

MUSTANG ENERGY CORP.

Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the three months ended March 31, 2026, and 2025

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim financial statements have been prepared by and are the responsibility of the management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

VANCOUVER, BC

June 1, 2026

Mustang Energy Corp.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars - unaudited)

As at

		March 31, 2026 \$	December 31, 2025 \$
	Notes		
Assets			
Current assets			
Cash and cash equivalents		216,469	536,906
Restricted cash	14	-	1,250,000
Other receivables		600	51,638
Prepaid expenses and deposits	5	106,659	175,381
Assets held for distribution	14	-	320,000
		323,728	2,333,925
Non-current assets			
Exploration and evaluation assets	6	10,651,781	10,696,729
Total assets		10,975,509	13,030,654
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	7,10	289,684	346,359
Flow-through premium liability	8	505,102	521,922
Subscription receipts	14	-	1,250,000
Total current liabilities		794,786	2,118,281
Shareholders' equity			
Share capital	9	20,472,113	20,472,113
Reserve	9	1,642,244	1,322,244
Deficit	14	(11,933,634)	(10,881,984)
Total shareholders' equity		10,180,723	10,912,373
Total liabilities and shareholders' equity		10,975,509	13,030,654

Nature of operations (Note 1)

Basis of preparation and going concern (Note 2)

Subsequent events (Note 16)

On behalf of the Board:

"Constantine Carmichel" Director

"Nicholas Luksha" CEO, Director

Mustang Energy Corp.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

		For the three months ended, March 31, 2026 \$	For the three months ended, March 31, 2025 \$
	Note		
General and administrative expenses			
Accounting and auditing		61,700	45,776
Consulting		32,300	73,875
Conferences and seminars		-	9,605
Director fees	10	27,100	17,100
Legal and related		81,332	67,889
Management fees	10	53,050	42,525
Marketing fees		31,743	1,151,992
Travel and related		22,698	55,890
Office and miscellaneous		6,372	15,861
Foreign exchange		(1,019)	11,565
Registration and filing		21,385	2,756
Rent		-	11,550
Share-based compensation	9	320,000	280,147
Transfer agent and shareholder costs		30,757	22,408
Operating loss for the period		(687,418)	(1,808,939)
Interest income		2,374	5,561
Recovery of flow through share premium	8	16,820	72,694
Loss on revaluation of obligation to issue shares		-	(117,500)
Loss on deconsolidation of subsidiary	14	(63,426)	-
Net loss and comprehensive loss for the period		(731,650)	(1,848,184)
Weighted average number of common shares outstanding – basic and diluted		96,478,166	64,367,724
Loss per common share – basic and diluted		(0.01)	(0.03)

Mustang Energy Corp.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

	Note	Share Capital		Reserve	Commitment to issue shares	Deficit	Total
		Number of common shares	Amount \$				
Balance December 31, 2024		61,298,557	14,090,670	1,070,115	410,000	(6,002,525)	9,568,260
Share issued for cash		6,275,000	1,255,000	-	-	-	1,255,000
Share issue costs		-	(41,738)	-	-	-	(41,738)
Shares issued for restricted share units		500,000	157,500	(157,500)	-	-	-
Fair value of finder warrants		-	(6,315)	6,315	-	-	-
Share-based compensation on option issuance		-	-	183,647	-	-	183,647
Commitment to issue shares		-	-	-	214,000	-	214,000
Loss for the period		-	-	-	-	(1,848,184)	(1,848,184)
Balance, March 31, 2025		68,073,557	15,455,117	1,102,577	624,000	(7,850,709)	9,330,985
Balance, December 31, 2025		96,478,166	20,472,113	1,322,244	-	(10,881,984)	10,912,373
Share-based compensation	9	-	-	320,000	-	-	320,000
Distribution of Allied shares	14	-	-	-	-	(320,000)	(320,000)
Loss for the period		-	-	-	-	(731,650)	(731,650)
Balance, March 31, 2026		96,478,166	20,472,113	1,642,244	-	(11,933,634)	10,180,723

Mustang Energy Corp.

Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

For the Three Months Ended March 31, 2026, and 2025

	For the three months ended March 31, 2026 \$	For the three months ended March 31, 2025 \$
Operating activities		
Net loss for the period	(731,650)	(1,848,184)
Items not involving cash:		
Recovery of flow through share premium	(16,820)	(72,694)
Gain on revaluation of obligation to issue shares	-	117,500
Share-based compensation	320,000	280,147
Loss on deconsolidation of subsidiary	63,426	-
Changes in non-cash working capital items:		
Account payable and accrued liabilities	35,276	(78,123)
Prepays	48,486	(54,918)
Accounts receivable	51,037	-
Total cash used in operating activities	(230,245)	(1,656,272)
Investing activities		
Deposits for exploration and evaluation expenditures	(5,553)	-
Exploration and evaluation assets	(84,639)	(234,763)
Deconsolidation of subsidiary - restricted cash derecognition	(1,250,000)	-
Total cash used in investing activities	(1,340,192)	(234,763)
Financing activities		
Shares issued for private placement financing	-	1,255,000
Share issue costs	-	(12,115)
Total cash provided by financing activities	-	1,242,885
Change in cash and cash equivalents and restricted cash	(1,570,437)	(648,150)
Cash and cash equivalents and restricted cash, beginning of the period	1,786,906	3,368,699
Cash and cash equivalents and restricted cash, end of the period	216,469	2,720,549

Supplement disclosure with respect to cash flows (Note 13)

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

1. NATURE OF OPERATIONS

Mustang Energy Corp. ("the Company", or "Mustang") was incorporated under the Canada Business Corporations Act on December 24, 2015 and was registered as an extra-provincial company in British Columbia on January 28, 2016. On September 5, 2017, the Company completed its initial public offering ("IPO") and trading of the Company's common shares commenced on the Canadian Securities Exchange ("CSE").

During fiscal 2024, the Company completed a name change from Glorious Creation Limited to Mustang Energy Corp., completed the re-listing of its common shares on the CSE, and changed its business to mineral exploration and development on the closing of an acquisition of uranium assets in Eastern Athabasca Basin of Saskatchewan.

The Company's head office and principal address is 480 - 789 West Pender Street, Vancouver, BC, Canada and the registered and records office of the Company is 2501 – 550 Burrard, Bentall 5, Vancouver, BC, V6C 2B5, Canada.

2. BASIS OF PREPARATION AND GOING CONCERN

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

These condensed interim financial statements do not include all of the information and note disclosures required for full annual financial statements and should be read in conjunction with the Company's annual financial statements as at the year ended December 31, 2025.

The accounting policies applied in preparation for these financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended December 31, 2025, with the exception of the new adopted policies for exploration and evaluation assets and provision for environmental rehabilitation as described below.

These condensed consolidated interim financial statements were authorized for issue by the Board of Directors on June 1, 2026.

Going concern

These condensed consolidated interim financial statements have been prepared on a going-concern basis which assumes that the Company will be able to continue its operations for the foreseeable future and meet its obligations and commitments in the normal course of business. At March 31, 2026, the Company had cash and cash equivalents of \$216,469 (December 31, 2025 - \$1,786,906 cash and cash equivalent and restricted cash), a working capital deficiency of \$471,058 (December 31, 2025 – \$215,644 working capital) and a deficit of \$11,933,634 (December 31, 2025- \$10,881,984). The Company's operating losses will require that it obtains additional capital to continue operations. The Company will depend almost exclusively on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available to meet the continuing exploration costs or, if the capital is available, that it will be on terms acceptable to the Company. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of its current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

2. BASIS OF PREPARATION AND GOING CONCERN (continued)

Going concern (continued)

These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and reclassification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiary. Details of controlled subsidiary are noted below:

	Country of incorporation	Functional currency	Percentage owned*	
			March 31, 2026	December 31, 2025
Americas Uranium Corp. formerly Allied Strategic Resources Corp. ("Allied")	Canada	Canadian Dollar	0%	100%
Nucleus Uranium Ltd. ("Nucleus")	Canada	Canadian Dollar	100%	100%

*Percentage of voting power is in proportion to ownership.

The subsidiaries are entities controlled by the Company, where control is achieved by the Company being exposed to, or having rights to, variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity. The subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

On March 27, 2026, the Company completed a plan of arrangement involving the spin-off of Allied. As a result of the distribution of Allied shares to the Company's shareholders, control over Allied was lost and the Company deconsolidated Allied as of that date (Note 14).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(i) Going concern evaluation

As discussed in Note 2, these condensed consolidated interim financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period.

(ii) Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

(iii) Valuation of Exploration and Evaluation assets

The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to commence and complete development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

4. MATERIAL ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 4 to the audited financial statements for the year ended December 31, 2025, and have been consistently applied in the preparation of these condensed interim financial statements.

