

FORM 5

QUARTERLY LISTING STATEMENT

Name of CSE: TALMORA DIAMOND INC. (the "Issuer").

Trading Symbol: TAI

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the CNSX.ca website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the CNQ Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

Financial Statements. First Quarter Unaudited March 31, 2026 financial statements are attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.



SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

Supplementary Information: Covering item numbers 1 to 3 - Details are as reported in Schedule A - Financial Statements and in Schedule C - MD&A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,



Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.



4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

List of names of directors and officers and their positions held are as follows:

Raymond Davies	Director	President, & Chief Executive Officer
Toby Strauss	Director	
Jonathan Fowler	Director	
Maria Grimes	Corporate Secretary & Interim CFO	

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

**Attached is Management Discussion and Analysis report for
March 31, 2026, 2026.**

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated 25 May 2026

Raymond Davies
Name of Director or Senior Officer

"Raymond Davies"
Signature

President
Official Capacity



Issuer Details		
Name of Issuer Talmora Diamond Inc.	For Quarter Ended 2026 Mar 31	Date of Report YY/MM/D 2026 May 25, 2026
Issuer Address 6 Willowood Court Toronto, Ontario		
City/Province/Postal Code M2J 2M3	Issuer Fax No.	Issuer Telephone No. (416) 491-6771
Contact Name Raymond Davies	Contact Position President	Contact Telephone No. 416 491-6771
Contact Email Address rayal.davies@sympatico.ca	Web Site Address www.talmoradiamond.ca	



SCHEDULE A

TALMORA DIAMOND INC.

INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED

MARCH 31, 2026

(UNAUDITED)

(Expressed in Canadian Dollars)

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TALMORA DIAMOND INC.
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
UNAUDITED FOR THE THREE MONTHS ENDED MARCH 31, 2026

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	Notes	As at March 31, 2026 \$	As at December 31, 2025 \$
ASSETS			
Current			
Cash		18,718	30,137
Sales tax recoverable		<u>12,050</u>	<u>12,050</u>
Total assets		<u>30,768</u>	<u>42,187</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities	11	<u>17,399</u>	<u>46,185</u>
Total liabilities		<u>17,399</u>	<u>46,185</u>
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	7	4,242,828	4,137,831
Share-based payment reserve	8	16,153	71,152
Warrant reserve	7	-	-
Deficit		<u>(4,245,613)</u>	<u>(4,212,981)</u>
Total shareholders' equity (deficit)		<u>13,369</u>	<u>(3,998)</u>
Total liabilities and shareholders' equity (deficit)		<u>30,768</u>	<u>42,187</u>

Going concern (Note 1)
 Commitments and contingencies (Notes 6 and 12)
 Subsequent event (Note 14)

Approved on behalf of the Board of Directors:

/s/ Raymond Davies
 Director

/s/ Toby Strauss
 Director

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

TALMORA DIAMOND INC.
STATEMENTS OF (LOSS) AND COMPREHENSIVE (LOSS)
(Expressed in Canadian Dollars)
UNAUDITED FOR THE THREE MONTHS ENDED MARCH 31, 2026

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	Notes	March 31 2026 \$	March 31, 2025 \$
Administration	11	14,638	20,819
Exploration and evaluation expenditures	6, 11	5,155	4,340
Professional fees		12,840	42,915
Loss before interest and other income		<u>(32,633)</u>	<u>(25,158)</u>
Interest income		-	-
Net (loss) and comprehensive (loss) for the year		<u>(32,633)</u>	<u>(25,158)</u>
Net (loss) per share – basic and diluted		<u>(0.001)</u>	<u>(0.005)</u>
Weighted average number of shares outstanding – basic and diluted		<u>96,616,134</u>	<u>78,307,367</u>

The accompanying notes are an integral part of these financial statements

TALMORA DIAMOND INC.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
UNAUDITED FOR THE THREE MONTHS ENDED MARCH 31, 2026

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	Notes	Capital	Share- Based Payment Reserve	Warrants Reserve	Deficit	Total
		\$	\$	\$	\$	\$
Balance at December 31, 2024		4,008,874	116,109	170,069	(4,265,952)	29,099
Exercised stock options	8	64,653	(14,653)	-	-	50,000
Net (loss) and comprehensive (loss)		-	-	-	(25,158)	(25,158)
Balance at March 31, 2025		4,073,526	101,456	170,072	(4,291,113)	(53,940)
Exercised stock options	8	64,305	(14,305)			50,000
Expired stock options ^d	8		(16,000)		16,000	-
Expired warrants				(170,069)	170,069	-
Net (loss) and comprehensive (loss)					(133,097)	(133,097)
Balance at December 31, 2025		4,137,831	71,152	3	(4,212,981)	(3,998)
Exercised stock options	8	66,153	(15,153)			50,000
Net (loss) and comprehensive (loss)					(32,634)	(32,634)
Balance at March 31, 2026		4,203,984	54,999		(4,245,615)	13,368

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

TALMORA DIAMOND INC.
STATEMENTS OF CASH FLOW
(Expressed in Canadian Dollars)
UNAUDITED FOR THE THREE MONTHS ENDED MARCH 31, 2026

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	Notes	2026 \$	2025 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss) for the year	ok	(32,633)	(133,097)
Changes in non-cash working capital balances:			
Change in sales tax recoverable		8,445	2,090
Change in accounts payable and accrued liabilities		(25,181)	(740)
Cash flows used in operating activities	ok	(49,369)	(131,747)
CASH FLOWS FROM FINANCING ACTIVITIES			
Warrant exercises	8	-	-
Option exercises	7	50,000	100,000
Private Placement	7	-	-
Share issuance costs	7	-	-
Cash flows from financing activities		50,000	100,000
Increase in cash		(6,999)	(31,747)
Cash, beginning of year		30,137	61,884
Cash, end of year		23,138	30,137

The accompanying notes are an integral part of these financial statements

1. CORPORATE INFORMATION AND GOING CONCERN

Talmora Diamond Inc. (the “Company” or “Talmora”) was incorporated on April 18, 1996 under the Canada Business Corporations Act. The Company is publicly traded with its shares listed on the Canadian Securities Exchange. The Company’s registered and head office is located at 6 Willowood Court, Toronto, Ontario, Canada, M2J 2M3.

These financial statements were reviewed, approved and authorized for issue by the Board of Directors on **May 25, 2026**

The Company is in the business of exploring and evaluating mineral exploration properties. There has been no determination whether the Company’s interest’s in mineral properties contain mineral reserves, which are economically recoverable. Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements, government licensing requirements or regulations, social licensing requirements and non-compliance with regulatory requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis.

As at March 31, 2026, the Company had continuing losses, cash totaling \$18,718 (2025- \$55,711) and working capital of \$ 22,322 (2025 - \$57,482). The Company’s ability to continue operations and working fund its exploration property expenditures is dependent on management’s ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Because of this, there is material uncertainty that results in significant doubt about the ability of the Company to continue as a going concern. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”). These policies set out in the financial statements were consistently applied to all periods unless otherwise noted.

These financial statements have been prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The inputs used in accounting for share-based payment transactions. Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. These assumptions are based largely on historical trends and management's expectations of the future. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.
- Management assumption of no material restoration, rehabilitation and environmental obligations, based on the facts and circumstances that existed during the periods. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.
- In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

- The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the reporting date. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

- Contingencies (see Note 12)

4. SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

The Company's presentation and functional currency is the Canadian dollar ("C\$"). The Company does not have any foreign operations. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in the statement of loss.

Flow through shares

The Company finances a portion of its project exploration and evaluation activities through the issuance of flow-through shares. Under the terms of the flow-through common share issuances, the tax attributes of the related expenditures are renounced to investors and deferred income tax expense and income tax liabilities are increased by the estimated income tax benefits renounced by the Company to the investors. On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the fair value of the Company's common shares is allocated to liabilities. The premium liability is reduced during the period of renunciation. The reduction to the premium liability in the period of renunciation is recognized through net loss.

Where the Company has unused tax benefits on loss carry forwards and tax pools in excess of book value available for deduction, the Company offsets the increase in deferred tax liabilities resulting in an offsetting recovery of deferred income taxes being recognized through net loss in the reporting period.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company currently operates in one business segment, being the exploration and evaluation of resource properties. All of the Company's assets are located in Canada.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payment

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the stock options and share-based payment reserve (Note 8).

The fair value is measured at the grant date and each tranche is recognized on a graded-vesting basis over the period in which options vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For those options and warrants that expire after vesting, the recorded value is transferred to deficit.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. The issued

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

and outstanding stock options and warrants were not included in the calculation of diluted loss per share for the periods presented, as their effect would be anti-dilutive.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position are comprised of cash at banks, on hand, short-term deposits with an original maturity of three months or less, and guaranteed investment certificates which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and guaranteed investment certificates that are available on demand by the Company for its programs. The Company does not invest in any asset-backed deposits/investments. The Company did not hold cash equivalents as at March 31, 2026 and December 31, 2025.

Share capital

Common shares are classified as equity. Costs directly attributable to the issue of new shares and warrants are shown in equity as a deduction, net of tax benefits received, if any, from proceeds.

Provisions

A provision is recognized if, as a result of a past event, the Company 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.

The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. A change in estimate of a recognized provision or liability would result in a charge or credit to operations in the period in which the change occurs, with the exception of decommissioning and restoration costs described below.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money.

Where discounting is used, the increase in the provision due to the passage of time referred to as "unwinding of discount" is recognized in the statement of loss as a finance cost.

Decommissioning and restoration provisions

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets to the extent that it was incurred prior to the production of related ore. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the statement of loss as a finance cost.

Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the statement of loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions (cont'd)

The Company does not currently have any such significant legal or constructive obligations and therefore no decommissioning liabilities have been recorded as at March 31, 2026 and December 31, 2025.

Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and exploration and evaluation activity.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Farm-outs in the exploration and evaluation phase the Company does not record any expenditures made by the farmee on its account. Any cash consideration received directly from the farmee is credited to the statement of loss.

Financial assets and liabilities

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either Fair Value through Profit or Loss (“FVPL”) or Fair Value through Other Comprehensive Income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. The Company has classified cash at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in statement of (loss).

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statement of (loss). The Company does not measure any financial assets at FVPL.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, financial assets measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the financial statements of comprehensive (loss). When the financial asset is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's financial assets subject to impairment are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable has been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, which are measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the statement of (loss).

Classification of financial instruments

The following table shows the classification under IFRS 9 for the Company's financial instruments:

	Classification
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

5. NEW AND FUTURE ACCOUNTING STANDARDS

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2026. Many are not applicable or do not have a significant impact to the Company. The Company is currently evaluating the impact of these pronouncements on the Company's financial statements.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) - In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required.

Presentation and Disclosure in Financial Statements (IFRS 18) - In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

6. EXPLORATION AND EVALUATION EXPENDITURES

The exploration and evaluation expenditures incurred by the Company are as follows:

	Total Expenditures \$
Cumulative expenditures end of year December 31, 2024	<u>2,791,025</u>
Permits and licences	7,550
Professional exploration fees	<u>33,800</u>
Expenditures - December 31, 2025	<u>41,350</u>
Cumulative expenditures end of year December 31, 2025	<u>2,832,375</u>
Expenditures – March 31, 2026	<u>5,156</u>
Cumulative expenditures end of period March 31, 2026	<u>2,837,531</u>

6. EXPLORATION AND EVALUATION EXPENDITURES (continued)

The Company held a number of prospecting permits and claims in the Inuvialuit Settlement Region of the Northwest Territories. one permit lapsed and another permit was granted on February 1, 2026 by Mining Recorder's Office, Yellowknife. NT.

Olivut Option

On July 6, 2018, Talmora signed an agreement with Olivut Resources Ltd. ("Olivut") that gave Olivut the option to earn a 50% interest in one of Talmora's permits and other lands by spending \$1.2 million over a two-year period and making a cash payment to Talmora of \$200,000. Exercise of the option would result in the formation of a Joint Venture to continue exploration of the jointly owned property. Talmora will continue to explore the remainder of the Horton property of which it owns 100%.

Olivut made the cash payment of \$200,000 on July 19, 2018. On July 6, 2020, Olivut exercised its option. Olivut has prepared and submitted to Talmora the comprehensive report inclusive of all results and expenses of the work undertaken by Olivut during the option period. The Company and Talmora have not yet entered into a new formal joint venture company structure as contemplated in the Option Agreement.

7. SHARE CAPITAL

Authorized

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

	Number #	Amount* \$
Common shares issued		
Balance, December 31 , 2023	85,416,134	3,757,817
Warrants exercised for cash (i)	500,000	28,987
Common shares Issued for cash (ii)	8,000,000	222,070
Balance, December 31, 2024	<u>93,916,134</u>	<u>4,008,874</u>
Options exercised (iii)	2,000,000	128,957
Balance, December 31, 2025	<u>95,916,134</u>	<u>4,137,831</u>
Options exercised (iv)	1,000,000	16,153
Balance March 31, 2026	<u>96,916,134</u>	<u>4,153,984</u>

(i) On April 25, 2024, a director exercised 500,000 warrants at \$0.05 for proceeds of \$25,000.

(ii) On August 16, 2024, the Company closed a non brokered private placement of 8,000,000 units comprised of hard-dollar units of 5,000,000 units at \$0.05 per unit and 3,000,000 flow-through units at \$0.05, for gross proceeds of \$400,000. Each hard dollar unit consisted of one common share and one common share purchase warrant. Each flow-through unit consisted of one flow-through common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire a common share at a price of \$0.06 until August 16, 2025. The valuation of the warrants were estimated in the amount of \$170,069 using the Black-Scholes option pricing model. The following

7. SHARE CAPITAL (continued)

assumptions were used in the Black-Scholes option pricing model calculations: estimated share price of \$0.03, expected dividend yield rate of 0%, expected volatility of 264% based on historical share data, risk free interest rate of 3.36% and an expected life of 1 year.

(iii) During the year ended December 31, 2025, a director exercised 2,000,000 stock options at \$0.05 for proceeds of \$100,000.

(iv) During the period ended March 31, 2026, a director exercised 1,000,000 stock options at \$0.05 for proceeds of \$50,000.

* Amount for common shares issued on exercise of options includes an amount related to share-based payment reserve.

WARRANTS

A summary of warrants is as follows:

	Warrants #	Weighted Average Exercise Price \$	Value \$	Expiry Date
Balance December 31, 2023	10,233,333	0.05	81,600	
Warrants exercised, April 25, 2024	(500,000)	0.05	(3,987)	
Warrants issued August 16, 2024	8,000,000	0.06	170,069	Aug 16, 2025
Warrants expired August 31, 2024	(9,733,333)	0.05	(77,613)	
Balance, December 31, 2024	8,000,000	0.06	170,069	
Warrants expired August 16, 2025	(8,000,000)	0.06	(170,069)	
Balance December 31, 2025	-		-	

8. STOCK OPTIONS AND SHARE-BASED PAYMENT RESERVE

The Company has a stock option plan under which officers, directors, employees, and consultants of the Company are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan may not exceed 10% of the outstanding shares of the Company. Options granted under the plan generally have a term of five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option is fixed by the board of directors but shall not be less than the price permitted by any stock exchange on which the Company's common shares may be listed which is generally the trading price of the Company's stock at or about the grant date of the options.

8. STOCK OPTIONS AND SHARE-BASED PAYMENT RESERVE (continued)

A summary of changes in stock options is as follows:

	Options #	Weighted Average Exercise Price \$
Balance, December 31, 2023	8,050,000	0.05
Cancelled, April 2, 2024	(300,000)	0.05
Balance, December 31 2024	7,750,000	0.05
Exercised, February 10, 2025	(1,000,000)	(0.05)
Exercised, August 14, 2025	(1,000,000)	(0.05)
Expired, December 29, 2025	(800,000)	(0.05)
Balance, December 31, 2025	4,950,000	(0.05)
Granted March 17, 2026	3,500,000	0.05
Exercised, March 24, 2026	(1,000,000)	(0.05)
Balance, March 31, 2026	7,450,000	0.05

As at March 31, 2026, the following options were issued and outstanding:

Option No.	Options Outstanding #	Options Exercisable #	Exercise Price \$	Expiry Date	Remaining Contractual Life (years)
14	400,000	400,000	0.05	December 16, 2026	0.71
16	2,250,000	2,250,000	0.05	July 14, 2028	2.29
17	1,800,000	1,800,000	0.05	November 27, 2028	2.66
18	3,000,000	3,000,000	0.05	March 17, 2031	4.95
	7,450,000	7,450,000	0.05		2.12

9. CAPITAL MANAGEMENT

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain appropriate returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary, in order to support the acquisition, exploration and development of its projects. The Board of Directors does not establish criteria for quantitative return on capital for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

9. CAPITAL MANAGEMENT (continued)

The Company considers its capital to be equity, which comprises share capital, warrant reserve and share-based payment reserve. The properties in which the Company currently has an interest are at the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned project related development activities and pay for exploration and administrative costs, the Company will spend its existing working capital and plans to raise additional funds as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There was no change to the Company's approach to capital management during the years ended December 31, 2025 and 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of financial instruments and fair value measurement

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date. When appropriate, the Company adjusts the valuation models to incorporate a measure of credit risk.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company does not have any Level 3 financial instruments.

The Company did not have any financial instruments carried at fair value as at December 31, 2025 and 2024.

The carrying values of the Company's financial assets and financial liabilities approximate fair values given their short-term nature.

The Company is exposed to a variety of financial risks: credit risk, liquidity risk, property risk, and market risk, including price risk, interest rate and currency risk, as explained below. Risk management is carried out by the Company's management team with guidance from the Audit Committee and the Board of Directors. There were no changes in the Company's policies and procedures for managing risk during the years ended December 31, 2025 and December 31, 2024.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2026, the Company had cash \$18,717 (2025 - \$41,572) to settle current liabilities \$19,404 (2025 - \$5,885)

Credit Risk

Credit risk is the risk of potential loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions.

Market Risk

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Sensitivity Analysis

The Company does not anticipate any material fluctuations in its financial assets and liabilities as a result of changes in interest or foreign currency rates.

11. RELATED PARTY DISCLOSURES

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Key management personnel includes the Company's directors and officers. Remuneration of key management personnel of the Company was as follows:

	2026 \$	2025 \$
Salaries and benefits	\$8,218	12,856
Share-based payments	\$16,153	\$101,456

For the period ended March 31, 2026, the total exploration and evaluation expenditures included in salaries and benefits in the above table was \$675 (2025 - \$2,925). The balance of \$7,543 (2025 - \$9,931) was charged to administration expense.

As at March 31, 2026, the accounts payable and accrued liabilities \$NIL (2025 - \$NIL) was owing to directors and officers of the Company. These amounts are unsecured, non-interest bearing and due on demand.

A director of the Company exercised 500,000 Options (No. 16) @ \$0.05 on March 24, 2026.

