FARADAY COPPER

Faraday Copper Corp.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

(Unaudited - expressed in Canadian dollars)

FARADAY COPPER CORP.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian dollars)

	Note	**June 30, 2026**	December 31, 2025
		$	$
ASSETS			
Current			
Cash and cash equivalents	11	**94,219,204**	37,880,822
Other receivables		**334,947**	178,263
Prepaid expenses and deposits		**598,631**	589,552
Term deposits	11	**32,013,001**	-
Current assets		**127,165,783**	38,648,637
Property and equipment	4	**18,134,285**	17,513,854
Resource properties	5	**5,502,812**	5,197,517
Other long-term assets		**42,631**	135,278
Total assets		**150,845,511**	61,495,286
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	**6,868,907**	2,370,688
Due to related parties	10	**589,264**	853,572
Current liabilities		**7,458,171**	3,224,260
Decommissioning and restoration provision	8	**547,484**	242,189
Total liabilities		**8,005,655**	3,466,449
SHAREHOLDERS' EQUITY			
Share capital	9	**281,421,358**	167,138,450
Reserves	9	**8,328,447**	14,609,347
Accumulated other comprehensive income		**4,821,787**	4,158,577
Deficit		**(151,731,736)**	(127,877,537)
Total shareholders' equity		**142,839,856**	58,028,837
Total liabilities and shareholders' equity		**150,845,511**	61,495,286

Commitments (Note 12)
Subsequent events (Note 13)

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

\/s/ Russell Ball	*\/s/ Paul Harbidge*
Director	Director

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

FARADAY COPPER CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - expressed in Canadian dollars, except for per share amounts and number of shares)

	Note	Three months ended	June 30,	Six months ended	June 30,
		2026	2025	**2026**	2025
		$	$	**$**	$
Operating expenses					
Depreciation	4	**96,740**	66,546	**185,300**	130,845
Corporate development costs		**1,535,031**	-	**1,794,470**	-
Exploration and evaluation expenses	6	**11,730,961**	4,146,179	**21,951,755**	10,630,687
General and administration		**1,658,463**	585,980	**2,530,274**	1,267,652
Professional fees and legal expenses		**229,474**	105,301	**341,008**	196,679
Shareholder costs and investor relations		**571,176**	166,912	**712,080**	253,475
Share-based compensation	9, 10	**615,782**	462,678	**1,267,800**	846,804
Travel		**194,959**	26,867	**328,501**	79,220
Total operating expenses		**16,632,586**	5,560,463	**29,111,188**	13,405,362
Foreign exchange (gain) loss		**(1,870,677)**	49,672	**(3,882,976)**	172,723
Interest income	11	**(798,924)**	(195,755)	**(1,374,013)**	(247,568)
Other income	10	**-**	-	**-**	(95,706)
Net loss		**13,962,985**	5,414,380	**23,854,199**	13,234,811
Other comprehensive (income) loss					
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange differences on translation of foreign operations		**(368,045)**	884,492	**(663,210)**	912,233
Total comprehensive loss		**13,594,940**	6,298,872	**23,190,989**	14,147,044
Net loss per share:					
Basic and diluted		**0.05**	0.03	**0.09**	0.06
Weighted average number of common shares:					
Basic and diluted		**292,119,618**	205,515,575	**277,023,105**	205,505,851

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

FARADAY COPPER CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - expressed in Canadian dollars, except number of shares)