New, amended and future accounting pronouncements

Accounting standards and amendments issued but not yet effective are either not applicable or are not expected to have a significant impact on the Company's condensed consolidated interim financial statements, except as noted below:

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

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

4. MATERIAL ACCOUNTING POLICIES (continued)

In May 2024, the IASB issued amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures to address the classification and measurement of financial instruments, with an emphasis to clarify the date of recognition and derecognition of financial asset and liabilities, effective January 1, 2026, with early adoption permitted. The Company is currently assessing the effects of IFRS 18 on the condensed consolidated interim financial statements.

5. PREPAID

	March 31, 2026	December 31, 2025
As at	\$	\$
Prepaid marketing expense	-	20,272
Prepaid consulting fees	-	18,750
Prepaid insurance	3,469	5,781
Other prepaid	18,363	18,186
Deposit	3,500	3,500
Deposits for exploration and evaluation expenditures	81,327	108,892
	106,659	175,381

6. EXPLORATION AND EVALUATION ASSETS

Dutton, Yellowstone, and Yellowstone East Projects

During the three months ended March 31, 2026, the Company did not incur any exploration or evaluation expenditures on the Dutton and Yellowstone projects.

As at March 31, 2026, the Dutton and Yellowstone projects remained written down to a nominal value of \$1 each project following the impairment recognized during the year ended December 31, 2025. Management intends to allow the related mineral claims to lapse upon their expiry.

914W Uranium Project

On November 12, 2024, entered into a strategic option agreement with Skyharbour Resources Ltd. to acquire an undivided 75% interest in Skyharbour's 914W Uranium Project, located in the Athabasca Basin of Northern Saskatchewan. Pursuant to the terms of the option agreement, the Company can acquire a 75% interest in the 914W Uranium Project, by satisfying the following conditions over three years:

- Share Issuance: The Company will issue common shares with a total value of \$480,000.
- Cash Payments: The Company will make aggregate cash payments of \$275,000.
- Exploration Expenditures: The Company will incur \$800,000 towards exploration on the 914W Uranium Project.

On November 27, 2024 (the "Closing Date"), the Company completed the first milestone by making a cash payment of \$15,000 and issuing 93,750 common shares with fair value of \$30,938 to Skyharbour.

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

6. EXPLORATION AND EVALUATION ASSETS (continued)

914W Uranium Project (continued)

On November 21, 2025, the Company completed the cash and share issuance milestone for the first anniversary date milestone by making a cash payment of \$20,000 and issuing 1,098,901 common shares with fair value of \$93,407 to Skyharbour. As at the current date, the Company has not completed the expenditure requirement milestone of \$100,000 on or before the first anniversary of the agreement, the Company and Skyharbour are in communications to extend the balance of \$100,000 in exploration expenditures for inclusion in the second anniversary milestone.

The committed cash payments, share issuances and exploration expenditures required to exercise the option in full are as follows:

Date	Cash payments	Exploration expenditures	Value of shares issued
	\$	\$	\$
On the Closing Date	15,000	-	30,000 ⁽¹⁾
On or before the first anniversary of Closing Date	20,000	100,000	100,000 ⁽¹⁾
On or before the second anniversary of Closing Date	40,000	200,000	150,000 ⁽¹⁾
On or before the third anniversary of Closing Date	200,000	500,000	200,000 ⁽¹⁾
TOTAL:	275,000	800,000	480,000

(1) Share values will be based on a five-day volume-weighted average price on the Canadian Securities Exchange ("CSE") prior to issuance, or such other price as required by the policies of the CSE.

Brown Lake Project

On October 10, 2024, the Company closed on a mineral property acquisition agreement with Standard Uranium Ltd., pursuant to the acquisition agreement, the Company acquired a 90% interest in the Brown Lake Project located in the Province of Saskatchewan for consideration of 60,000 common shares with a fair value of \$26,400.

Nucleus Project

On May 5, 2025, the Company entered into a Agreement with Golden Mile, the sole shareholder of Nucleus, pursuant to which the Company acquired all of the issued and outstanding common shares of Nucleus. Nucleus is the sole registered and beneficial owner of the Nucleus Project.

The acquisition was completed through the issuance of 9,000,000 common shares with a fair value of \$2,340,000. The transaction was accounted for as an asset acquisition, as Nucleus did not meet the definition of a business under IFRS 3. Total consideration, including transaction costs of \$42,873, amounted to \$2,382,873, which was capitalized and allocated entirely to exploration and evaluation assets in accordance with IFRS 6.

