,309	2024 to 2048	118,746	2024 to 2048
Allowable capital losses	-	No expiry date	40	No expiry date
Intercompany Receivable	1,964,511	No expiry date	1,964,511	No expiry date
Promissory Note	(4,469,313)	No expiry date	248,100	No expiry date
Investment in associates	1,214,240	No expiry date	(3,619,399)	No expiry date
Non-capital losses	122,946	2026 to 2043	-	2026 to 2043
Canada	123,000	2026 to 2043	-	2026 to 2043
USA	-	2024 onwards	-	2024 onwards

IFRIC Interpretation 23, Uncertainty over Income Tax Treatments, provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. As at April 30, 2023, the Company has evaluated the uncertain tax treatments relating to the determination of proceed on disposition of resource properties and recorded an uncertain tax position of \$6,057,096. In addition, the Company has separately recorded a provision for uncertain tax positions associated with the transaction.



Note 14 – Financial Instruments and Financial Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The Corporation's financial instruments consist of cash and cash equivalents, short-term investments, marketable securities and warrants, other receivables, convertible promissory note, accounts payable and accrued liabilities and due to related parties. The carrying value of cash, short-term investments, other receivables, accounts payable and accrued liabilities, and due to related party approximate their fair values due to their immediate or short-term maturity. Marketable securities consisting of common shares are recorded at fair value based on the quoted market, which is consistent with Level 1 of the fair value hierarchy. Marketable securities consisting of warrants are recorded at fair value based on a Black-Scholes pricing model consistent with Level 2 of the fair value hierarchy. Marketable securities consisting of common shares in private companies are recorded at fair value based on inputs for the asset or liability that are not based on observable market data and convertible promissory notes are recognized initially at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, convertible promissory notes are measured at fair value with changes in fair value recognized in consolidated statement of profit or loss, which are consistent with Level 3 of the fair value hierarchy.

The Corporation is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk, liquidity risk, foreign currency risk and equity market risk. The Corporation's objective with respect to risk management is to minimize potential adverse effects on the Corporation's financial performance. The Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

The following table sets forth the Corporation's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

	April 30, 2025			
	Marketable Securities \$	Warrants \$	Convertible Promissory Note \$	Consideration Warrants
Level 1	20,092,911	-	-	-
Level 2	-	281,303	-	-
Level 3	2,500,000	-	27,640,000	2,210,000



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Note 14 – Financial Instruments and Financial Risk Management – Continued

	April 30, 2024			
	Marketable Securities \$	Warrants \$	Convertible Promissory Note \$	Consideration Warrants \$
Level 1	19,865,576	-	-	-
Level 2	-	384,408	-	-
Level 3	-	-	19,770,000	210,000

There have been no changes between levels during the year.

Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Corporation's credit risk is primarily attributable to its cash. The Corporation manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. The Corporation has recorded an allowance for the collection of a doubtful account in the amount of \$1,964,511 (2024: \$1,964,511).

Liquidity risk

The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Corporation's holdings of cash that might be raised from equity financings. As at April 30, 2025, the Corporation had current assets of \$26,460,189 (2024 – \$25,224,590) and current liabilities of \$7,330,239 (2024 - \$6,462,122). All of the Corporation's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. The Corporation believes that these sources will be sufficient to cover the expected short and long term cash requirements.

Market risk

Market risk consists of interest rate risk, foreign currency risk and commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximizing returns. The Corporation's marketable securities are subject to market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Corporation to interest rate risk with respect to its cash flow. It is management's opinion that the Corporation is not exposed to significant interest rate risk.

Foreign currency risk

The Corporation is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.



Note 14 – Financial Instruments and Financial Risk Management – Continued

Commodity Price Risk

Commodity price risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. As the Corporation has not yet developed commercial mineral interests, it is not exposed to commodity price risk at this time.