A director of the Company exercised 500,000 Options (No. 18) @ \$0.05 on March 24, 2026.

See also Notes 7 and 8.

12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Flow-Through

The Company has indemnified the subscribers of its flow-through shares for any tax-related consequences that become payable by them, if the Company failed to meet its expenditure commitment. The Company received \$nil (2024 - \$150,000) through the issue of flow-through shares and believes the Company incurred qualifying exploration expenditures to meet these flow-through obligations as at December 31, 2025.

Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations, governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Exploration Expenditures

To maintain the mineral claims in good standing, the Company is required to make minimum annual payments. For 2026, the minimum annual payments are expected to be approximately \$30,750.

14. SUBSEQUENT EVENTS

There are no subsequent events.

SCHEDULE C
TALMORA DIAMOND INC.
6 Willowood Court
Toronto, Ontario M2J 2M3
Management's Discussion & Analysis
For the period March 31, 2026

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited financial statements of Talmora Diamond Inc. (the "Company" or "Talmora") for the year ended December 31, 2025.

This MD&A was prepared as of 25 May 2026. The Company's reporting currency is the Canadian dollar and all amounts in this MD&A are expressed in Canadian dollars. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS"). The Company's public filings can be found under the Company's profile on the SEDAR website (www.sedar.com).

The following MD&A may contain forward-looking statements. Forward-looking statements are based on current expectations that involve a number of risks and uncertainties which could cause actual events or results to differ materially from those reflected herein. Forward-looking statements are based on the estimates and opinions of management of the Company at the time the statements were made.

The technical information contained in this release was reviewed and approved by Alan W. Davies, P.Eng. who is now a consultant to Talmora Diamond Inc. Alan W. Davies is a qualified person as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

IFRS

The Company's annual financial statements for the year ended December 31, 2025 have been prepared in accordance with IFRS Accounting Standards as published by the International Accounting Standards Board.

Overall Performance

Talmora is a diamond exploration company with two properties on the Horton River 120 kilometers south of Paulatuk in the Northwest Territories. As at March 31, 2026 the Company holds one Prospecting Permit (28,761.17 ha) in which it has a 100% interest and one Prospecting Permit (29,052 ha) which lapsed at the end of January 2026 and three claims (3,075 ha) that are part of the Company's Seahorse Project in which Olivut Resources Ltd. has earned a 50% interest. .

Olivut holds one claim (900 ha) covering part of the Seahorse Project area in which Talmora has a 50% interest. Excess work credits on this permit were transferred to three claims staked within the permit in August, 2024

Prospecting Permits give the holder exclusive rights to the area, for a period of 5 years provided certain expenditures are made -

Claims were staked within the Seahorse permits in 2024. The two properties straddle a major linear structure believed favourable for the occurrence of diamondiferous kimberlites. Talmora has spent \$2,837,531 on exploration of the two properties (including administration) to March 31, 2026, and Olivut has spent \$1,418,868 on the Seahorse project during the Option period and \$408,614 since they earned their 50% interest.

Horton Project

An airborne magnetic survey of the Horton property has detected numerous anomalies with the characteristics of kimberlite pipes. Till samples taken down-ice of the magnetic anomalies contain 37 times as many kimberlite indicator minerals (KIMs) as till samples taken at random. There is a strong correlation between KIMs and magnetic anomalies. Chemistry of KIMs on the Talmora property match that of the widespread KIMs with accompanying diamonds found by others within the Cretaceous basin to the west.

In the fall of 2017, a study of multi-element ICP analyses of glacial tills NW of the Talmora property revealed a large well-defined train of kimberlite pathfinder elements focused on a large magnetic anomaly first identified by Sanatana Resources Inc. in 2007 on an airborne magnetic survey flown at 400 m line spacing. The pathfinder train coincides with an anomalous train of chromites, picro-ilmenites and Mn-ilmenites. Some of the Mn-ilmenites have diamond inclusion compositions. The large anomaly initially received little attention presumably because only 4 pyrope garnets were found in 3 samples near the anomaly and none further down-ice but there were numerous pyropes further west where a number of magnetic anomalies were tested by Sanatana unsuccessfully. At the time the destructive effect of Eocene weathering on garnets was not recognised nor was the usefulness of Mn-ilmenites recognised as a KIM and one resistant to tropical weathering. Little weight was given to chromites alone as many had compositions in the overlap field between kimberlites and layered complexes and they seemed ubiquitous. Anomalous KIMs were described as a cloud rather than a train. If the anomalous KIMs in samples spaced 10 kilometers defined a train the source would have to be exceptionally large.

Having recognised the large magnetic anomaly with its pathfinder and KIM train Talmora applied for three prospecting permits over the area. These were granted on February 1, 2018. They gave the Company exclusive rights for 5 years provided certain expenditures were made. The large size of the anomaly was a game changer for Talmora and the presence of Mn-ilmenites is indicative of large high value superdeep diamonds.

Olivut Option

On July 6, 2018, Talmora signed an agreement with Olivut Resources Ltd. that gave Olivut the option to earn a 50% interest in one of Talmora's three permits and certain adjoining lands (Seahorse Project) by spending \$1.2 million over a two-year period and making a cash payment to Talmora of \$200,000. Exercise of the option would result in the formation of a Joint Venture to continue exploration of the jointly owned property. Talmora would continue to explore the remainder of the Horton property which it owns 100%.

Olivut made the cash payment of \$200,000 on July 19, 2018, and initiated a field program of helimag geophysical surveying and preparations for a drill program were initiated. The geophysical survey was curtailed by unseasonable bad weather. The geophysical survey was completed in 2019 and a number of targets were tested during a follow-up drill program. Downhole samples were collected and have been analysed. On December 9, 2019, Olivut notified Talmora that it had incurred the minimum work

cost requirement of \$1,200,000 (\$1,295,256 to October 31, 2019). On July 2, 2020 Olivut exercised its option to earn 50% of the Seahorse Project in accordance with the terms of the Option Agreement. Olivut has submitted to Talmora the comprehensive report inclusive of all results of the work undertaken by Olivut during the Option Period including work costs of \$1,418,868 as contemplated in the Option Agreement. Talmora and Olivut are joint (50/50) owners of the assets. Talmora retains a 1% NSR on certain land. The Company and Olivut have not yet entered into a new formal joint venture company structure.

In July 2023 a micro diamond was found in a part of a beach strandline concentrate sample and a macro diamond was subsequently found by Saskatchewan Research Council (SRC) after caustic fusion of the remainder of the sample weighing 1.8 kg taken proximal to the main Seahorse target. A brief helicopter visit to Seahorse Lake at the end of September 2023 enabled a number of samples to be collected under extremely difficult conditions before weather ended the field season. Samples were not as concentrated and were finer grained than the previous one containing two diamonds. SRC recovered 18 microdiamonds from caustic fusion analysis of a 323.35 kg sample. A minibulk sample collected in 2024 of >1mm well-sorted concentrate from below the strandline concentrates was submitted to SRC for caustic fusion analysis but contained no macro-diamonds.

The 19 microdiamonds and one macro-diamond found in strandline concentrates on the west side of Seahorse Lake indicate a nearby source but their location at elevations well above the top of the Seahorse Lake magnetic anomalies indicates that they were transported by ice as diamonds don't gravitate up in water. The obvious up-ice source of the diamonds is the northern extension of a SW Dyke-like anomaly beneath the southeast part of Seahorse Lake where the lake is >85' deep. Ice plunging over the ridge at the southeast end of Seahorse Lake scoured the top of the dyke bringing dyke material as glacial till to the surface down-ice along the west shore of the lake. The top of the homogeneous clay in the SW Dyke one half kilometer south of the lake was encountered at a depth of 65-70' or ~50' below lake level

Selected Annual Information

As at March 31, 2026, and for the year then ended, the Company had continuing losses, cash and cash equivalents totaling \$18,718 and working capital of \$22,322. A major financing will be required for a drill program in 2026 - 2027 and to cover future administration costs.

	March 31, 2026 (\$)	December 31, 2025 \$
Cash	18,718	30,137
Working Capital	22,322	3,998
Total assets	30,768	42,187
Mineral Exploration—cumulative	2,837,531	2,832,375
Total liabilities	17,399	46,185
Interest on investment	-	-
Admin Expenses	14,638	70,059
Professional Fees	12,840	21,688
Total Expense	32,633	133,097
Net (Loss)	(32,633)	(133,097)
Net Gain (Loss) Per share	(0.001)	(0.001)

Factors Causing Variations

The Company's business is diamond exploration and is currently exploring the Horton River area in the Northwest Territories. The work is seasonal. Field work generally utilizes helicopters and/or fixed wing aircraft and is very costly and is carried out over relatively short periods of time. Laboratory analysis for kimberlite indicator minerals (KIMs), analysis of data and preparation of assessment work reports is less costly and is spread over much longer periods of time.

Funding has depended on results and has therefore been of a rollercoaster nature. There is high working capital at the start of an exploration phase, a rapid drop after the field work is complete and a long tailing off as data is analysed and reported.

Since 2012 there has been no field work outside of the Seahorse Project area or JV option area.

Results of Operations

Horton River Project

Talmora has one significant project for which it has raised \$4,409,413 since August 2004 and on which it has expended cumulative expenditures of \$2,837,531 on direct exploration to March 31, 2026.

Canadian Diamond Limited held 3 prospecting permits on the Horton River, 120 kilometers south of Paulatuk, in the Inuvialuit Settlement Region of the Northwest Territories. Till and stream sampling in 2004 confirmed the presence of anomalous kimberlite indicator minerals.