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

6. EXPLORATION AND EVALUATION ASSETS (continued)

Staked Claims

During the periods ended March 31, 2026 and December 31, 2025, the Company acquired by way of staking certain mineral claims:

- i. Mineral claims in the Athabasca Basin in Saskatchewan as further detailed below:
 - **Spur** – staked for \$Nil as at March 31, 2026 (December 31, 2025 - \$5,613)
 - **Spur North** – staked for \$Nil as at March 31, 2026 (December 31, 2025 - \$5,613)
 - **Konigsstuhl** – staked for \$Nil as at March 31, 2026 (December 31, 2025 - \$6,939)
 - **914W** – staked for \$Nil as at March 31, 2026 (December 31, 2024 - \$1,050)
- ii. **Bridal Veil** – The Company staked the Onyx Uranium Project and the Bridal Veil Copper-Silver Project in Newfoundland and Labrador for \$2,665 as at March 31, 2026 (December 31, 2025 - \$325).

Option Agreements

On June 16, 2025, the Company entered into two option agreements with Thunderbird Resources Ltd. ("Thunderbird") to acquire:

- (i) An undivided 80% interest in certain mineral tenements held by Thunderbird in and around Cluff Lake (the "Cluff Lake Project").
- (ii) An undivided 80% interest in certain mineral tenements held by Thunderbird in and around Surprise Creek, Pring Lake, and Ellis Bay/Bob Lake (the "Surprise Creek Project").

Cluff Lake Project

On June 16, 2025, the Company completed a cash payment of \$20,000 and issued 425,531 common shares with fair value of \$73,723 to Thunderbird as initial consideration for the Cluff Lake option agreement.

The cash payments, share issuance and exploration expenditure schedules for the remaining consideration for the Cluff Lake option agreement is as follows:

Interest Earned	Cash payments	Exploration expenditures	Value of shares issued
	\$	\$	\$
For the Company to earn a 60% interest on or before June 3, 2027 ("Stage 1 Cluff Lake Interest")	50,000	1,000,000	-
For the Company to earn a 20% interest on or before the second anniversary of earning the Stage 1 Cluff Lake Interest ("Stage 2 Cluff Lake Interest")	50,000	2,000,000	100,000 ⁽¹⁾
TOTAL:	100,000	3,000,000	100,000

(1) Share value will be determined by the market price at the time of issuance, as determined in accordance with the policies of the CSE.

Upon the Company earning the Stage 2 Cluff Lake Interest, Thunderbird will retain a 2% net smelter return royalty on the Cluff Lake Project in respect of any minerals, mineral products, ore or concentrates produced from the tenements comprising the Surprise Creek Project.

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

6. EXPLORATION AND EVALUATION ASSETS (continued)

Option Agreements (continued)

Surprise Creek Project (continued)

On June 16, 2025, the Company completed a cash payment of \$20,000 and issued 425,531 common shares with fair value of \$73,724 to Thunderbird as initial consideration for the Surprise Creek option agreement.

The cash payments, share issuance and exploration expenditure schedules for the remaining consideration for the Surprise Creek option agreement is as follows:

Interest Earned	Cash payments	Exploration expenditures	Value of shares issued
	\$	\$	\$
For the Company to earn a 51% interest on or before June 3, 2027 ("Stage 1 Surprise Creek Interest")	50,000	1,000,000	-
For the Company to earn a 29% interest on or before the second anniversary of of earning the Stage 1 Surprise Creek Interest ("Stage 2 Surprise Creek Interest")	50,000	2,000,000	100,000 ⁽¹⁾
TOTAL:	100,000	3,000,000	100,000

(1) Share value will be determined by the market price at the time of issuance, as determined in accordance with the policies of the CSE.

Upon the Company earning the Stage 2 Surprise Creek Interest, Thunderbird will retain a 2% net smelter return royalty on the Surprise Creek Project in respect of any minerals, mineral products, ore or concentrates produced from the tenements comprising the Surprise Creek Project.

