RIO GRANDE RESOURCES LTD.

Condensed Interim Consolidated Financial Statements

For the period ended January 31, 2026

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

Corporate Head Office
250 – 750 West Pender Street
Vancouver, BC
V6C 2T7

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 condensed 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 Chartered Professional Accountants of Canada for a review of condensed interim financial statements by an entity's auditor.

RIO GRANDE RESOURCES LTD.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	As at January 31, 2026	As at July 31, 2025
ASSETS		
Current		
Cash	$ 570,195	$ 731,610
Commodity tax recoverable	25,443	42,362
Amount receivable (Note 6)	7,170	243,742
Prepaids	71,157	129,134
	673,965	1,146,848
Non-Current		
Exploration and evaluation assets (Note 4)	2,055,706	1,923,027
Total Assets	$ 2,729,671	$ 3,069,875
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 51,451	$ 57,388
Income tax penalty payable (Note 9)	208,578	196,631
Royalty payable (Note 4)	352,087	353,567
	612,116	607,586
Non-Current		
Promissory notes payable (Note 5)	699,089	891,349
Total Liabilities	1,311,205	1,498,935
Shareholders' Equity		
Capital stock (Note 6)	3,498,771	3,059,316
Share based payment reserve (Note 6)	758,903	555,955
Deficit	(2,839,208)	(2,044,331)
Total Shareholders' Equity	1,418,466	1,570,940
Total Liabilities and Shareholders' Equity	$ 2,729,671	$ 3,069,875

Nature and continuance of operations and going concern (Note 1)
Subsequent event (Note 12)

Approved and authorized on behalf of the board of directors on March 30, 2026:

(Signed) *"Ray Strafehl"*
Ray Strafehl, Director

(Signed) *"Jason Barnard"*
Jason Barnard, Director

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

RIO GRANDE RESOURCES LTD.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	For the three months ended January 31, 2026	For the three months ended January 31, 2025	For the six months ended January 31, 2026	For the period from incorporation on July 19, 2024 to January 31, 2025
EXPENSES				
Consulting (Note 7)	$ 85,541	$ -	$ 170,933	$ -
Director fees	3,125	-	6,250	-
Filing and regulatory	14,839	23,206	29,574	23,206
Interest expenses on promissory notes (Note 5)	15,780	-	32,934	-
Interest expenses on income tax penalty (Note 9)	3,776	-	7,554	-
Investor relations	61,464	-	201,534	-
Office and miscellaneous	11,257	683	19,430	683
Professional fees (Note 11)	27,162	704,927	50,882	1,187,927
Share-based compensation – RSU's (Note 6)	143,490	43,926	268,455	43,926
Loss before other item	(366,434)	(772,742)	(787,546)	(1,255,742)
Foreign exchange	11,914	7,241	(7,331)	7,241
Net Loss and Comprehensive Loss for the Period	$ (354,520)	$ (765,501)	$ (794,877)	$ (1,248,501)
Weighted average shares outstanding	44,787,080	1	43,300,139	1
Basic and diluted loss per common share	$ (0.01)	$ -	$ (0.02)	$ -

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

RIO GRANDE RESOURCES LTD.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the period ended January 31, 2026 and 2025
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Share-based payment reserve	Deficit	Total Shareholders' Equity
Balance, July 31, 2024	1	$ -	$ -	$ -	$ -
Shares and warrants issued on Arrangement (Note 10)	25,827,350	2,453,598	145,536	-	2,599,134
Share-based compensation – stock options	-	-	30,700	-	30,700
Share-based compensation – RSU's	-	-	13,226	-	13,226
Net loss and comprehensive loss for the period	-	-	-	(1,248,501)	(1,248,501)
Balance, January 31, 2025	25,827,351	2,453,598	189,462	(1,248,501)	1,394,559
Shares and warrants issued on Arrangement (Note 10)	-	(1,277,994)	-	-	(1,277,994)
Shares issued – private placement	13,328,900	1,332,890	-	-	1,332,890
Shares issuance cost	-	(300)	-	-	(300)
Shares issued – options exercised	108,000	17,903	(4,513)	-	13,390
Shares issued – warrants exercised	3,073,734	512,116	(70,524)	-	441,592
Shares issued – RSU's exercised	292,952	21,103	(21,103)	-	-
Share-based compensation – stock options	-	-	323,400	-	323,400
Share-based compensation – RSU's	-	-	139,233	-	139,233
Net loss and comprehensive loss for the period	-	-	-	(795,830)	(795,830)
Balance, July 31, 2025	42,630,937	3,059,316	555,955	(2,044,331)	1,570,940
Shares issued – options exercised	1,005,554	189,435	(65,031)	-	124,404
Shares issued – warrants exercised	1,262,546	250,020	(476)	-	249,544
Share-based compensation – stock options	-	-	3,757	-	3,757
Share-based compensation – RSU's	-	-	264,698	-	264,698
Net loss and comprehensive loss for the period	-	-	-	(794,877)	(794,877)
Balance, January 31, 2026	44,899,037	$ 3,498,771	$ 758,903	$ (2,839,208)	$ 1,418,466