		Share capital		Reserves				
	Note	Number	Amount	Warrants	Options	Accumulated other comprehensive income	Deficit	Total shareholders' equity
		#	$	$	$	$	$	$
Balance, December 31, 2024		205,435,575	117,059,415	2,776,475	11,319,504	5,117,110	(100,008,879)	36,263,625
Share-based compensation		-	-	-	846,804	-	-	846,804
Shares issued for options exercised	9(d)	80,000	58,892	-	(23,692)	-	-	35,200
Foreign exchange differences on Translation of foreign operations		-	-	-	-	(912,233)	-	(912,233)
Net loss		-	-	-	-	-	(13,234,811)	(13,234,811)
Balance, June 30, 2025		205,515,575	117,118,307	2,776,475	12,142,616	4,204,877	(113,243,690)	22,998,585
Share-based compensation		-	-	-	930,988	-	-	930,988
Shares issued in private placement, net of share issuance costs		44,339,500	46,964,411	-	-	-	-	46,964,411
Shares issued for warrants exercised	9(c)	3,025,000	1,815,000	-	-	-	-	1,815,000
Settlement of RSUs	9(e)	1,486,000	1,240,732	-	(1,240,732)	-	-	-
Foreign exchange differences on Translation of foreign operations		-	-	-	-	(46,300)	-	(46,300)
Net loss		-	-	-	-	-	(14,633,847)	(14,633,847)
Balance, December 31, 2025		254,366,075	167,138,450	2,776,475	11,832,872	4,158,577	(127,877,537)	58,028,837
Share-based compensation		-	-	-	1,267,800	-	-	1,267,800
Shares issued in private placement, net of share issuance costs	9(b)	23,810,000	99,702,608	-	-	-	-	99,702,608
Shares issued for options exercised	9(b), 9(d), 10	10,895,000	12,396,702	-	(7,525,102)	-	-	4,871,600
Shares issued for warrants exercised	9(b), 9(c), 10	3,600,000	2,160,000	-	-	-	-	2,160,000
Shares issued for RSUs vested	9(b)	27,500	23,598	-	(23,598)	-	-	-
Foreign exchange differences on translation of foreign operations		-	-	-	-	663,210	-	663,210
Net loss		-	-	-	-	-	(23,854,199)	(23,854,199)
Balance, June 30, 2026		**292,698,575**	**281,421,358**	**2,776,475**	**5,551,972**	**4,821,787**	**(151,731,736)**	**142,839,856**

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

FARADAY COPPER CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - expressed in Canadian dollars, except where noted)

	Six months ended June 30,	
	2026	2025
	$	$
Operating activities		
Net loss for the period	**(23,854,199)**	(13,234,811)
Adjustments for:		
Depreciation	**185,300**	130,845
Interest income	**(344,329)**	-
Share-based compensation	**1,267,800**	846,804
Unrealized foreign exchange gain	**(3,687,571)**	-
Changes in non-cash working capital:		
Other receivables	**(156,684)**	35,948
Prepaid expenses and deposits	**(9,079)**	77,341
Accounts payable and accrued liabilities	**4,498,219**	(1,921,145)
Due to related parties	**(264,308)**	(357,410)
Cash used in operating activities	**(22,364,851)**	(14,422,428)
Investing activities		
Purchases of property and equipment	**(168,807)**	(259,507)
Purchases of term deposits	**(30,345,976)**	-
Proceeds from return of reclamation bond	**95,761**	-
Cash used in investing activities	**(30,419,022)**	(259,507)
Financing activities		
Proceeds from issuance of common shares in private placement	**100,002,000**	-
Share issuance costs	**(299,392)**	-
Proceeds from exercise of options	**4,871,600**	35,200
Proceeds from exercise of warrants	**2,160,000**	-
Cash provided by financing activities	**106,734,208**	35,200
Effect of foreign exchange on cash and cash equivalents	**2,388,047**	36,224
Changes in cash and cash equivalents	**56,338,382**	(14,610,511)
Cash and cash equivalents, beginning of year	**37,880,822**	17,003,895
Cash and cash equivalents, end of period	**94,219,204**	2,393,384
Supplemental cash flow information:		
Cash received from interest income included in operating activities	**1,029,684**	247,568

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

1. NATURE OF OPERATIONS

Faraday Copper Corp. (the "Company") was incorporated on October 21, 2014 under the Business Corporations Act (British Columbia). The Company's registered office is located at Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5. The Company's head office and principal address is located at 2800 - 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2. The Company's shares are traded on the Toronto Stock Exchange and OTCQX under the symbol "FDY" and "CPPKF", respectively, and its principal business is the acquisition and development of resource properties.

Going concern assumption

These unaudited condensed interim consolidated financial statements (the "Interim Financial Statements") for the three and six months ended June 30, 2026 and 2025 have been prepared based on accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is a resource exploration stage company, which does not generate any revenue and has been relying mainly on equity-based financing to fund its operations. For the three and six months ended June 30, 2026, the Company incurred a net loss of $13,962,985 and $23,854,199, respectively (2025 - $5,414,380 and $13,234,811, respectively). The Company will require additional financing either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative costs and to continue to explore and develop its resource properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These Interim Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern, and any such adjustments may be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These Interim Financial Statements were approved by the Board of Directors and authorized for issue on August 7, 2026.

These Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34"), *Interim Financial Reporting*. Certain disclosures included in the Company's audited consolidated financial statements for the years ended December 31, 2025 and 2024 ("Annual Financial Statements") prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") have been condensed or omitted, and accordingly, these Interim Financial Statements should be read in conjunction with the Company's Annual Financial Statements.

b) Basis of presentation

These Interim Financial Statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below.

c) Functional and presentation currency

These Interim Financial Statements are presented in Canadian dollars ("Canadian dollar" or "CAD" except as otherwise noted), which is the functional currency of the parent company. The functional currency is the currency of the primary economic environment in which an entity operates. References to "USD" or "US$" are to United States dollars.

d) Basis of consolidation

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

(Unaudited - expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

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

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
CopperBank Royalties Corp.	Canada	100%	CAD	Holding
Enexco International Inc.	USA	100%	USD	Exploration
Redhawk Copper, Inc.	USA	100%	USD	Exploration
Redhawk Ranch Land Holdings LLC	USA	100%	USD	Holding
Redhawk Exploration LLC	USA	100%	USD	Holding
Redhawk Copper Holdings Inc.	USA	100%	USD	Holding
Redhawk Copper – San Manuel Inc.	USA	100%	USD	Holding
Redhawk Resources, Inc. ("Redhawk")	Canada	100%	CAD	Holding

During the six months ended June 30, 2026, Redhawk Copper Holdings Inc. and Redhawk Copper - San Manuel Inc. were incorporated as holdings companies in anticipation of acquisition of the San Manuel property.

As at June 30, 2026, the Company has one operating segment, a mineral exploration group focused on projects located in the United States of America.

3. MATERIAL ACCOUNTING POLICIES

These Interim Financial Statements were prepared using accounting policies consistent with those described in the Annual Financial Statements.

The Company has not early adopted any new accounting standard, interpretation or amendment that has been issued but is not yet effective.

In preparing these Interim Financial Statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed in its Annual Financial Statements.

New IFRS Accounting Standards adopted during the period

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 *Financial Instruments* "IFRS 9" and IFRS 7 *Financial Instruments: Disclosures* "IFRS 7")

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 and related disclosure requirements in IFRS 7. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the 'solely payments of principal and interest' criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The Company adopted these amendments to IFRS 9 and IFRS 7 effective January 1, 2026 and is in compliance with the amended requirements. The adoption of these amendments did not result in any material changes to the Company's financial position, results of operations, presentation, or related disclosures.

(Unaudited - expressed in Canadian dollars, except where noted)

3. MATERIAL ACCOUNTING POLICIES (continued)

New IFRS Accounting Standards and interpretations not yet applied

IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18")

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

4. PROPERTY AND EQUIPMENT

A summary of the Company’s property and equipment is as follows:

	Buildings	Land	Equipment	Vehicles	Total
	$	$	$	$	$
Cost					
Balance, December 31, 2024	3,117,153	14,802,802	470,775	125,727	18,516,457
Additions	31,113	-	559,266	160,579	750,958
Disposal	-	-	(18,503)	(46,722)	(65,225)
Foreign exchange	(544,694)	(702,643)	263,827	(5,967)	(989,477)
Balance, December 31, 2025	2,603,572	14,100,159	1,275,365	233,617	18,212,713
Additions	-	-	168,807	-	168,807
Foreign exchange	95,739	518,494	43,709	8,591	666,533
Balance, June 30, 2026	**2,699,311**	**14,618,653**	**1,487,881**	**242,208**	**19,048,053**
Accumulated depreciation					
Balance, December 31, 2024	266,991	-	175,885	36,509	479,385
Depreciation	109,926	-	158,040	30,386	298,352
Disposal	-	-	-	(15,882)	(15,882)
Foreign exchange	(37,148)	-	(24,984)	(864)	(62,996)
Balance, December 31, 2025	339,769	-	308,941	50,149	698,859
Depreciation	54,426	-	107,386	23,488	185,300
Foreign exchange	14,192	-	12,840	2,577	29,609
Balance, June 30, 2026	**408,387**	**-**	**429,167**	**76,214**	**913,768**
Net book value					
Balance, December 31, 2025	2,263,803	14,100,159	966,424	183,468	17,513,854
Balance, June 30, 2026	**2,290,924**	**14,618,653**	**1,058,714**	**165,994**	**18,134,285**