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

6. EXPLORATION AND EVALUATION ASSETS (continued)

Summary of Exploration and Evaluation Assets

The following table summarizes the cumulative costs capitalized as exploration and evaluation assets as of March 31, 2026 by their nature:

	Brown Lake	Dutton	Yellowstone	Yellowstone East	Wrangler & Yellowstone	Yellowstone Lasso	914W	Spur	Spur North	Konigsstuhl	Surprise Creek	Cluff Lake	Nucleus Project	Bridal Veil	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition costs															
Balance, December 31, 2025	26,400	1,242,870	3,549,269	1	1	1	160,395	5,613	5,613	6,939	98,724	98,723	2,382,873	325	7,577,747
Additions: staking	-	-	-	-	-	-	-	-	-	-	-	-	-	2,665	2,665
Balance, March 31, 2026	26,400	1,242,870	3,549,269	1	1	1	160,395	5,613	5,613	6,939	98,724	98,723	2,382,873	2,990	7,580,412
Exploration costs															
Balance, December 31, 2025	10,917	199,053	287,794	-	-	-	77,238	347,807	10,189	6,233	1,918,454	197,826	650	62,821	3,118,982
Geological consulting	-	-	-	-	-	-	4,746	-	-	-	20,757	-	-	5,778	31,281
Geophysics	-	-	-	-	-	-	-	13,125	-	-	-	-	-	-	13,125
Administrative	-	-	-	-	-	-	2,095	2,095	-	-	2,094	9,423	-	2,094	17,801
Reporting	-	-	-	-	-	-	-	-	-	-	4,161	-	-	-	4,161
Balance, March 31, 2026	10,917	199,053	287,794	-	-	-	84,079	363,027	10,189	6,233	1,945,466	207,249	650	70,693	3,185,350
Adjustment *	-	-	-	-	-	-	-	-	-	-	(113,981)	-	-	-	(113,981)
Carrying amounts															
Balance, December 31, 2025	37,317	1,441,923	3,837,063	1	1	1	237,633	353,420	15,802	13,172	2,017,178	296,549	2,383,523	63,146	10,696,729
Balance, March 31, 2026	37,317	1,441,923	3,837,063	1	1	1	244,474	368,640	15,802	13,172	1,930,209	305,972	2,383,523	73,683	10,651,781

* The adjustment relates to the re-allocation of capitalized exploration costs previously assigned to Surprise Creek. The \$113,981 adjustment corresponds to Spin-out Properties that were impaired during the year ended December 31, 2025.

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

6. EXPLORATION AND EVALUATION ASSETS (continued)

Summary of Exploration and Evaluation Assets

The following table summarizes the cumulative costs capitalized as exploration and evaluation assets as of December 31, 2025 by their nature:

	Ford Lake	Roughrider South	Cigar Lake East	Brown Lake	Dutton	Yellowstone	Yellowstone East	Wrangler	Lasso	914W	Spur	Spur North	Konigsstuhl	Surprise Creek	Cluff Lake	Nucleus Project	Bridal Veil	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Acquisition costs																		
Balance, December 31, 2024	685,000	104,750	212,000	26,400	1,242,870	3,549,269	495,000	-	-	45,938	5,613	5,613	6,939	-	-	-	-	6,379,392
Additions	-	-	-	-	-	-	-	-	-	114,457	-	-	-	98,724	98,723	2,382,873	325	2,695,102
Balance, December 31, 2025	685,000	104,750	212,000	26,400	1,242,870	3,549,269	495,000	-	-	160,395	5,613	5,613	6,939	98,724	98,723	2,382,873	325	9,074,494
Exploration costs																		
Balance, December 31, 2024	48,738	13,719	13,719	1,850	14,328	11,076	1,850	-	-	1,850	5,091	5,091	1,850	-	-	-	-	119,162
Permits and fees	20,348	333	333	4,683	2,846	3,754	-	-	-	21,634	2,739	-	-	42,214	42,215	-	-	141,099
Geological consulting	3,407	7,597	7,596	3,407	13,445	35,579	5,716	3,407	3,407	39,002	11,652	4,121	3,407	183,214	38,922	-	9,910	373,789
Drilling	-	-	-	-	-	-	-	-	-	-	1,181	-	-	398,147	-	-	-	399,328
Geophysics	1,517	137	137	137	146,937	213,436	137	137	137	7,999	291,414	137	136	1,278,664	106,007	-	22,305	2,069,374
Administrative	840	840	840	840	885	650	650	840	840	5,235	10,976	840	840	697	697	650	-	27,160
Reporting	2,000	-	-	-	7,315	21,214	-	-	-	-	634	-	-	12,718	9,985	-	30,606	84,472
Other	-	-	-	-	13,297	2,085	-	-	-	1,518	24,120	-	-	2,800	-	-	-	43,820
Balance, December 31, 2025	76,850	22,626	22,625	10,917	199,053	287,794	8,353	4,384	4,384	77,238	347,807	10,189	6,233	1,918,454	197,826	650	62,821	3,258,204
Assets held for distribution	(217,005)	(66,788)	(36,207)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(320,000)
Impairment	(544,845)	(60,588)	(198,418)	-	-	-	(503,352)	(4,383)	(4,383)	-	-	-	-	-	-	-	-	(1,315,969)
Carrying amounts																		
Balance, December 31, 2024	733,738	118,469	225,719	28,250	1,257,198	3,560,345	496,850	-	-	47,788	10,704	10,704	8,789	-	-	-	-	6,498,554
Balance, December 31, 2025	-	-	-	37,317	1,441,923	3,837,063	1	1	1	237,633	353,420	15,802	13,172	2,017,178	296,549	2,383,523	63,146	10,696,729