Note 15 – Capital Management

The Corporation's objective when managing capital is to maintain investor and market confidence and a flexible capital structure which will allow it to execute on its capital expenditure program, which includes expenditures primarily in the exploration and evaluation assets, which may or may not be successful. Therefore, the Corporation monitors the level of risk incurred in its capital expenditures to balance the equity in its capital structure.

The Corporation manages its equity as capital. As the Corporation is in the exploration stage, its principal source of funds is from the issuance of common shares. It is the Corporation's objective to safeguard its ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its stakeholders. No changes were made in the objectives, policies and processes for managing capital during the year ended April 30, 2025. The Corporation is not subject to any externally imposed capital requirement.

The Corporation manages its capital structure and makes adjustments to it, based on the funds available to the Corporation, in order to support the exploration and development of its mineral properties. The Board of Directors has not established quantitative capital structure criteria for management, but will review on a regular basis the capital structure of the Corporation to ensure its appropriateness to the stage of development of the business.

The properties in which the Corporation currently has interest are in the exploration stage and the Corporation is dependent on external financing to fund its activities. In order to carry out planned exploration and development and pay for administrative costs, the Corporation will spend its existing working capital and raise additional amounts as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

In order to facilitate the management of capital and maintenance and development of future mining sites, the Corporation may issue new equity, incur additional debt, option its properties for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. The Corporation's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Corporation does not pay dividends. The Corporation expects to continue to raise funds, from time to time, to continue meeting its capital management objectives.



Note 16 – Contingencies

The Magpie Mines Inc.

On August 11, 2023, the Corporation provided comment an announcement made by The Canadian Chrome Company Inc. ("Chrome Co."), a registered business style of KWG Resources Inc., with respect to Chrome Co.'s acquisition of two thirds of the issued and outstanding special shares in the capital of The Magpie Mines Inc. from Peter Smith and Fouad Kamaledidine (the "Transaction").

Fancamp is a major shareholder of The Magpie Mines Inc., with ninety-six percent (96%) of the issued and outstanding common shares in the capital of Magpie Mines. In addition, Fancamp has a two-percent (2%) NSR on the Magpie deposit and is the largest creditor of Magpie Mines.

Each common share of Magpie Mines carries one (1) vote for the election of forty-nine percent (49%) of the total number of Directors of Magpie Mines, while each special share of Magpie Mines carries one (1) vote for the election of fifty-one percent (51%) of the total number of Directors of Magpie Mines. As a result of the issuance of special shares, which were allocated to previous Directors of Fancamp and of Magpie Mines, holders of these special shares control decisions relating to the election of Magpie Mines Directors and, as a result, decisions taken by its Board of Directors.

The proposed Transaction was not previously known to Fancamp. Smith's and Kamaledidine's ownership of the Magpie special shares is disputed and the subject of pending litigation.

On August 8, 2023, Fancamp wrote to Chrome Co. to advise that:

1. There is pending litigation with respect to the validity and ownership of the special shares;
2. In light of that information Fancamp expects that Chrome Co. will not proceed with its acquisition of the special shares, and that it will issue a news release to that effect by no later than Friday, August 11, 2023; and
3. Chrome Co. now has full knowledge of Smith's and Kamaledidine's breaches of fiduciary duty and of trust, and would be proceeding as a knowing participant in those breaches. If Chrome Co. proceeds with the Transaction despite that knowledge Fancamp anticipates it would be entitled to seek relief directly against Chrome Co., including injunctive relief and compensation for its damages (including legal fees).

On August 16, 2023, the Corporation announced that it had been informed by Chrome Co. of the expiration of this proposed transaction.

On January 23, 2024, the Corporation filed an application in Quebec against The Magpie Mines Inc. for the payment of \$1,964,511 plus interest and court costs in regards to the non-secured, on demand note. This matter is pending in the courts.

On May 9, 2025, Fancamp acquired the special shares held by Fouad Kamaledidine, bringing Fancamp's holdings of special shares to 66.66% (Note 18).