5. RESOURCE PROPERTIES

Copper Creek Project, Arizona

The Company acquired 100% of the Copper Creek project through the acquisition of Redhawk for a value of $4,955,328 in 2018. All permits of this resource property are in good standing. During the six months ended June 30, 2026, the Company capitalized an additional $305,295 (Note 8) of decommissioning and restoration provision costs, reflecting the initial recognition of additional obligations, changes in estimated costs, and foreign currency translation adjustments (2025 - $nil).

(Unaudited - expressed in Canadian dollars, except where noted)

5. RESOURCE PROPERTIES (continued)

- D & G Mining Agreement

In November 2005, Redhawk entered into a lease-to-purchase agreement with a third party for additional property within the Copper Creek boundaries. Redhawk has the option to purchase the property for US$3,000,000 until May 2033.

Redhawk paid US$80,000 in both 2006 and 2007 and US$100,000 annually from 2008 to 2017. Starting May 2018, Redhawk is required to make two payments per year of US$25,000 due by May 31 and by November 30, until the end of May 2033.

Commencing January 1, 2022, 50% of the annual payments made prior to exercising the option to purchase will be applied against the purchase price in the event that Redhawk exercises its property purchase option. As of June 30, 2026, the purchase option has not been executed. All options payments to date have been made to keep the option in good standing.

- Freeport Mineral Corporation Agreement

In April 2007, Redhawk entered into a purchase agreement with Freeport Mineral Corporation (“Freeport”) to acquire additional mining claims within the Copper Creek boundaries. The additional mining claims are subject to a 1% net smelter return royalty.

On May 30, 2018, Redhawk entered into an amendment to the Fourth Workout Agreement with Freeport. The substance of the amended agreement is a conversion of interest and principal owing to Freeport into production decision royalty payments. The total will be US$3,000,000 paid in six equal annual instalments of US$500,000 per annum. The payments are contingent upon Redhawk or successors achieving a defined commercial production of minerals. As a result of this amendment, no liabilities in connection with this agreement have been recorded as of June 30, 2026 and December 31, 2025.

Contact Copper Project, Nevada

The Company owns a 100% interest in the Contact Copper project located in Elko County, Nevada. All permits of this resource property are in good standing. During the six months ended June 30, 2026, there have been no additions to acquisition costs (June 30, 2025 - $nil).

6. EXPLORATION AND EVALUATION EXPENSES

A summary of the Company’s exploration and evaluation expenses by resource property is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Copper Creek Project				
Exploration, geological and laboratory	**6,513,727**	1,515,157	**12,757,502**	6,345,239
Engineering and studies	**239,321**	697,225	**499,994**	850,119
Environmental, social, and governance	**2,874,156**	706,740	**4,667,536**	1,091,628
Legal	**22,566**	50,509	**71,277**	86,005
Payroll	**1,621,571**	941,130	**3,131,225**	1,840,439
Permit maintenance and land access	**37,169**	38,894	**48,206**	46,200
Administration, IT and other costs	**404,372**	174,794	**748,757**	320,257
	11,712,882	4,124,449	**21,924,497**	10,579,887
Contact Copper Project				
Administration and other costs	**18,079**	21,730	**27,258**	50,800
Total	**11,730,961**	4,146,179	**21,951,755**	10,630,687

(Unaudited - expressed in Canadian dollars, except where noted)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	June 30, 2026	December 31, 2025
	$	$
Exploration and evaluation expenses	**3,958,350**	1,337,579
Non-exploration and evaluation expenses	**2,910,557**	1,033,109
	6,868,907	2,370,688

Non-exploration and evaluation expenses include corporate development costs, general and administration, professional fees and legal expenses, shareholder costs and investor relations and travel.