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

(Expressed in Canadian dollars - unaudited)

For the Three Months Ended March 31, 2026, and 2025

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2026	December 31, 2025
As at	\$	\$
Accounts payable	229,913	258,443
Accrued liabilities	56,510	53,376
Due to related parties (Note 10)	3,261	34,540
	289,684	346,359

8. FLOW-THROUGH SHARE PREMIUM LIABILITY

For the purpose of calculating any premium related to the issuance of flow-through shares, the Company compares the fair value of its shares to the subscription price of the flow-through shares to determine if there was a premium paid on the flow-through shares. As a result, the Company's flow-through liability on issuance of flow-through shares in connection with private placement is as follows:

	March 31, 2026	December 31, 2025
	\$	\$
Balance, opening	521,922	396,234
Liability incurred on flow-through shares issued	-	519,486
Settlement of flow-through share premium upon incurring qualifying expense	(16,820)	(393,798)
Balance, ending	505,102	521,922

During the three months ended March 31, 2026, the Company incurred a total of \$60,068 (three months ended March 31, 2025 - \$527,031) qualifying flow-through expenditures. The Company derecognized the associated flow-through share premium liability and recognized a deferred income tax recovery of flow-through share premium of \$16,820 for the three months ended March 31, 2026 (three months ended March 31, 2025 - \$72,694).

As at March 31, 2026, the Company is committed to spending approximately \$1,992,036 of qualifying expenditures in connection with its flow-through offerings (December 31, 2025 - \$2,052,104).

9. SHAREHOLDERS' EQUITY

Share capital

Authorized:

Unlimited common shares without par value

As at March 31, 2026, the Company has 96,478,166 (December 31, 2025 – 96,478,166) common shares outstanding.

There were no changes to the Company's share capital during the three months ended March 31, 2026.

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For the Three Months Ended March 31, 2026, and 2025

9. SHAREHOLDERS' EQUITY (continued)

Omnibus Equity Incentive Plan

On May 9, 2024, the Board adopted the Omnibus Equity Incentive Plan (the "2024 Plan"). The 2024 Plan provides flexibility to the Company to grant equity - based incentive awards in the form of options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs"). The 2024 Plan is a rolling plan which, subject to the adjustment provisions provided for therein, provides that the aggregate maximum number of shares that may be issued upon the exercise or settlement of awards granted under the 2024 Plan shall not exceed 10% of the Company's issued and outstanding shares from time to time. The 2024 Plan is considered an "evergreen" plan, since the shares covered by awards that have been exercised, settled or terminated shall be available for subsequent grants under the 2024 Plan and the number of awards available to grant increases as the number of issued and outstanding shares increases.

Restricted Share Units

The following table summarizes the continuity of RSU for the three months ended March 31, 2026:

	Number of RSUs	Weighted average price \$
Balance, December 31, 2025	-	-
Issued	4,000,000	0.08
Balance, March 31, 2026	4,000,000	0.08

During the three months ended March 31, 2026, there were 4,000,000 RSU issued by the Company. The total share-based payments expense for the three months ended March 31, 2026 was \$320,000 for RSUs granted vested during the period (three months ended March 31, 2025 - \$127,102).

Stock options

The following table summarizes the continuity of the Company's stock options:

	Number of stock options outstanding and exercisable	Weighted average exercise price \$
Outstanding, December 31, 2025	7,900,000	0.15
Cancelled/forfeited	(2,850,000)	0.22
Outstanding, March 31, 2026	5,050,000	0.11

During the three months ended March 31, 2026, 2,850,000 stock options were cancelled:

- i. 1,200,000 stock options to officers and directors priced at \$0.30, originally expiring on April 5, 2027.
- ii. 300,000 stock options to a consultant priced at \$0.305, originally expiring on June 23, 2026.
- iii. 300,000 stock options to officer and consultant priced at \$0.26, originally expiring on September 30, 2026.
- iv. 1,050,000 stock options to officers, directors and consultants priced at \$0.10, originally expiring on August 20, 2028.