At the Annual General Meeting of the shareholders of The Magpie Mines Inc. held on July 17, 2025 in Montréal, Québec, the shareholders of Magpie Mines voted to set the number of Directors at three, and elected Rajesh Sharma, Mark Billings and Charles Tarnocai as the Directors of Magpie Mines. Magpie Mines has appointed the following officers: Mark Billings as Chairman, Rajesh Sharma as President and Chief Executive Officer, Arnab Kumar De as Chief Financial Officer and Debra Chapman as Corporate Secretary.



Note 16 – Contingencies - Continued

Termination of Peter H. Smith

In August, 2020, at the request of the Board, Peter H. Smith stepped down as President. On April 1, 2021, the consulting agreement between the Corporation and Peter H. Smith was terminated with cause. On May 31, 2021, Peter H. Smith filed, by way of a counterclaim (see “Civil Lawsuit Against Peter H. Smith”), a demand for payout of \$500,000 and an additional \$27,000 for amounts owing. \$27,000 has been accrued as of April 30, 2024 and 2025.

Management has not recognized provision for claimed amount given the conditions to recognize provision were not met. Fancamp believes that any claim that may be instituted by Peter H. Smith is without merit and that he is not entitled to any damages. The Corporation intends to vigorously defend its actions.

Civil Law suit Against Peter H. Smith

On May 14, 2021, Fancamp filed a civil claim in the British Columbia Supreme Court seeking over \$3,000,000 in damages from Mr. Smith on behalf of our shareholders.

Note 17 – The Magpie Mines Ltd. - Determination to Deconsolidate

Subsequent to the termination of Peter H. Smith in August, 2020 as well as the ongoing disputes detailed in Note 15 – Contingencies, Fancamp has determined that it cannot exercise control over The Magpie Mines Inc. The directors of The Magpie Mines Inc. issued themselves Special Shares which allow for the election of 2/3 of the board of directors of The Magpie Mines Inc.

In the Consolidated Statement of Operations and Comprehensive Income the Corporation has recorded a gain of \$429,696 from the deconsolidation of The Magpie Mines Inc. on March 31, 2023, the date Fancamp lost control over Magpie. Fancamp has recorded the \$1,964,511 advanced to The Magpie Mines Inc. as well as an allowance for the possibility that this debt will not be fully repaid (See Note 6 – Other Receivable) and filed a notice of its intention to collect the amount due.

Assets and Liabilities related to the deconsolidation were as follows:

	As at March 31, 2023
	\$
Cash	15
Other Accounts Receivable	50
GST Receivable	14
Advance	(1,964,511)
Exploration & Evaluation Assets	12,926
Accounts Payable	(391,784)
Deferred Income	(144,187)
Accumulated NCI up to March 31	93,270
Gain on Deconsolidation	2,394,207
Allowance on advance	(1,964,511)
Net Gain due to deconsolidation	429,696

As management has assessed an ECL of \$1,964,511 on their receivable from Magpie immediately upon deconsolidation of the Magpie investment, the ECL loss should be netted against the \$2,394,207 gain shown above.



Note 18 – Subsequent Events

On May 6, 2025, the Company entered into an Unsecured Loan Agreement with a Director for a loan of \$300,000. The loan carries an interest rate of 6% compounded monthly and has term of 6 months.

On May 9, 2025, the Company entered into Minutes of Settlement with Fouad Kamaledine and FFK Consulting Services Inc. (the 'plaintiffs') to resolve all outstanding litigation between the parties in Ontario and British Columbia. Upon completion of the Settlement, all claims in the Ontario action against the Company have been dismissed with prejudice and the British Columbia proceeding commenced by the Company against Mr. Kamaledine has been discontinued.

On August 27, 2025, the Company granted stock options to its directors and officers, pursuant to the Corporation's Stock Option Plan, exercisable into 500,000 common shares of the Corporation. The options have an exercise price of \$0.11 per Common Share, granted on August 27, 2025, vested immediately, with an expiry date five years from the date of grant, on August 26, 2030.