8. DECOMMISSIONING AND RESTORATION PROVISION

The Company has an obligation to undertake decommissioning, restoration, rehabilitation and environmental work when environmental disturbance is caused by the ongoing exploration activities. A summary of the Company's decommissioning and restoration provision is as follows:

	$
Balance, December 31, 2024	-
Additions	242,189
Balance, December 31, 2025	242,189
Additions	178,283
Change in estimate	118,106
Foreign currency translation adjustment	8,906
Balance, June 30, 2026	**547,484**

9. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value. As at June 30, 2026, the Company had 292,698,575 common shares issued and outstanding (December 31, 2025 - 254,366,075).

b) Issued and outstanding

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

- On February 2, 2026, the Company issued 150,000 common shares pursuant to the exercise of 150,000 warrants with an exercise price of $0.60 per share for total proceeds of $90,000. No amounts were previously recorded in reserves for the warrants exercised and accordingly, there was no reclassification to share capital.

- On March 11, 2026, the Company closed a non-brokered private placement financing and issued 23,810,000 common shares at a price of $4.20 per share for gross proceeds of $100,002,000. The Company paid total share issuance costs of $299,392 for net proceeds of $99,702,608.

- On March 16, 2026, the Company issued 9,725,000 common shares pursuant to the exercise of 9,725,000 stock options with exercise prices from $0.40 to $0.60 per share for gross proceeds of $3,955,000. Accordingly, $6,638,844 was transferred from the options reserve into share capital.

(Unaudited - expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

- On March 18, 2026, the Company issued 2,125,000 common shares pursuant to the exercise of 2,125,000 warrants with an exercise price of $0.60 per share for total proceeds of $1,275,000. No amounts were previously recorded in reserves for the warrants exercised and accordingly, there was no reclassification to share capital.

- On March 20, 2026, the Company issued 500,000 common shares pursuant to the exercise of 500,000 stock options with an exercise price of $0.86 per share for total proceeds of $430,000. Accordingly, $410,921 was transferred from the options reserve into share capital.

- On March 23, 2026, the Company issued 200,000 common shares pursuant to the exercise of 200,000 warrants with an exercise price of $0.60 per share for total proceeds of $120,000. No amounts were previously recorded in reserves for the warrants exercised and accordingly, there was no reclassification to share capital.

- On April 6, 2026, the Company issued 80,000 common shares pursuant to the exercise of 80,000 stock options with exercise prices from $0.80 per share for gross proceeds of $64,000. Accordingly, $52,005 was transferred from the options reserve into share capital.

- On April 13, 2026, the Company issued 350,000 common shares pursuant to the exercise of 350,000 stock options with exercise prices from $0.91 per share for gross proceeds of $318,500. Accordingly, $287,645 was transferred from the options reserve into share capital.

- On April 20, 2026, the Company issued 90,000 common shares pursuant to the exercise of 90,000 stock options with exercise prices from $0.49 per share for gross proceeds of $44,100. Accordingly, $32,273 was transferred from the options reserve into share capital.

- On April 24, 2026, the Company issued 875,000 common shares pursuant to the exercise of 875,000 warrants with an exercise price of $0.60 per share for total proceeds of $525,000. No amounts were previously recorded in reserves for the warrants exercised and accordingly, there was no reclassification to share capital.

- On May 12, 2026, the Company issued 27,500 common shares to settle 27,500 RSUs. The fair value of common shares issued was $23,598 and no common shares were withheld in lieu of withholding taxes.

- On May 13, 2026, the Company issued 150,000 common shares pursuant to the exercise of 150,000 stock options with exercise prices from $0.40 per share for gross proceeds of $60,000. Accordingly, $103,414 was transferred from the options reserve into share capital.

- On June 8, 2026, the Company issued 250,000 common shares pursuant to the exercise of 250,000 warrants with an exercise price of $0.60 per share for total proceeds of $150,000. No amounts were previously recorded in reserves for the warrants exercised and accordingly, there was no reclassification to share capital.

c) Warrants

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

	Number of warrants	Weighted average exercise price
	#	$
Outstanding, December 31, 2024	12,500,000	0.60
Exercised	(3,025,000)	0.60
Outstanding, December 31, 2025	9,475,000	0.60
Exercised	(3,600,000)	0.60
Outstanding, June 30, 2026	**5,875,000**	**0.60**

The weighted average share price on the dates of exercises of warrants was $4.37. As at June 30, 2026, the Company had 5,875,000 warrants outstanding (December 31, 2025 - 9,475,000) all of which have an exercise price of $0.60 and expire on September 16, 2026. As at June 30, 2026, the weighted average remaining life of these warrants is 0.21 years (December 31, 2025 - 0.71 years).