Prior to the amalgamation with Talmora Diamond Inc., Canadian Diamond Limited applied for additional exploration permits and these were granted on February 1, 2007. At the 2007 year-end Talmora held 12 contiguous permits covering 645,718 acres. The three original permits expired January 31, 2008. However, claims were staked within the permit areas prior to the expiry date.

An airborne magnetic survey of the Company's three original permits and one of the adjoining permits awarded in 2007 was completed at the end of June 2007. KIMs in samples subsequently taken down-ice of magnetic anomalies with the characteristics of kimberlite pipes were 37 times more abundant than those in samples collected on a random basis in 2004.

Four new permits (144,868 acres) were granted to Talmora on February 1, 2008. Private placements in June and November 2009 enabled the Company to fly 865 line kilometers of airborne magnetics over potential kimberlite targets and to stake 125 claims (12,860.85 acres) between June 28 and July 13 on ground that came open February 1, 2009. Samples collected at the same time have been analysed for KIMs and added to the database. KIMs on the Talmora property match the widespread KIMs with accompanying diamonds found by others within the Cretaceous basin to the west.

The Talmora property was ready for drilling in 2008 but the global financial crisis made financing difficult. The climate for financing diamond projects seemed to improve in early 2011 and an attempt to raise \$1.2 million in a private placement for a drill program was undertaken. The Greek crisis in 2011 caused many investors to back out after more than half the target amount had been assured. The private placement financing closed at \$400,000 on July 8, 2011, which was used to do some necessary staking and some exploration for assessment work purposes. It is unfortunate that a drill program,

when Talmora was ready in 2008, would have satisfied most of the assessment work requirements.

A small private placement financing of \$150,000 for administration and ongoing exploration was closed on April 16, 2012. An attempt to raise \$500,000 for a small drill program in a second private placement financing in 2012 was unsuccessful. The financing closed at \$280,000 on July 24, 2012, and an alternate summer field program was mobilized to use the funds to obtain assessment work credits on certain claims. Part of the two 2012 financings was used to sample and test thickness of overburden near magnetic anomalies with a small Packsack drill. Attempts to reach the magnetic targets resulted in three of five holes penetrating the glacial till and ending in dark brown clay. Drill cuttings of the till and clay were submitted for chemical and mineralogical analyses. In addition to sampling with the Packsack drill surface till samples (77 sites) were collected down-ice of a number of magnetic anomalies and were examined for kimberlite indicator minerals (KIMs).

A small piece of clay was recovered in one packsack drill hole and allowing for some quartz contamination has characteristics of tropically weathered kimberlite. KIMs recovered from the cuttings include chromite, Mn-ilmenite and picro-ilmenite.

Regional Diamond Exploration

Published information on neighbouring properties has been reviewed. Assessment work reports of Darnley Bay and Sanatana and the web sites of Sanatana and Diamondex have been especially useful in evaluating the mineral chemistry and the regional distribution of KIMs and how it relates to Talmora.

The mineral chemistry of KIMs in the two large areas sampled by Sanatana and Diamondex west of the Talmora property is remarkably similar. There is very little variation within subareas of the Sanatana property except on their Greenhorn claims southeast of Talmora where they discovered the significant diamondiferous Dharma kimberlites (13 diamonds >0.85mm weighing 0.9 carats recovered from 1457.37 kg of core by caustic fusion)⁽¹⁾. It is unusual for the mineral chemistry of KIMs from so large an area constituting most of the Lena West diamond district to vary so little and it suggests a common and more restricted source area for the KIMs.

The only known primary source of KIMs in the Lena West district are the Darnley Bay kimberlites in the NE corner and the Dharma kimberlites in the SE corner of the district. Cluster analysis of the mineral chemistry of KIMs from neither of these areas matches that of the KIMs west of Talmora. However, the KIMs on the Talmora property, allowing for the destruction of some silicate KIMs during Eocene “lateritization”, do match those to the west.

Diamondex showed that many of their KIMs were from the base of the Cretaceous sediments and that the primary source was to the east. Most of the Sanatana property also lies within the Cretaceous basin. It is significant that most of the Talmora property occupies an upland plateau outside the Cretaceous basin. The plateau was subjected to tropical weathering during the Eocene thermal maximum and much of the weathered zone has been preserved.

Geology of Talmora Property

Most of the Talmora property is underlain by limestone of Ordovician age with a thin cover of glacial drift. An outcrop of Cretaceous sediment is preserved in a dolomite gully on a tributary of the Horton River in the northern part of the property and Cretaceous sediment has been mapped by the Geological Survey of Canada in the SW.

An airborne magnetic survey shows a number of magnetic dyke-like structures that strike NNW across the property. The “dykes” appear to be at a depth of 600-800m and are parallel to and probably the

extension of the swarm of “dykes” that cross the Parry Peninsular and cut the “large magnetic anomaly” being explored by Darnley Bay for base metals at Paulatuk 120km to the NNW. The latter “dykes” have a spatial relation to the Darnley Bay kimberlites.

Kimberlite Targets

Anomalies of low magnetic susceptibility are of interest as kimberlite targets. Many of these anomalies coincide with small lakes and are concentrated along the “dykes”. Some of them were ground truthed in the field program carried out in the later half of August 2007. The field program included staking of the kimberlite targets and sampling of the tills for kimberlite indicator minerals (KIMs) down-ice of the magnetic targets.

The KIMs recovered from samples collected in 2007, are very much more numerous (37 times) than the KIMs recovered from samples collected in 2004, which tested the same general area but were not located with respect to magnetic targets. There is a strong correlation between KIMs and magnetic anomalies.

Ground to the west of the Talmora property came open in February 2009. Ponds with similar characteristics to those with coincident magnetic anomalies and all lying within the same prominent morphostructure (mantle focused circular fracture) were obvious on the immediately adjacent open ground. A two-week field program was carried out in June/July 2009. A magnetic profile was flown across each of the characteristic ponds as well as across other less characteristic ponds further west outside the morphostructure. Many of the ponds show coincident magnetic anomalies. Samples were collected down-ice of a few of the ponds and 125 new claims were staked.

After the 2011 financing fell short of what was needed for drilling a limited program of staking within a permit due to lapse on January 31, 2012, was carried out. At the same time samples were collected and spectra of soil, rocks and vegetation recorded as part of the ground truthing of ASTER satellite images that show interesting relations between mineral spectra and ponds coincident with magnetic anomalies.

\$430,000 from two financings in 2012 again fell short of the \$650,000 required for a small drill program. Following closing of the second financing on July 24, 2012, an alternate summer field program was mobilized to use the funds to obtain assessment work credits on certain claims. Mobilization and servicing of the field crew was by float plane and transport within the property was by ATV.

2012 Packsack Drill Program

A Packsack drill was used to collect till samples and to test the thickness of overburden near five magnetic anomalies with characteristics of kimberlite pipes. The magnetic anomalies in dolomite bedrock have been deeply scoured by ice and are covered by boulder till, which in turn is overlain by various thicknesses of lake sediment. An attempt was made to penetrate the till overburden and reach the kimberlite targets. The Packsack drill is rated for a maximum of 100' and was pushed to its limit. In three cases the hard boulder till was penetrated (28.50', 39.00' & 23.25') and the drill entered a soft clay that could not be cored except for a small piece of clay mixed with dolomite fragments at the till/clay interface in one hole. The clay produced dark brown cuttings in the three holes that reached 30.50', 43.00' & 25.25' respectively. In two cases the hole was abandoned in boulder till at 16.8' and

72'. In addition to sampling with the Packsack drill, surface till samples (77 sites) were collected down-ice of a number of magnetic anomalies and have been examined for kimberlite indicator minerals (KIMs).

Cuttings were collected but there was loss of suspended fines in the return water from the till (mostly dolomite component) and considerably greater loss of fines in the return water from the clay (most of the clay minerals). Drill cuttings of the till and clay were submitted for chemical and mineralogical analyses.

Of great significance are the elevated values of minor elements in the clay cuttings. There is twice as much Cr and Mo; three times as much Fe, Mn, Ni, Zn, Pb and Sb; ten times as much Cu and Co; fifteen times as much W; and high Ag, As and Sn. All these elements except W are typically high in weathered kimberlite. The high W in the clay cuttings is probably contamination from the drill bits.

A very small piece of clay trapped in the core barrel between fragments of quartz filled and coated vugs in dolomite may be representative of the clay horizon. When the Talmora clay analysis is calculated on a quartz-free basis it closely matches analyses of Sierra Leone weathered kimberlites calculated on the same basis. The most striking characteristic of the clay compared to the average <80 mesh till in the area is high Al, low Ca and Mg together with relatively high LOI (loss on ignition), relatively high Ti, Nb, Cr, Li, V, As, Ce, Cs, Ga, Ge, La, Lu, Pr, Rb, Sb, Ta, Th, U and very high Pb. Low Fe and related Mn and Ni are unexpected because there is evidence of laterite weathering in the area. However, the Fe, Mn and Ni values of the clay are similar to those of African kimberlitic calcretes. The dolomite fragments that trapped the clay may have provided a local calcrete environment.