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Schedule I - Summary of Deferred Costs on Exploration and Evaluation Assets

The following is a summary of exploration and evaluation costs deferred during the year ended April 30, 2025:

	As At April 30, 2024			Exploration and Evaluation Expenditures Incurred During the year ended April 30, 2025			As At April 30, 2025		
	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total	Acquisition Costs Incurred	Exploration Expenditures Net of Exploration Tax Credits	(Write Downs) (Write Offs) Income/Sales	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total
Projects									
Clinton, PQ	\$ 45,954	\$ 1,974,732	\$ 2,020,686	\$ 5,351	\$ 174,790	\$ -	\$ 51,305	\$ 2,149,522	\$ 2,200,826
Gaspe Bay Group, PQ **	14,834	422,845	437,679	3,684	17,362	(400,590)	3,684	54,451	58,135
Harvey Hill, PQ	-	122,400	122,400	-	6,720	-	-	129,120	129,120
Risborough, PQ	239	22,396	22,635	-	-	(22,635)	-	-	-
Stoke, PQ	76,270	2,958,620	3,034,890	7,652	1,584	-	83,922	2,960,204	3,044,126
Prospects-Quebec									
Abitibi E	2,022	2,340	4,362	-	-	(4,363)	-	-	-
Beauce Main BVB	2,481	44,893	47,374	-	-	(47,374)	-	-	-
Beauce Timrod	1	18,117	18,118	-	-	(18,118)	-	-	-
DiLeo Lake	1	101,639	101,640	308	269	-	309	101,908	102,217
Grasset Laforest	21,945	90,906	112,851	13,235	225,558	-	35,180	316,464	351,641
Grevet	512	23,907	24,419	-	-	(24,419)	-	-	-
Kinross	512	20,570	21,082	-	-	(21,082)	-	-	-
Lac Baude Baril	2,327	86,528	88,855	-	-	(88,854)	-	-	1
Magpie	73	-	73	-	-	-	73	-	73
Mingan, Lac Au Vents	-	10,626	10,626	870	30,988	-	870	41,614	42,484
Prospects-New Brunswick									
Riley Brook	86,871	14,710	101,581			(101,581)	-	-	-
Nominal Value Properties	9	2,595	2,604	-	-	-	9	2,595	2,604
	\$ 254,051	\$ 5,917,821	\$ 6,171,875	31,100	457,271	(729,017)	175,351	5,755,875	5,931,227

** Gaspe Bay Group includes the Robidoux and St. Margeurite properties



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Schedule I - Summary of Deferred Costs on Exploration and Evaluation Assets

The following is a summary of exploration and evaluation costs deferred during the year ended April 30, 2024:

	As At April 30, 2023			Exploration and Evaluation Expenditures Incurred During the year ended April 30, 2024				As At April 30, 2024		
	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total	Acquisition Costs Incurred	Option and Other Payments (Received)	Exploration Expenditures Net of Exploration Tax Credits	(Write Downs) (Write Offs) Income/Sales	Deferred Acquisition Costs	Deferred Exploration Expenditures	Total
Projects										
Clinton, PQ	\$ 45,954	\$ 1,509,710	\$ 1,555,663	\$ -	\$ -	\$ 465,022	\$ -	\$ 45,954	\$ 1,974,732	\$ 2,020,685
Gaspe Bay Group, PQ **	14,834	875,015	889,849	-	(50,000)	28,137	(430,307)	14,834	422,845	437,679
Harvey Hill, PQ	-	737,936	737,936	-	-	42,980	(658,516)	-	122,400	122,400
Risborough, PQ	239	22,103	22,342	-	-	293	-	239	22,396	22,635
Stoke, PQ	76,270	2,891,222	2,967,492	-	-	67,398	-	76,270	2,958,620	3,034,890
Prospects-Quebec										
Abitibi E	2,022	32	2,054	-	-	2,308	-	2,022	2,340	4,362
Beauce Main BVB	4,962	87,076	92,038	-	-	2,710	(47,374)	2,481	44,893	47,375
Beauce Timrod	1	18,117	18,118	-	-	-	-	1	18,117	18,118
DiLeo Lake	1	42,518	42,519	-	-	59,121	-	1	101,639	101,640
Grasset Laforest	10,957	75,238	86,193	10,988	-	15,668	-	21,945	90,906	112,848
Grevet	512	23,614	24,126	-	-	293	-	512	23,907	24,419
Kinross	512	20,386	20,898	-	-	184	-	512	20,570	21,082
Lac Baude Baril	2,327	85,795	88,122	-	-	733	-	2,327	86,528	88,855
Magpie	-	-	-	73	-	-	-	73	-	73
Mingan, Lac Au Vents	-	10,626	10,626	-	-	-	-	-	10,626	10,626
Prospects-New Brunswick										
Becajumec Lake	1,930	46,477	48,407	-	-	-	(48,407)	-	-	-
Piskhegan	2,560	-	2,560	-	-	-	(2,560)	-	-	-
Riley Brook	-	-	-	86,871	-	14,710	-	86,871	14,710	101,581
Nominal Value Properties	11	2,595	2,606	-	-	-	(2)	9	2,595	2,604
	\$ 163,092	\$ 6,448,460	\$ 6,611,549	97,932	(50,000)	699,556	(1,187,166)	254,051	5,917,821	6,171,872