(Unaudited - expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

d) Options

The Company has a long-term incentive plan ("LTIP") which provides for the grant of deferred share units, restricted share units ("RSU"), performance share units, and stock options ("Options") which may be converted into a maximum of 10% of issued and outstanding common shares. As of June 30, 2026, the LTIP allows for a maximum of 29,269,858 common shares to be reserved for issuance under the LTIP.

Options have a maximum term of five years and terminate up to 90 days following the date on which an optionee ceases to be an employee, director, consultant, or officer and up to 30 days following the date on which an optionee who is engaged to provide investor relations activities ceases to be engaged to provide such services. In the case of death, the option terminates at the earlier of twelve months after the date of death and the expiration of the option period.

On January 12, 2026, the Company granted 1,175,000 stock options with exercise price of $2.87 per share to consultants, directors, and officers of the Company. These options can be exercised for a period of five years from the date of grant and are subject to the policies of the applicable stock exchange. Of these options, one third will vest one year from the grant date, one third will vest two years from the grant date and the remaining one third will vest over three years from the grant date.

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

	Number of options	Weighted average exercise price
	#	$
Outstanding, December 31, 2024	11,339,000	0.46
Exercised	(80,000)	0.44
Expired	(100,000)	0.23
Outstanding, December 31, 2025	11,159,000	0.46
Granted	1,175,000	2.87
Exercised	(10,895,000)	0.45
Outstanding, June 30, 2026	**1,439,000**	**2.51**
Exercisable, June 30, 2026	**264,000**	**0.92**

The weighted average share price on the date of exercise of stock options was $4.57 (2025 - $0.75).

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

Expiry date	Number of outstanding options	Number of exercisable options	Weighted average exercise price	Weighted average remaining life
	#	#	$	Years
February 1, 2027	40,000	40,000	0.80	0.59
February 16, 2027	224,000	224,000	0.94	0.63
January 12, 2031	1,175,000	-	2.87	4.54
	1,439,000	**264,000**	**2.51**	**3.82**

(Unaudited - expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

A summary of the weighted average inputs used in the Black-Scholes option pricing model for stock options granted during the six months ended June 30, 2026 is as follows:

	2026
Share price	**$2.87**
Exercise price	**$2.87**
Expected life	**5.00 years**
Risk-free interest rate	**2.93%**
Expected volatility	**148.37%**
Expected annual dividend yield	**0.00%**

The weighted average remaining contractual life of the Company's options as at June 30, 2026, was 3.82 years (December 31, 2025 - 0.73 years). During the three and six months ended June 30, 2026, the Company incurred share-based compensation expense related to options of $296,157 and $592,315, respectively in connection with options vested (2025 - $896 and $1,793, respectively).

e) Restricted share units

When the Company issues RSUs, it records a share-based compensation expense in the year or period which the RSUs are granted and/or vested. The expense is measured at the fair value of RSUs calculated using a deemed price that is based on the volume weighted average trading price of the Company's common shares for the five trading days immediately preceding the grant date as prescribed in the Company's Amended and Restated LTIP.

During the three and six months ended June 30, 2026, the Company incurred share-based compensation expense related to RSUs of $319,625 and $675,485, respectively in connection with RSUs vested (2025 - $461,782 and $845,011, respectively).

On January 12, 2026, the Company granted 157,000 RSUs to employees of the Company. Of these RSUs, one third will vest one year from the grant date, one third will vest two years from the grant date and the remaining one third will vest over three years from the grant date.

On May 11, 2026, the Company granted 18,000 RSUs to employees of the Company. Of these RSUs, one third will vest one year from the grant date, one third will vest two years from the grant date and the remaining one third will vest over three years from the grant date.

On June 1, 2026, the Company granted 60,000 RSUs to employees of the Company. Of these RSUs, one third will vest one year from the grant date, one third will vest two years from the grant date and the remaining one third will vest over three years from the grant date.