The clay cuttings include very little of the clay. Much of the fine clay has been lost and there has been considerable dilution of the cuttings by coarse sand. Nevertheless, concentrates from the three holes that penetrated till and ended in clay were submitted for kimberlite indicator mineral (KIM) analysis and all contained KIMs. Hole THD-3 contained 2 Mn-ilmenites (or altered ilmenites) including 1 with diamond inclusion composition, hole THD-4 contained 12 Mn-ilmenites (or altered ilmenites) including 6 with diamond inclusion composition, 14 spinels and 1 picro-ilmenite (10.23% MgO; 3.24% Cr₂O₃) and THD-5 contained 3 Mn-ilmenites (or altered ilmenites) and 1 picro-ilmenite (9.73% MgO; 0.39% Cr₂O₃). The chromites lie on a relatively narrow compositional trend line indicating a single population and one grain plots in the Argyle chromite field. THD-4 contained notable galena and THD-5 contained a significant amount of sulphides. While the clay cuttings have lost fines and are contaminated by till and marine sand they show many characteristics of weathered kimberlite including anomalous numbers of locally derived KIMs in THD-4.

Exploration during Bear Market (2011 to 2018)

During a difficult market for financing diamond exploration projects Talmora's management has reviewed assessment work files on neighbouring properties as they have been released to the public. Most of the work done across Lena West is now a part of the public record.

The field and laboratory work across Lena West is of high quality having been done by Nik Pokhilenko's Russian Team/Diamondex, De Beers/Pure Gold, Kennecott/Sanatana, De Beers/Darnley Bay and De Beers/Talmora. Diamondex collected stream samples whereas the others collected similar sized till samples.

Talmora's work during this time of limited funds has focused on evaluating the probability of the Horton area being the source of the Lena West KIMs and associated diamonds. The Horton area appears to be favourable for diamonds but there is the question why it is deficient in pyrope garnets relative to other areas.

Structural Studies

Evidence was presented in 2012 at the 10th International Kimberlite Conference (10IKC) to show that

the Horton area lies on a “zone of anomalous mantle” that was the northern extension of the Slave diamondiferous kimberlite trend displaced on a major fault(s) parallel to the north arm of Great Bear Lake. It also coincides with a favourable morphostructure that straddles the “zone of anomalous mantle”.

Evidence for the Great Bear fault zone was presented at the joint 13th South African Geophysical Association (SAGA) Biennial / 6th International Conference in Airborne Electromagnetics (AEM) Conference in 2015, the 43th Annual Yellowknife Geoscience Forum in 2015 and 35th International Geological Congress in 2016.

Paleo-weathering Studies

Evidence of laterite and tropical weathering in the Horton area was recognized during the first field season. It explained the near absence of pyrope garnets and chrome diopside while there were anomalous numbers of chromites and ilmenites. The evidence was presented at the 39th Annual Yellowknife Geoscience Forum in 2011, 10th International Kimberlite Conference in 2012, 44th Yellowknife Geoscience Forum in 2016 and 8th Oppenheimer De Beers Group Research Conference in 2017.

Eocene (55 Ma) tropical weathering affected all of the Canadian north but generally the weathered zone has been eroded and any remnants have been removed by glaciation. In the Horton area post-Eocene erosion was minimal and because of the area’s location on the flank of the unglaciated Melville Hills glaciation had little or no effect and the weathered zone has been preserved.

Studies relating Lena West KIMs to the Horton Area

The similarity of Lena West ilmenites to those of the Horton area and how they differ from those in the Darnley Bay and Dharma areas was first presented at the 39th Annual Yellowknife Geoscience Forum in 2011. Cluster analysis of the chromites showing the same relation was presented at the 35th International Geological Congress in 2016 and cluster analysis of the pyrope garnets was presented at the 8th Oppenheimer De Beers Group Research Conference in 2017.

All the Lena West KIMs match those of the Horton area but differ from those of the Darnley Bay and Dharma areas and because the Diamondex team showed that most if not all of the Lena West KIMs were derived from concentrates at the base of the Cretaceous basin the most likely source of the Lena West KIMs is the Horton area which lies outside the basin.

Kimberlite Pathfinder Element Studies

Dolomite covers most of the Horton area so that tracing kimberlite pathfinder elements in glacial till could be a useful tool for discovering kimberlite pipes. Talmora and Sanatana have multielement analyses on all till samples and the initial study showed anomalous pathfinder elements down-ice of the Horton area supporting a presence of a kimberlite cluster. This was presented at the 42nd Annual Yellowknife Geoscience Forum in 2014.

The pathfinder data was reviewed in late 2017 and reinterpretation of the glacial dispersion revealed a kimberlite pathfinder train focused on a magnetic anomaly that Sanatana had selected as a possible kimberlite on a survey with 400 meter line spacing. The anomaly was never tested presumably because there were only 4 pyrope garnets in three samples near the anomaly but no pyrope garnets in samples further down-ice but there were many pyropes further west where Sanatana drilled a number of targets

unsuccessfully. Anomalous KIMs coincide with the pathfinder train and considering the 10 kilometer spacing of samples the source of the train must have exceptional size. After Talmora secured the ground the reinterpreted pathfinder data was presented at the 4th International Diamond School in January 2018.

Mn-ilmenite Study

Mn-ilmenites have not generally been considered a KIM. However, they have been found as inclusions in superdeep diamonds, from Venezuela and Brazil. Kaminsky and Belousova in 2008 recommended that they be considered a KIM.

Talmora recognized that Mn-ilmenites had been picked from Lena West samples as possible black oxide KIMs by Talmora, Sanatana and Darnley Bay sorters. Many had compositions that match those included in diamonds. The significance of these mineral grains in the Lena West region was presented at the International Mineralogical Association (IMA) in 2014 and The Kimberley Diamond Symposium and Trade Show in 2014.

In 2017 Smith, Shirey and Wang described the evidence for the superdeep origin of the world's biggest diamonds thus making Mn-ilmenites found as inclusions in superdeep diamonds a possible indicator of large diamonds.

Conclusions

Talmora has tested the evidence at a variety of conferences and concludes that it is generally sound and has increased the probability of the Horton area being the source of most of the KIMs and diamonds found widespread across Lena West.

The Company's most prospective magnetic anomalies needed to be tested with a larger drill. A major program costing \$2,000,000 – \$4,000,000 (minimum \$1,000,000 - \$2,000,000) should confirm whether or not diamondiferous kimberlites are present on the property. Micro-diamond analyses of initial kimberlite samples should determine whether further investigation is warranted in which case an additional budget in the order of \$10,000,000 - \$15,000,000 would be required.

Seahorse Project

On July 6, 2018, Talmora signed an agreement with Olivut Resources Ltd. that gave Olivut the option to earn a 50% interest in one of Talmora's permits and certain other lands by spending \$1.2 million over a two year period and making a cash payment to Talmora of \$200,000. Talmora will continue to explore the remainder of the Horton property which it owns 100%.

Olivut successfully completed a helimag geophysical program during April and May 2019. Detailed, low-level, 50 metre line spacing magnetic information was collected and analyzed over multiple anomalies previously identified from regional geophysics.

During August and September 2019 six holes were drilled to test certain regional geophysical targets that had been confirmed and further delineated by the detailed helimag program. The holes were drilled to a maximum depth of 316' (96.3 metres) using a reverse circulation (air blast), heli-portable drill.

Beneath tills, each of the holes intersected varying depths of extremely fine-grained clays that did not

appear to be derived from the dolomite country rock that is exposed proximal to the targets. Down hole drilling conditions were exceptionally challenging, as was the recovery of drill sample material, due primarily to the nature of these intersected clays. Samples were collected from each of the holes and sent for analysis to Saskatchewan Research Council (“SRC”). A recent study of these analyses has shown contamination of deeper samples by overlying units, presumably by material from the upper units sticking to the walls of the inner tube and breaking loose later to mix with deeper material.

Preliminary visual inspection, as well as further microscopic examination of many of the collected samples, could not specifically identify the host rock from which the clay material is derived. Sulphides, including pyrite, galena and sphalerite, as well as other mafic minerals were easily identified in many downhole samples. Subsequently, whole rock and multi-element geochemical results defined a distinct homogeneous clay in the lower part of 4 of the 6 holes. This clay is notably dark grey to black, with an oily feel and is chemically complex but fairly homogeneous and characterised by elevated Rare Earth Element (“REE”) content and relatively low silica content. These REE levels are generally higher than, or consistent with, levels of REE detected in clays found to occur over some identified kimberlites in some locations of the world (e.g., Western Australia and Namibia). Above the homogeneous clay are clays with lower REE and higher silica content that grade into the homogeneous clay and overlying glacial tills

The chemistry of the drill samples indicates that contamination during drilling has been extensive with as much as 50% of a sample coming from the units above. All samples are apparently contaminated but the lower parts of each unit are the least contaminated by other units.

The homogeneous clays have lead isotope ratios ($Pb206/204$ vs $Pb207/204$) that average that of rocks derived from the mantle. The range of values of three holes is a little more than the mantle rock values which may be the result of contamination or it may indicate that there has been re-deposition of mantle material at the surface into a single secondary geological unit such as re-deposition of a volcanic tuff ring into a crater. The range of values of samples from a hole testing a relatively narrow dyke are close to that of mantle rocks (including kimberlite).

The Seahorse Project area underwent periods of extreme warming and laterization that destroyed silicate indicator minerals as evidenced from regional till sampling results. However, some opaque oxide indicator minerals and diamonds survive this type of weathering.

To determine the potential presence of any kimberlitic indicator minerals (“KIM”), additional samples from five drill holes, four of which included sections of the deeper homogeneous clay, were submitted for heavy mineral analysis to SRC. Chromites, ilmenites (some manganese bearing) and abundant pseudorutile (an alteration product of ilmenite which is common in intensely weathered kimberlite) are present. Six chromite grains from the narrow dyke plot on a relatively narrow crystallization trend- line indicating a local source and certainly not from a marine sediment. Two of the six grains plot in the field of kimberlites and lamproites. Although most of the chromites and ilmenites are not unequivocally kimberlitic, they have compositions that match those of some inclusions in type IIa diamonds.