** Gaspe Bay Group includes the Robidoux and St. Marguerite properties



Fancamp Exploration Ltd.
Notes to the Consolidated Financial Statements April 30, 2025 and 2024

Schedule II - Exploration Expenditures on Exploration and Evaluation Assets
April 30, 2025 and 2024

Incurred in the year ended April 30, 2025:

	Camp Drilling	Engineering, Consulting, and Sundry	Prospecting, Ground, Air Surveys	Exploration Tax Credits	Total 2025
Baude Lake Baril	\$ -	\$ -	\$ -	\$ -	\$ -
Beauce Main BVB	-	-	-	-	-
Berry Chicobi Abitibi E	-	-	-	-	-
Clinton	-	27,285	147,505	-	174,790
DiLeo Lake	-	269	-	-	269
Gaspe Bay Group	-	-	-	-	-
Harvey Hill	-	6,720	-	-	6,720
Grasset La Forest	-	1,168	224,390	-	225,558
Grevet	-	-	-	-	-
Kinross	-	-	-	-	-
Mingan, Lac Au Vents	788	24,246	5,954	-	30,988
Riley Brook	-	-	-	-	-
Risborough	-	-	-	-	-
Stoke	-	1,016	567	-	1,583
Ste Marguerite	8,074	6,608	2,681	-	17,363
	\$ 8,862	\$ 67,312	\$ 381,097	\$ -	\$ 457,271

Incurred in the year ended April 30, 2024:

	Camp Drilling	Engineering, Consulting, and Sundry	Prospecting, Ground, Air Surveys	Exploration Tax Credits	Total 2024
Baude Lake Baril	\$ -	\$ 733	\$ -	\$ -	\$ 733
Beauce Main BVB	-	2,710	-	-	2,710
Berry Chicobi Abitibi E	-	2,308	-	-	2,308
Clinton	592,717	6,988	31,906	(166,589)	465,022
DiLeo Lake	28,085	30,359	39,857	(39,181)	59,120
Gaspe Bay Group	-	366	-	-	366
Harvey Hill	1,040	5,776	37,792	(1,627)	42,980
Grasset La Forest	-	12,453	4,252	(1,037)	15,668
Grevet	-	293	-	-	293
Kinross	-	184	-	-	184
Mingan, Lac Au Vents	-	-	-	-	-
Riley Brook	-	-	14,710	-	14,710
Risborough	-	293	-	-	293
Stoke	2,805	12,637	54,395	(2,440)	67,397
Ste Marguerite	14,352	6,098	17,686	(10,365)	27,771
	\$ 638,999	\$ 81,198	\$ 200,598	\$ (221,239)	\$ 699,556