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

	Number of RSUs	**Weighted average issue price**
	#	$
Non-vested balance, December 31, 2024	3,067,086	0.60
Granted	3,318,630	0.71
Vested	(1,229,511)	0.61
Non-vested balance, December 31, 2025(1)	5,156,205	0.66
Cancelled	(19,800)	1.56
Converted	(15,067)	2.05
Granted	235,000	3.79
Vested	(2,257,050)	0.65
Non-vested balance, June 30, 2026(1)	**3,099,288**	**0.90**

(1) As at June 30, 2026, 6,958,866 RSUs are outstanding (December 31, 2025 - 6,771,166).

(Unaudited - expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL (continued)

A summary of the Company's non-vested RSUs at June 30, 2026, is as follows:

Vesting date (1)	**Weighted average issue price**	**Number of non-vested RSUs**
	$	#
January 12, 2027	2.82	48,997
January 31, 2027	0.54	686,730
February 6, 2027	0.70	1,053,779
April 14, 2027	0.75	40,000
May 11, 2027	4.79	6,000
June 1, 2027	6.04	20,000
January 12, 2028	2.82	49,001
February 6, 2028	0.70	1,053,779
April 14, 2028	0.75	40,000
May 11, 2028	4.79	6,000
June 1, 2028	6.04	20,000
January 12, 2029	2.82	49,002
May 11, 2029	4.79	6,000
June 1, 2029	6.04	20,000
	0.90	**3,099,288**

(1) RSUs vest over a period of two to three years. Vesting dates listed above represent the end of the two-year or three-year term.

10. RELATED PARTY TRANSACTIONS

During the three and six months ended June 30, 2026 and 2025, the Company incurred transactions with key management personnel, being the Chief Executive Officer, Chief Financial Officer, Vice President Technical Services, and Vice President Geology; as well as the directors of the Company.

A summary of the Company's key management personnel is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
	$	$	**$**	$
Director fees included in general and administration	**56,250**	56,250	**112,500**	112,500
Salaries and other compensation included in general and administration	**540,453**	504,435	**1,070,539**	1,006,606
Share-based compensation	**365,677**	38,778	**788,030**	293,110
	962,380	599,463	**1,971,069**	1,412,216

On March 16, 2026, the Company issued 9,725,000 common shares to related parties pursuant to the exercise of 9,725,000 stock options with exercise prices from $0.40 to $0.60 per share for gross proceeds of $3,955,000 (Note 9).

On March 18, 2026, the Company issued 2,125,000 common shares to related parties pursuant to the exercise of 2,125,000 warrants with an exercise price of $0.60 per share for total proceeds of $1,275,000 (Note 9).

The Company and Fireweed ceased to be related parties as of February 27, 2025, and $nil of fees were earned as related party income for the six months ended June 30, 2026 (2025 - $64,082). As at June 30, 2026, $nil was receivable from Fireweed (December 31, 2025 - $nil).

As at June 30, 2026, the Company had $589,264 (December 31, 2025 - $853,572) due to related parties which comprised of amounts owing to key management personnel for services rendered. Amounts due to related parties are unsecured and non-interest-bearing with no specified terms of repayment.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to several financial and market risks, including credit, interest rate and liquidity risks. The Company may, or may not, establish from time-to-time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities.

Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

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 assets or liabilities either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

The fair values of the Company's cash and cash equivalents, term deposits, accounts payable and accrued liabilities and due to related parties are equivalent to their carrying values due to their short-term nature.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk through its cash and cash equivalents. The Company mitigates its exposure to credit loss associated with cash and cash equivalents by placing its cash and cash equivalents in major financial institutions.