A surprising result of the heavy mineral analysis is the number of microfossils (mostly foraminifera) and the abundance of various forms of pyrite (some replacing organic material and microfossils) found in the concentrates. Also present are spherules (tiny bead-like features) believed to be associated with a meteorite impact. Microfossils and pyrite indicate marine deposition associated with anoxic (low oxygen) conditions for some of the clay.

Recognition of contamination removes any confusion as to why possible KIMs that crystallized in a mantle derived rock and was subsequently deeply weathered are found with marine microfossils, meteorite spherules and silicate minerals that would not have survived the deep weathering. Talmora has concluded that the most likely scenario is that the homogeneous clay is an intrusion (possibly kimberlite) derived from the mantle that has been deeply weathered during the Eocene thermal maximum and subsequently covered in the Seahorse area by Tertiary marine clays containing microfossils and pyrite in conditions at times anoxic. It is significant that ferropseudobrookite (alteration of pseudorutile under reducing or anoxic conditions) is anomalous in the down-ice end of the Seahorse train. Pseudorutile that would be expected in the up-ice end of the train is absent and is rare in the Seahorse beach concentrates. However, evidence from the Horton area indicates that pseudorutile does not travel well in glaciers.

The homogeneous clays have elevated REE content but there were no typical REE bearing minerals identified in the clay concentrates and it is doubtful whether they would have survived the intense weathering. The least contaminated samples of homogeneous clay have been tested by the Joint Venture for the presence of REE in ionic form absorbed on clay minerals. Ionic REE are readily recovered in salt and ammonium sulphate solutions and may be a valuable by-product of diamond mining. Initial leach tests at pH 3.5 indicate that further tests with lower pH solutions should be carried out. This will determine how and with what equipment the main target must be drilled.

A gossan zone sampled by Olivut in 2019 returned trace amounts of gold. It coincides with anomalous goethite & hematite spectra on Astor satellite images. Balkwill and Yorath of the GSC visited the area by helicopter in 1970 and mapped 4 sites on the zone as Cretaceous sediments without further comment. Veillette of the GSC produced a glacial map in 2000 that indicated that the gossan may not have been glaciated. Pb isotope ratios of 18 samples are not indicative of the zone covering a sulphide deposit. The zone is most likely a remnant of paleo-laterite like those on the nearby Horton area to the east and like that noted by Sanatana just below the till in their drill holes in the Simpson Lake area to the west.

Elevated REE and Ti values in beach strandline concentrates are the result of natural concentration. The REE and Ti values in an un-concentrated, more representative sample of the beach are lower than (or 65% of) the average of 154 till samples in the nearby Horton area. There is therefore little justification for doing further work on the recovery of REE and Ti from the beach sediment. However, examination of the beach strandline concentrates for the presence of REE minerals by Dr Malcolm McCallum led to the discovery of a micro diamond and subsequently a macro diamond by SRC in a relatively small sample weighing 1.8 kg taken proximal to the main Seahorse target. A brief helicopter visit to Seahorse Lake at the end of September 2023 enabled a number of samples to be collected under extremely difficult conditions before weather ended the field season. Samples were not as concentrated as the previous sample containing two diamonds. SRC recovered 18 microdiamonds from caustic fusion analysis of a 323.35 kg sample. A minibulk sample collected in 2024 of >1mm well-sorted concentrate from below the strandline concentrates was submitted to SRC for caustic fusion analysis but contained no macro-diamonds.

The 15 diamonds found by Diamondex about 200 km to the west of Seahorse Lake were carried with KIMs by stream and marine currents via sediments at the base of the Cretaceous basin from the direction of the Seahorse area and the 3 diamonds found by Darnley Bay about 100 km to the NNE of

Seahorse Lake were carried from the same area by glaciers. Finding 20 diamonds in the Seahorse area within a kilometer of the main Seahorse target given gives credence to the evidence of the Seahorse area being the source of the 18 diamonds.

The top of the homogeneous clay in the SW Dyke one half kilometer south of the lake was encountered at a depth of 65-70' (~50' below lake level). The till down-ice of Seahorse Lake is about 25' thick and the base of the section is either not exposed on the lake shore or has not been identified.

The 19 microdiamonds and one macro-diamond found in strandline concentrates on the west side of Seahorse Lake indicate a nearby source but their location at elevations well above the top of the Seahorse Lake magnetic anomalies indicates that they were transported by ice as diamonds don't gravitate up in water. The obvious up-ice source of the diamonds is the northern extension of a SW Dyke-like anomaly beneath the southeast part of Seahorse Lake which is >85' deep. Ice plunging over the ridge at the southeast end of Seahorse Lake scoured the top of the dyke bringing dyke material as basal glacial till to the surface down-ice along the west shore of the lake.

Diamonds close to their source will be confined to the basal till and most of the ~25' till section will carry only far-travelled ablation material. Initial erosion of the till will start with the upper far-travelled material meaning that paleo-strandline concentrates will be unlikely to contain diamonds. Diamonds will be found in the most recent strandline concentrates close to where the most basal till is now exposed to erosion.

A major financing will be required for a drill program to test the main Seahorse target that could not be tested in 2019 and perhaps the other Seahorse targets at greater depth.

Property Commitments

Talmora is a diamond exploration company with two properties on the Horton River 120 kilometers south of Paulatuk in the Northwest Territories.. As at March 31, 2026 Talmora holds one Prospecting Permit (28,761.17 ha) in which it has a 100% interest and three claims (3,075 ha) that are part of the Company's Seahorse Project in which Olivut Resources Ltd. has earned a 50% interest.

Olivut holds one claim (900 ha) covering part of the Seahorse Project area in which Talmora has a 50% interest. Excess work credits from work done on previous permits were transferred to the four Seahorse Project claims. Prospecting Permits give the holder exclusive rights to the area, for a period of 5 years provided certain expenditures are made.

The two properties straddle a major linear structure believed favourable for the occurrence of diamondiferous kimberlites. Talmora has spent \$2,837,531 on exploration of the two properties (including administration) to March 31, 2026, and Olivut has spent \$1,418,868 on the Seahorse project during the Option period and \$408,614 since they earned their 50% interest. All are on crown land.

The Crown owns both mineral and surface rights to the claim areas, the exploration and exploitation of which is governed by the Canada Mining Regulations. Prospecting permits, claims, mining leases and work permits are dealt with under the Regulations. The Land Settlement Agreements deal with environmental matters, creates environmental agencies and

related procedures, and provides the Inuvialuit and Sahtu with equal representation on the agencies. Those who conduct economic activity in the Region need their approval.

Permits require a deposit paid in advance, refundable when equivalent exploration work has been performed, of \$0.10/acre for the first work period, \$0.20/acre for the second work period and \$0.40/acre for the third work period. The first and second work periods are 2 years north of 68°N latitude and 1 year south of 68°N latitude. Areas of interest within the permits may be staked by the permit holder before the expiration of the permits but may not be staked by the permit holder for 1 year after the expiration of the permits.

Claims require assessment work of \$4.00/acre for the first two years and \$2.00/acre for each year thereafter.

Performance bonds will be refunded when an equivalent amount of work has been performed and reported.

Property Summary Northwest Territories

Permit

Permit	NTS	QTR	Hectares	Yrs	Area	Issue Date	Deposit Due Date
Talmora 100 %							
NP-8544	097A05	SW	28,761.17	5	Inuvialuit Settlement Region	2026-02-01	2028-01-31

Talmora 50% of J.V. with Olivut. Held in Trust by Talmora for Joint Venture
 Olivut 50% of J.V. with Talmora. Held in Trust by Olivut for Joint Venture

Four claims were staked within the J.V. permits in August 2024.

CLAIMS Total value of credits \$600,000 were allocated \$200,000 each to the following claims Tags at January 31, 2025

Claim Tag	Claim Name	Claims	Size Hectares	Record Date	Anniversary Date	Claim Sheet Nos (NTS)
M11871	SHL-03	1	1,250.00	2024-09-23	2034-09-23	097B01
M11872	SHL-02	1	1,000.00	2024-09-23	2034-09-23	097B01
M11873	SHL-04	1	825.00	2024-09-23	2034-09-23	097B01
Claims		3	3,075.00 hectares			

Olivut Resources Ltd. 100%

One claim held in trust for Joint Venture

Claim Tag	Claim Name	Claims	Size Hectares	Record Date	Anniversary Date	Claim Sheet Nos (NTS)
M11874	SHL-01	1	900.00	2024-09-23	2026-09-23	097B01

All deposits on the Seahorse project permits were refunded after work on the permits was approved. Excess work credits can be transferred to claims within the permits before they expire.