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9. SHAREHOLDERS' EQUITY (continued)

Stock options (continued)

Additional information regarding stock options outstanding as at March 31, 2026 is as follows:

Number of Options Outstanding and exercisable	Exercise price (\$)	Expiry date
100,000	0.12	August 22, 2028
4,450,000	0.10	August 20, 2028
100,000	0.30	April 5, 2028
200,000	0.26	September 30, 2026
200,000	0.09	December 3, 2028
5,050,000		

The average remaining life of the stock options is 2.31 years as of March 31, 2026.

During the three months ended March 31, 2026, there were no stock option granted by the Company. The total share-based payments expense for the three months ended March 31, 2026, of \$Nil for the vested portion of stock options granted (three months ended March 31, 2024 - \$56,545).

Warrants

There were no changes during the period ended March 31, 2026.

The following table summarizes the continuity of warrants.

	Number of warrants	Exercise price \$
Balance, December 31, 2025 and March 31, 2026	14,535,381	0.21

As at March 31, 2026, the following share purchase warrants were outstanding:

	Exercise price \$	Date of expiry
381,500	0.33	December 16, 2026
329,410	0.33	December 27, 2026
7,404,806	0.21	July 9, 2028
518,336	0.175	July 9, 2028
4,449,840	0.21	July 22, 2028
311,489	0.175	July 22, 2028
1,000,000	0.150	December 31, 2027
140,000	0.150	December 31, 2027
14,535,381		

The average remaining life of the warrants is 2.17 years as at March 31, 2026.

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For the Three Months Ended March 31, 2026, and 2025

10. RELATED PARTY DISCLOSURES

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes directors, executive officers, and entities controlled by such persons.

Transactions

The Company incurred the following compensation with companies controlled by members of management and with directors.

	Three months ended March 31, 2026	Three months ended March 31, 2025
	\$	\$
Management fees to companies controlled by the CEO	41,000	31,500
Management fees to a company controlled by the CFO	29,400	11,025
Management fees to a Company controlled by a director	16,800	12,600
Management fees to a director	6,500	4,500
Share-based compensation - stock options	-	22,618
Total	93,700	82,243

During the three months ended March 31, 2026, the Company granted Nil incentive stock options to officers and directors of the Company (three months ended March 31, 2025 – 200,000). Pursuant to the option grant, the Company recorded total share-based compensation of \$Nil for the three months ended March 31, 2026 for vested stock options granted to a related party (three months ended March 31, 2025 - \$22,618).

Balances

As at March 31, 2026, included in accounts payable and accrued liabilities were \$3,261 of amounts owing to directors and officers of the Company (December 31, 2025 - \$34,540) (Note 7).

11. CAPITAL RISK MANAGEMENT

The Company defines capital as the items included in shareholders' equity. The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern, ensure sufficient capital and liquidity to complete its technology developments, establish commercial markets and pursue its growth strategy.

To support these objectives, the Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to maximize the development efforts, the Company does not pay out dividends during its development stage.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the reporting year.

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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For the Three Months Ended March 31, 2026, and 2025

12. FAIR VALUE AND RISK MANAGEMENT

IFRS 13, Fair Value Measurement, establishes 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 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company measured its cash and cash equivalents, restricted cash, other receivables, share subscription receipts, and accounts payable and accrued liabilities at amortized cost. The carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

Credit risk

Credit risk arises from cash and cash equivalents and restricted cash held with financial institutions as well as credit exposure on outstanding receivables.

The Company's cash is held at high-credit rating financial institutions. The Company's maximum exposure to credit risk is the carrying amounts of cash on its condensed consolidated interim statement of financial position.

Currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no significant assets or liabilities and has no revenue or expenses denominated in a foreign currency; accordingly, it is not exposed to foreign currency risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at March 31, 2026, the Company had a cash and cash equivalents balance and restricted cash of \$216,469 (December 31, 2025 - \$1,786,906) to settle current liabilities of \$794,786 (December 31, 2025 - \$2,118,281). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

Mustang Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements

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For the Three Months Ended March 31, 2026, and 2025

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Other than transactions disclosed elsewhere, there were no significant non-cash investing and financing transactions during the three months ended March 31, 2026, and 2025.