As at June 30, 2026, the Company held cash equivalents of $92,075,054 in short-term deposits (December 31, 2025 - $37,450,145) that are cashable in no more than 90 days and bear interest up to 4.18% (December 31, 2025 - 4.46%). In addition, the Company held $32,013,001 in term deposits (December 31, 2025 - $nil) with maturities between 90 and 365 days and bear interest up to 3.80% (December 31, 2025 - nil). Interest income on short-term deposits during the three and six months ended June 30, 2026 was $509,538 and $1,029,641, respectively (2025 - $195,755 and $247,568, respectively) and interest income on longer-term deposits during the three and six months ended June 30, 2026 was $289,386 and $344,372, respectively (2025 - $nil and $nil, respectively). Given the high credit quality of the financial institutions and the short-term, highly liquid nature of the term deposits, the Company assesses its exposure to credit risk to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. To mitigate the risk, the Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and cash equivalents. The Company's cash and cash equivalents are maintained in business accounts and invested in short-term deposits that are cashable in no more than 90 days and bear interest up to 4.18% (December 31, 2025 - 4.46%). In addition, the Company holds term deposits with maturities between 90 and 365 days and bear interest up to 3.80% (December 31, 2025 - nil). The Company manages its liquidity risk mainly through raising funds from private placements. The Company's accounts payable and accrued liabilities are due within 90 days of June 30, 2026 and due to related parties has no specific terms of repayment. Given the Company's proactive management of working capital, the high liquidity of its term deposits, and its ability to access funds through private placements, the Company assesses its liquidity risk to be low.

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at June 30, 2026 the Company did not have debt instruments exposed to variable interest rate.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

A summary of the Company's financial assets and liabilities that are denominated in US dollars and are presented in the Company's functional currency is as follows:

		June 30, 2026		December 31, 2025
	US$	**$**	US$	$
Cash and cash equivalents	**41,190,321**	**58,531,446**	18,555,485	25,432,148
Term deposits	**22,450,635**	**31,902,352**	-	-
Accounts payable and accrued liabilities	**(2,712,517)**	**(3,854,487)**	(939,352)	(1,287,476)
	60,928,439	**86,579,311**	17,616,133	24,144,672

As at June 30, 2026, a 5% change in the US dollar against the Canadian dollar would result in a $4,328,966 impact on the net loss to the Company. The Company's foreign exchange exposure primarily relates to cash deposits held in US dollars. These funds are intended to be used to finance exploration activities for the Copper Creek Project and are expected to decrease over time as expenditures are incurred. The Company's exposure to foreign currency risk is limited to the US dollar, which is not the currency of a hyperinflationary economy.

12. COMMITMENTS

On May 1, 2024, the Company entered into a management services agreement (the "Agreement") with a management services company for the use of certain shared office facilities and related services. As part of the terms of the Agreement, the Company is required to pay a basic fee per month, plus applicable taxes. Effective January 1, 2026, the basic fee was $37,200 per month and is subject to adjustment. The Agreement expires on April 30, 2029. The Company is required to make a one-time termination payment as determined by the Agreement and the management services company, if the Company were to terminate the agreement prior to its expiry.

As of June 30, 2026, the Company has a statewide surety bond of US$575,000 in place with the BLM Arizona State Office to secure reclamation and restoration obligations related to disturbances under its approved Exploration Plan of Operations. The bond carries an annual premium of 2.5%, which is expensed as incurred.

As of June 30, 2026, the Company has an individual surety bond of US$34,280 in place with the Arizona State Mine Inspector's Office to secure reclamation and restoration obligations related to exploration disturbances under its approved Mined Land Reclamation Plan.

13. SUBSEQUENT EVENTS

On July 2, 2026, the Company entered into a definitive purchase and sale agreement with a wholly owned subsidiary of BHP Group Limited to acquire a 100% interest in the San Manuel Property, located adjacent to the Company's Copper Creek Project in Arizona, USA. The San Manuel Property includes the legacy San Manuel Copper Mine, including the San Manuel and Kalamazoo deposits, the San Manuel plant site, closed tailings storage facilities, surrounding BHP-owned land, the Black Hills Quarry, the Camp Grant Quarry, and related rights and assets. As consideration for the acquisition, the Company has agreed to issue common shares to BHP equivalent to a 30% interest in the Company's issued and outstanding common shares on a fully diluted basis as of the closing date. The price of common shares to be issued will be determined based on the five-day volume-weighted average price of the Company's common shares during the five trading days immediately prior to closing. The San Manuel Transaction is expected to close by the end of the third quarter of 2026.

On July 31, 2026, the Company issued 500,000 common shares at a price of $0.60 per share pursuant to the exercise of 500,000 warrants for total proceeds of $300,000.

On August 5, 2026, the Company issued 1,125,000 common shares at a price of $0.60 per share pursuant to the exercise of 1,125,000 warrants for total proceeds of $675,000.