Variance to Original Budget of M.Millard (2005)

Budget M. Millard (2005)			Actual R. Davies assessment work reports (2008 & 2009)	
Phase 1 [minimum required to determine whether to continue to phase 2]				
Airborne survey	9000 line k @ \$35	\$315,000	10,196 line k	\$352,258.59
Process 2004 fine fractions	120 @ \$150	\$18,000	117 fine fractions	\$12,267.00
Claim staking	36 claims @ \$1,000	\$36,000	50 claims	\$50,461.83
	Contingency @ 10%	\$36,000		
Exploration sub-total		\$405,000		\$414,987.42
Administration		<i>\$100,000</i>	2007 expenses	\$169,778.00
	Total	\$505,000		\$584,765.42
Phase 2a [assumes encouragement from phase 1]				
Till sampling [follow-up, target evaluation]	200 samples @ \$1000	\$200,000	178 [target evaluation]	\$316,403.30
Stream samples [follow-up]	50 @ \$1500	\$75,000		
Ground magnetic survey	8 targets @ \$6,000	\$48,000	10 anomalies	\$25,130.73
	Contingency @ 20%	\$32,000		
Exploration sub-total		\$355,000		\$341,534.03
Administration		<i>\$100,000</i>	2008 expenses to Dec. 31	\$148,946.00
	Total	\$455,000		\$490,480.03
Phase 2b [assumes continued encouragement]				
Drilling	4 targets @ \$80,000	\$320,000		
	Contingency @ 20%	\$66,000		
Exploration sub-total		\$386,000		
Exploration Total		\$1,146,000		\$756,521.45
Administration Total		\$250,000		\$318,724.00
Grand Total		\$1,396,000		\$1,075,245

	2009 Field Program on new grounds	
	Staking 125 claims	59,936
	Airborne magnetic survey - 865 line km	99,525
	Sampling - 51 samples collected	<u>189,665</u>
Exploration sub-total		349,126
Administration Expenses sub-total		<u>111,444</u>
	Total	\$460,570
	2010 Field Program, on new grounds	
	Staking	32,581
	Sampling, sorting and analysis	<u>22,701</u>
	Geophysics	<u>25,277</u>
Exploration sub-total		80,559
Administration Expenses sub-total		<u>118,084</u>
	Total	\$198,643
	2011 Field Program, Evaluation & Reporting	
	Staking	40,678
	ASTER image ground truthing	<u>219,388</u>
Exploration sub-total		260,066
Administration Expenses sub-total		<u>169,533</u>
	Total	\$429,599
	2012 Field Program, Evaluation & Reporting	
Exploration sub-total	Reporting, Packsack drilling, sampling	374,041
Administration Expenses sub-total		<u>100,568</u>
	Total	\$474,609
	2013 Field Program, Evaluation & Reporting	
Exploration sub-total	Reporting, Packsack drilling, sampling	95,616
Administration Expenses sub-total		<u>89,880</u>
	Total	\$185,496
	2014 Field Program, Evaluation & Reporting	
Exploration sub-total	Professional Services, analyses & Licences	21,107
Administration Expenses sub-total		<u>81,475</u>
	Total	\$102,582
	2015 Field Program, Evaluation & Reporting	
Exploration sub-total	Professional Services, analyses & Licences	4,791
Administration Expenses sub-total		<u>53,969</u>
	Total	\$58,760

2016 Field Program, Evaluation & Reporting		
Exploration sub-total to December 31, 2016		11,499
Administration Expenses sub- total		<u>60,046</u>
	Total	\$71,545
2017 Field Program, Evaluation & Reporting		
Exploration sub-total to December 31, 2017		30,170
Administration Expenses sub- total		<u>51,969</u>
	Total	\$82,139
2018 Field Program, Evaluation & Reporting		
Exploration sub-total to December 31, 2018		29,610
Administration Expenses sub- total		<u>91,559</u>
	Total	\$121,169
2019 Field Program, Evaluation & Reporting		
Exploration sub-total to December 31, 2019		24,010
Administration Expenses sub- total		<u>5,788</u>
	Total	\$29,798
2020 Field Program, Evaluation & Reporting		
Exploration sub-total to December 31, 2020		\$53,048
Administration Expenses sub- total		<u>\$55,745</u>
	Total	\$108,793
2021 Field Program, Evaluation & Reporting		
Exploration sub-total to December 31, 2021		\$4,748
Administration Expenses sub- total		<u>\$55,615</u>
	Total	\$60,363
2022 Field Program, Evaluation & Reporting		
Exploration sub-total to December 31, 2022		\$3,809
Administration Expenses sub- total		<u>\$58,010</u>
	Total	\$61,819
2023 Field Program, Evaluation & Reporting		
Exploration sub-total to December 31, 2023 recalculated		\$174,481
Administration Expenses sub- total		<u>82,232</u>
	Total	256,713
		<u>\$256,713</u>

2024 Field Program, Evaluation & Reporting	
Exploration sub-total to December 31, 2024	\$364,035
Administration Expenses sub- total	101,615
Total	<u>\$465,650</u>
2025 Field Program, Evaluation & Reporting	
Exploration sub-total to December 31, 2025	37,692
Administration Expenses sub-total	78,228
Total	<u>\$115,920</u>
2026 Field Program, Evaluation & Reporting	
Exploration sub-total to March 31, 2026	5,155
Administration Expenses sub-total	27,478
Total	<u>\$32,633</u>
1	
GRAND TOTAL as at March 31, 2026	\$4,409,413

SUMMARY OF QUARTERLY RESULTS

(a) Year	2026	2026	2026	2026
(b) Quarter	December 31	September 30	June 30	March 31
Cash				30,768
Working capital				22,322
Admin. Expenses				14,638
Exploration and evaluation Expenditures				5,155
Cash in (out) flow				20,728
Net Income (Loss)				(32,633)
Net Income (Loss) per share				(0.001)
Total assets				30,768
Total liabilities				17,399

(a) Year	2025	2025	2025	2025
(b) Quarter	December 31	September 30	June 30	March 31
Cash	30,137	50,651	27,230	41,572
Working capital	(3,998)	(47,996)	(27,686)	(49,826)
Admin. Expenses	25,183	13,576	10,481	20,819
Exploration and evaluation Expenditures	18,603	8,690	9,717	4,340
Cash in (out) flow	(46,185)	28,364	(34,654)	20,728
Net Income (Loss)	(57,305)	(24,380)	(26,254)	(25,158)
Net Income (Loss) per share	0.001	(0.00)	(0.003)	(0.00)
Total assets	42,187	50,651	33,571	55,711
Total liabilities	46,185	2,655	5,885	5,885

As at March 31, 2026, first quarter exploration expenses of \$5,155 were incurred on the Seahorse Project, , were for NWT exploration expenses to a total , covering permits, licenses and professional fees.

Administrative expenses for first quarter of March 31, 2026 costs of \$14,638. are to maintain the Company's interest in the Horton project which has been maintained at a minimum level

Finally, the balance sheet indicates a balance in working capital of \$22,322 as at March 31, 2026 compared to compared to December 31, 2025, working deficiency of \$3,998.

2025 December 31, 2025, fourth quarter exploration expenses of \$7,550 were incurred on the Seahorse Project, and \$11,053, were for NWT exploration expenses to a total of \$18,603, covering permits, licenses and professional fees.

Administrative expenses for fourth quarter of December 31, 2025, of \$25,183, due to additional costs associated with member attendance at NWT Geoscience Forum in November.

Finally, the balance sheet indicates a balance in working deficiency of working capital of \$3,998 as at December 31, 2025, compared to December 31, 2024 \$29,099.

Financing

Talmora is dependent on management obtaining financing to continue operations and to fund its exploration property expenses. If such financing is unavailable for any reason, Talmora may become unable to carry out its business plan. Talmora intends to fund all future commitments with cash on hand, or through any other financing alternative it may have available to it at the time in question. As Talmora has no business undertaking, there can be no assurance that it will be profitable. In the interim, Talmora has no source of cash flow to fund its expenditures and its continued existence depends on its ability to raise further financing for working capital as the need

may arise. The length of time needed to identify a new business, is indeterminate and the amount of resulting income, if any, is impossible to predict. Talmora does not expect to receive any income in the foreseeable future.

Talmora's success is dependent on the knowledge and expertise of its management and employees and their ability to identify and advance attractive business opportunities.

Other than as discussed herein, Talmora is not aware of any trends, demands, commitments, events or uncertainties that may result in the Talmora's liquidity or capital resources either materially increasing or decreasing at present or in the foreseeable future. Material increases or decreases in Talmora's liquidity and capital resources will be substantially determined by the success or failure of any new proposed business of Talmora and its ability to obtain equity financing.

An analysis of the liquidity of Talmora Diamond Inc. is provided below

As at March 31, 2026, Talmora had cash of \$18,718, a decrease in funds due to payment of continuous expenses as compared to December 31, 2025, cash of \$30,137.

As at March 31, 2026, Talmora had a working capital of \$22,322, as compared to December 31, 2025 working capital deficiency of \$ (3,998).

As at first quarter of March 31, 2026, the fourth quarter of December 31, 2025, the third quarter of September 30, 2025, the second quarter of June 30, 2025 and first quarter of March, 2025, there were no interest received

As at first quarter of March 31, 2026, J/V exploration expenses were incurred on the Seahorse project covering on going J/V exploration and administrative costs of \$5,155, compared to fourth quarter of December 31, 2025, J/V exploration expenses of \$18,603, compared to the third quarter of September 30, 2025, of \$8,690 compared to second quarter of June 30, 2025 J/V exploration expenses of \$9,717, compared to first quarter March 31, 2025, J/V exploration expenses of \$4,340, covering sample sorting/analyses, consulting, prospectors

As at March 31, 2026, administrative expense of \$14,638, were less than December 31, 2025, administrative expense of \$25,183, were less than September 30, 2025, expense of \$13,576, and less than \$10,481 for June 30, 2025, and were less than \$20,819 in March 31, 2025.

SHARE CAPITAL

Authorized

The authorized share capital consists of an unlimited number of common shares. The common shares Do not have a par value. All issued shares are fully paid.

	Number	Amount*
	#	\$
Common shares issued		
Balance, December 31, 2023	85,416,134	3,757,817
Warrants, issued for cash (i)	500,000	28,987
Common shares Issued for cash (ii)	8,000,000	222,070
Balance, December 31, 2024	93,916,134	4,008,874
Options exercised (iii)	2,000,000	128,957
December 31, 2025	95,916,134	4,137,831
Options exercised (iv)	1,000,000	16,153
Balance, March 31, 2026	96,916,134	4,153,984

(i) On April 25, 2024, a director exercised 500,000 warrants at \$0.05 for proceeds of \$25,000.