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
	\$	\$
Non-cash investing and financing activities:		
Assets held for distribution	320,000	-
Shares issued for restricted share units transferred from reserves	-	157,500
Exploration and evaluation assets in accounts payable and accrued liabilities	60,442	239,398
Reclassification of prepaid expenses to exploration and evaluation assets	13,125	52,925
Share issue cost in accounts payable and accrued liabilities	-	29,622
Issued finder's fee warrants	-	6,315

14. SPIN-OUT AND DECONSOLIDATION OF ALLIED

On March 27, 2026, the Company completed the Arrangement involving the spin-off of Allied.

Under the Arrangement, the Company transferred its Ford Lake, Roughrider South, and Cigar East mineral properties (the "Spin-out Properties") to Allied in exchange for 6,400,045 common shares of Allied, for an aggregate value of \$320,000.

During the year ended December 31, 2025, the Company assessed the recoverability of the Spin-out Properties and recognized an impairment loss, reducing their carrying amount to \$Nil. Subsequently, the Company reclassified the Spin-out Properties from exploration and evaluation assets to assets held for distribution, and measured these assets at their recoverable amount of \$320,000, based on the expected proceeds from the Arrangement. This resulted in the recognition of an asset held for distribution presented separately on the consolidated statement of financial position as at December 31, 2025 in accordance with IFRS 5.

Upon completion of the Arrangement on March 27, 2026, the Company derecognized the asset held for distribution of \$320,000 through a distribution of 6,400,045 Allied shares distributed to the Company's shareholders on a pro rata basis. As the carrying amount of the asset held for distribution was consistent with the fair value of the shares distributed, no additional gain or loss was recognized on the distribution in accordance with IFRIC 17.

Following completion of the Arrangement, Allied became a separate listed reporting issuer in British Columbia, Alberta, and Ontario and now holds all rights and interests in the SpinCo Properties, and changed its name to Americas Uranium Corp.

As a result of the Arrangement, the Company lost control of Allied on March 27, 2026 and derecognized all assets and liabilities of the subsidiary in accordance with IFRS 10.

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Notes to the Condensed Consolidated Interim Financial Statements

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For the Three Months Ended March 31, 2026, and 2025

14. SPIN-OUT AND DECONSOLIDATION OF ALLIED (continued)

The major classes of assets and liabilities of Allied derecognized are as follows:

Assets		
Restricted cash	\$	1,250,000
Total assets	\$	1,250,000
Liabilities		
Accounts payable and accrued liabilities	\$	70,014
Subscription receipts		1,250,000
Total liabilities	\$	1,320,014
Carrying value of former subsidiary	\$	(70,014)

At the date of deconsolidation, the net liabilities removed from the condensed consolidated interim financial statements were \$70,014.

In addition, the Company recognized loss of \$133,440 in connection with write-off recorded in the Company related to the Spin-out Properties.

Accordingly, the overall net impact of the loss on deconsolidation of Allied resulted in a net loss of \$63,426 recognized the condensed consolidated interim statement of loss and comprehensive loss and calculated as follows:

Write off of spin-out related amounts	\$	133,440
Carrying value of former subsidiary		(70,014)
Loss on deconsolidation of subsidiary	\$	63,426

15. SEGMENTED INFORMATION

The Company currently conducts its operations in Canada, in one business segment, being the exploration of resource properties. The value of the Company's Canadian exploration and evaluation assets as at March 31, 2026 was \$10,651,781 (December 31, 2025 - \$10,696,726).

16. SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the Company had the following transactions:

- a) April 7, 2026, the Company settled 4,000,000 RSUs through the issuance of common shares.
- b) Cancelled stock options:
 - i. 200,000 stock options to officer and consultant priced at \$0.26, originally expiring on September 30, 2026.
 - ii. 4,450,000 stock options to officers, directors and consultants priced at \$0.10, originally expiring on August 20, 2028.
 - iii. 100,000 stock options to a consultant priced at \$0.12, originally expiring on August 22, 2028.
 - iv. 200,000 stock options to a consultant priced at \$0.09, originally expiring on December 3, 2028.

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17. SUBSEQUENT EVENTS (continued)

- c) Amended the agreement with Skyharbour on the 914W Uranium Property such that the Exploration Expenditures on or before the first and second anniversaries are as follows:
 - i. \$80,000 in Exploration Expenditures on or before the first anniversary of the Closing Date;
 - ii. an additional \$220,000 in Exploration Expenditures on or before the second anniversary of the Closing Date.

With no changes to the balance of the agreement.