(ii) On August 16, 2024, the Company closed a non brokered private placement of 8,000,000 units comprised of hard-dollar units of 85,000,000 units at \$0.05 per unit and 3,000,000 flow-through units at \$0.05, for gross proceeds of \$400,000. Each hard dollar unit consisted of one common share and one common share purchase warrant. Each flow-through unit consisted of one flow-through common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to acquire a common share at a price of \$0.06 until August 16, 2024. The valuation of the warrants were estimated in the amount of \$170,069 using the Black-Scholes option pricing model. The following assumptions were used in the Black-Scholes option pricing model calculations: estimated share price of \$0.02, expected dividend yield rate of 0%, expected volatility of 264% based on historical share data, risk free interest rate of 3.36% and an expected life of 1 year.

(iii) During the year ended December 31, 2025, a director exercised 2,000,000 stock options at \$0.05 for proceeds of \$100,000.

(iv) During the period ended March 31, 2026, a director exercised 1,000,000 stock options at \$0.05 For proceeds of \$50,000.

* Amount for common shares issued on exercise of options includes an amount related to share-based payment reserve.

WARRANTS

	Warrants	Weighted Average Exercise Price	Value	Expiry Date
	#	\$	\$	
<u>Balance December 31, 2023</u>	10,233,333	0.05	81,600	
Warrants exercised, April 25, 2024	(500,000)	0.05	(3,987)	
Warrants issued August 16, 2024	8,000,000	0.06	170,072	Aug 16, 2025
<u>Warrants expired August 31, 2024</u>	<u>(9,733,333)</u>	0.05	<u>(77,613)</u>	
Balance, December 31, 2024,	8,000,000	0.06	170,069	
<u>Warrants expired August 16, 2025</u>	<u>(8,000,000)</u>	0.06	<u>(170,069)</u>	
<u>Balance, December 31, 2025</u>	-		-	

STOCK OPTION AND SHARE-BASED PAYMENT RESERVE

The Company has a stock option plan under which officers, directors, employees, and consultants of the Company are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan may not exceed 10% of the outstanding shares of the Company. Options granted under the plan generally have a term of five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option is fixed by the board of directors but shall not be less than the price permitted by any stock exchange on which the Company's common shares may be listed which is generally the trading price of the Company's stock at or about the grant date of the options.

A summary of changes in stock options is as follows:

	Options	Weighted Average Exercise Price
	#	\$
Balance, December 31, 2023	8,050,000	0.05
Cancelled, April 2, 2023	(300,000)	0.05
Balance, December 31, 2024	7,750,000	0.05
Exercised, February 10, 2025	(1,000,000)	(0.05)
Exercised, August 14, 2025	(1,000,000)	(0.05)
Expired, December 29, 2025	(800,000)	(0.05)
Balance, December 31, 2025	4,950,000	0.05
Granted March 17, 2026	3,500,000	0.05
Exercised, March 24, 2026	(1,000,000)	(0.05)
Balance, March 31, 2026	7,450,000	0.05

As at March 31, 2026, the following options were issued and outstanding:

Option No.	Options Outstanding #	Options Exercisable #	Exercise Price \$	Expiry Date	Remaining Contractual Life (years)
#14	400,000	400,000	0.05	December 16, 2026	0.71
#16	2,250,000	2,250,000	0.05	July 14, 2028	2.29
#17	1,800,000	1,800,000	0.05	November 27, 2028	2.66
#18	3,000,000	3,00,000	0.05	March 17, 2031	4.95
	7,450,000	7,450,000	0.05		2.12

Off-Balance- Sheet Arrangements

The Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on its results of operations or financial condition, including, without limitation, such considerations as liquidity, capital expenditures and capital resources that would be considered material to investors.

Capital Management

When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain appropriate returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary, in order to support the acquisition, exploration and development of its projects. The Board of Directors does not establish criteria for quantitative return on capital for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company considers its capital to be equity, which comprises share capital and share-based payment reserve. The properties in which the Company currently has an interest are at the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned project related development activities and pay for exploration and administrative costs, the Company will spend its existing working capital and plans to raise additional funds as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There was no change to the Company's approach to capital management during the years ended December 31, 2025 and 2024. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body.

Financial Instruments and Financial Risk Management

Categories of financial instruments and fair value measurement

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date. When appropriate, the Company adjusts the valuation models to incorporate a measure of credit risk.

The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company does not have any Level 3 financial instruments.

The Company did not have any financial instruments carried at fair value as at December 31, 2025 and 2024.

The carrying values of the Company's financial assets and financial liabilities approximate fair values given their short-term nature.

The Company is exposed to a variety of financial risks: credit risk, liquidity risk, property risk, and market risk, including price risk, interest rate and currency risk, as explained below. Risk management is carried out by the Company's management team with guidance from the Audit Committee and the Board of Directors. There were no changes in the Company's policies and procedures for managing risk during the years ended December 31, 2025, and December 31, 2024.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2026, the Company had cash \$18,717 (2025 - \$41,572) to settle current liabilities \$17,399 (2025 - \$5,885).

Credit Risk

The Company has no significant concentration of credit risk arising from operations. Cash equivalents, when applicable, consist of guaranteed investment certificates, which are invested with reputable financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk is remote.

Market Risk

(a) Interest Rate Risk

The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Currently, the Company does not hedge against interest rate risk.

The Company is exposed to price risk with respect to diamond prices. The Company closely monitors diamond prices to determine the appropriate course of action to be taken by the Company. As the Company's mineral properties are in the exploration stage and do not contain any mineral resources or mineral reserves, the Company does not hedge against price risk.

Property Risk

The Company's significant mineral exploration property is the Horton River property. Unless the Company acquires or develops additional significant properties, the Company will be solely dependent upon the Horton River property. If no additional mineral exploration properties are acquired by the Company, any material development affecting the Horton River property could have a material effect on the Company's financial condition and results of operations.

Sensitivity Analysis

The Company does not anticipate any material fluctuations in its financial assets and liabilities as a result of changes in interest or foreign currency rates.

The Company does not anticipate any material fluctuations in its financial assets and liabilities as a result of changes in interest or foreign currency rates.

RELATED PARTY DISCLOSURES

Related parties include the Board of Directors, officers and members of close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Related party transactions conducted in the normal course of operations are measured at the transaction amount. Remuneration of directors and key management of the Company was as follows:

	Three Months ended March 31	
	2026	2025
	\$	\$
Salaries and benefits	\$8,218	\$12,836
Share-based payments	\$16,153	\$101,456

For the period ended March 31, 2026, the total exploration and evaluation expenditures included in salaries and benefits in the above table was \$675 (2025 - \$2,925). The balance of \$7,543 (2025 - \$9,931) was charged to administration expense

As at March 31, 2026, the accounts payable and accrued liabilities \$Nil (2025 - \$Nil) was owing to directors and officers of the Company. These amounts are unsecured, non-interest bearing and due on demand.

A Director of the Company exercised 500,000 Options (No.16) @ \$0.05 on March 24, 2026.
A Director of the Company exercised 500,000 Options(No.18) @ \$0.05 on March 24, 2026.

STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These financial statements have been prepared as unreserved statement of compliance in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”). These policies set out in the financial statements were consistently applied to all periods unless otherwise noted.

These financial statements have been prepared on the historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The inputs used in accounting for share-based payment transactions. Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. These assumptions are based largely on historical trends and management’s expectations of the future. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.
- Management assumption of no material restoration, rehabilitation and environmental obligations, based on the facts and circumstances that existed during the periods. Decommissioning, restoration and similar liabilities are estimated based on the Company’s interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the

mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

- In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.
- The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the reporting date. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

SIGNIFICANT ACCOUNTING POLICIES

Functional and presentation currency

The Company's presentation and functional currency is the Canadian dollar ("C\$"). The Company does not have any foreign operations. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at period end exchange rates are recognized in the statement of loss.

Flow through shares

The Company finances a portion of its project exploration and evaluation activities through the issuance of flow-through shares. Under the terms of the flow-through common share issuances, the tax attributes of the related expenditures are renounced to investors and deferred income tax expense and income tax liabilities are increased by the estimated income tax benefits renounced by the Company to the investors. On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the fair value of the Company's common shares is allocated to liabilities. The premium liability

is reduced during the period of renunciation. The reduction to the premium liability in the period of renunciation is recognized through net loss.

Where the Company has unused tax benefits on loss carry forwards and tax pools in excess of book value available for deduction, the Company offsets the increase in deferred tax liabilities resulting in an offsetting recovery of deferred income taxes being recognized through net loss in the reporting period.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company currently operates in one business segment, being the exploration and evaluation of resource properties. All of the Company's assets are located in Canada.

Share-based payment

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Commitments and Contingencies

Flow-Through

The Company has indemnify the subscribers of its flow-through shares tax-related consequences that become payable by them, if the Company failed to meet its expenditure commitment. The Company received \$Nil (2024 - \$150,000) through the issue of flow-through shares and believes the Company incurred qualifying exploration expenditures to meet these flow-through obligations as at December 31, 2025.

Environmental Contingencies

The Company's exploration activities are subject to various laws and regulations, governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Exploration Expenditures

To maintain the mineral claims in good standing, the Company is required to make minimum annual payments. For 2026, the minimum annual payments are expected to be approximately \$30,750.

14. SUBSEQUENT EVENTS

There are no subsequent events.