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

RIO GRANDE RESOURCES LTD.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	For the six months ended January 31, 2026	For the period from incorporation on July 19, 2024 to January 31, 2025
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	$ (794,877)	$ (1,248,501)
Foreign exchange	7,331	-
Interest expenses on promissory notes	32,934	-
Interest expenses on income tax penalty	7,554	-
Promissory note issued for professional fees	-	520,000
Share-based compensation - stock options	3,757	30,700
Share-based compensation - RSUs	264,698	13,226
Changes in non-cash working capital items:		
Amount receivable	236,572	-
Commodity tax recoverable	16,919	-
Prepaids	51,957	-
Accounts payable and accrued liabilities	(5,937)	684,575
Income tax penalty payable	(3,348)	-
Royalty payments	4,950	-
Net cash used in operating activities	(177,490)	-
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation assets	(132,679)	-
Net cash used in investing activities	(132,679)	-
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Exercise of options	124,404	-
Exercise of warrants	249,544	-
Promissory notes (repayment) received	(225,194)	656,450
Net cash provided by financing activities	148,754	656,450
Change in cash during the period	(161,415)	656,450
Cash, beginning of period	731,610	-
Cash, end of period	$ 570,195	$ 656,450
Cash paid for interest	$ 10,852	$ -
Cash paid for tax	$ -	$ -
Non-cash items as at January 31, 2026		
Fair value of options exercised	$ 65,031	$ -
Fair value of warrants exercised	$ 476	$ -
Net assets assumed on Arrangement (Note 9)	$ -	$ 3,172,672

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Rio Grande Resources Ltd. (the "Company" or "Rio Grande") was incorporated by Foremost Clean Energy Ltd. (Formerly Foremost Lithium Resource & Technology Ltd.) ("Foremost") under the laws of British Columbia on July 19, 2024.

On January 31, 2025, as part of the Plan of Arrangement (Note 10), Foremost spun-out its wholly owned subsidiary, Sierra Gold and Silver Ltd. ("Sierra"), and transferred all of its issued and outstanding shares to the Company (Note 10).

On February 7, 2025, the Company began trading on the Canadian Securities Exchange under the trading symbol "RGR". On March 19, 2025, the Company began trading on the OTC Pink Market under the symbol "RGRFL".

The Company is an exploration company focused on the identification and development of mineral assets in the United States of America.

The Company's head office is located at 250 - 750 West Pender Street, Vancouver, BC, V6C 2T7.

Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at January 31, 2026, the Company had a working capital of $61,849 (July 31, 2025 - $539,262) and an accumulated deficit of $2,839,208 (July 31, 2025 - $2,044,331). The Company has financed its operations primarily through share issuances and promissory notes and has not generated revenues from operations. The Company continues to seek capital through various means including the issuance of equity and/or debt. These material uncertainties may cast substantial doubt as to the ability of the Company to continue as a going concern. These condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Any such adjustments may be material.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2. BASIS OF PRESENTATION

a) Basis of measurement

These condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as applicable to interim financial reports, including International Accounting Standard 34, "Interim Financial Reporting". These financial statements should be read in conjunction with the annual financial statements of Company for the year ended July 31, 2025, which have been prepared in accordance with IFRS. The accounting policies adopted are consistent with those of the previous financial year.

The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's and its subsidiary's functional currency.

These condensed interim consolidated financial statements have been authorized for issue by the Board of Directors of the Company on March 30, 2026.

2. BASIS OF PRESENTATION (Continued)

b) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The condensed interim consolidated financial statements present the results of the Company and its subsidiaries as if they were a single entity. All inter-company transactions and balances between the Company and its subsidiaries, or between individual subsidiaries, are therefore excluded and eliminated upon consolidation.

As of January 31, 2026, the condensed interim consolidated financial statements include the financial information of the Company and its subsidiary listed in the following table:

Name of Subsidiary	Country of Incorporation	Ownership Interest at January 31, 2026	Ownership Interest at July 31, 2025	Principal Activity
Sierra Gold and Silver Ltd.	United States	100%	100%	Exploration

3. MATERIAL ACCOUNTING POLICY INFORMATION

Use of estimates and judgments

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting periods. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

Material accounting judgments and critical accounting estimates

Material accounting 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 interim consolidated financial statements include, but are not limited to, the following:

i) Assessment of any indicators of impairment of the carrying value of the Company's exploration and evaluation assets;

ii) The ability of the Company to continue as a going concern.

Foreign currency translation

The functional currency for the Company is the currency of the primary economic environment in which the entity operates. Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in existence at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the period end date exchange rates.

The functional currency of the Company and its subsidiary is the Canadian dollar, which is also the presentation currency of the condensed interim consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset.

The classification of debt instruments is driven by the business model for managing the financial assets, liabilities and their contractual cash flow characteristics. Debt instruments are measured at amortized cost if the business model is to hold the instrument for collection of contractual cash flows and those cash flows are solely principal and interest.

If the business model is not to hold the debt instrument, it is classified as fair value through profit or loss ("FVTPL"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

The Company classifies its financial assets into one of the categories described below, depending on the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition.

Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL, and on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through other comprehensive income ("FVTOCI").

FVTPL - Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. Derivatives are also categorized as FVTPL unless they are designated as hedges.

FVTOCI - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost using the effective interest method if the objective of the business model is to hold the financial asset for the collection of contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or noncurrent assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified at FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred.

The following table shows the classification and measurement of the Company's financial instruments under IFRS 9:

Financial assets/liabilities	Classification and measurement
Cash	at amortized cost
Amounts receivable	at amortized cost
Accounts payable and accrued liabilities	at amortized cost
Royalty payable	at amortized cost
Income tax penalty payable	at amortized cost
Promissory notes payable	at amortized cost

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Financial instruments (Continued)

Financial liabilities other than derivative liabilities are recognized initially at fair value and are subsequently stated at amortized cost. Transaction costs on financial assets and liabilities other than those classified at FVTPL are treated as part of the carrying value of the asset or liability. Transaction costs for assets and liabilities at FVTPL are expensed as incurred.

Mineral properties - exploration and evaluation assets

Pre-exploration costs - Pre-exploration costs are expensed in the year in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration and evaluation of the property are capitalized. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mines under construction”. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of exploration and evaluation assets and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Mineral properties - exploration and evaluation assets (Continued)

Decommissioning obligations

The Company's activities may give rise to dismantling, decommissioning and site disturbance re-mediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established.

Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's long-lived assets, including mineral property interests, are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Derecognition of financial assets and financial liabilities

A financial asset is derecognized when the contractual right to the asset's cash flows expire; or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its obligations are discharged, cancelled or expired.

Share-based payments

The Company grants stock options, Restricted Share Units ("RSUs") and Performance Share Units ("PSU's") to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized in share-based payment reserve over the vesting period. Consideration paid for the shares along with the fair value recorded in share-based payment reserve on the exercise of stock options is credited to capital stock. When vested options are cancelled, forfeited, or are not exercised by the expiry date, the amount previously recognized in share-based payment reserve is transferred to deficit.

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Share-based payments (Continued)

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received. Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Share issue costs

Share issue costs are deferred and charged directly to capital stock on completion of the related financing. If the financing is not completed, share issue costs are charged to operations. Costs directly identifiable with the raising of capital will be charged against the related capital stock.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. Any fair value attributed to the warrants is recorded as reserves.

Allowance for expected credit losses

IFRS 9 Financial instruments introduces an expected credit loss ("ECL") impairment model applicable to all debt instruments within financial assets classified as amortized cost or at fair value through other comprehensive income ("FVTOCI"), as well as certain off-balance sheet loan commitments. The general principle of the ECL model is to reflect the pattern of deterioration or improvement in the credit quality of the associated financial instruments. The calculated allowance is designed to be an unbiased and probability-weighted amount that has been determined by: evaluating possible outcomes; the time value of money; reasonable and supportable information about past events, and current and forecasted economic conditions.

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affects neither accounting nor taxable loss, or differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

Basic and Diluted Earnings (Loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

New accounting standards issued and effective

IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The adoption of this new accounting standard is not expected to have a material impact on the Company's condensed interim consolidated financial statements.

4. EXPLORATION AND EVALUATION ASSETS

During the period ended January 31, 2026 and for the year ended July 31, 2025, the following expenditures were incurred on the exploration and evaluation of the Company's assets:

Winston Property	For the period ended January 31, 2026	For the year ended July 31, 2025
Acquisition costs		
Balance, beginning of period	$ 1,905,608	$ -
Acquired on Arrangement (Note 10)	-	1,889,031
Cash	42,379	-
Royalty payments	16,583	16,577
Balance, end of period	1,964,570	1,905,608
Exploration costs		
Balance, beginning of period	17,419	-
Acquired on Arrangement (Note 10)	-	-
Field costs	73,717	17,419
Balance, end of period	91,136	17,419
Total Balance – End of period	$ 2,055,706	$ 1,923,027

4. EXPLORATION AND EVALUATION ASSETS (Continued)

Winston Property

On January 31, 2025, the Company completed the Arrangement Agreement (Note 10), which included the Winston Property.

In October 2014, Sierra entered into an option agreement with Redline Minerals Inc. and its US subsidiaries (collectively, the "Optionors") to acquire up to an 80% interest in 102 unpatented lode mining claims in the Winston Property, in addition to the four Little Granite Gold Claims ("Little Granite") and Ivanhoe and Emporia claims ("Ivanhoe/Emporia"). In April 2017, Sierra entered into a definitive purchase agreement with the Optionors to acquire all of the Optionors' rights, title and interest in and to the Winston Property. The terms of this agreement closed on May 17, 2017, thereby extinguishing any remaining obligations to Redline Minerals Inc. and its US subsidiaries. Prior to closing, for total consideration of Little Granite and Ivanhoe/Emporia, Foremost paid the Optionors $240,000 on behalf of Sierra and Foremost issued 88,000 common shares on behalf of Sierra (valued at $341,500). Prior to January 31, 2025, Sierra staked additional claims, resulting in an aggregate total of 147 lode mining claims and 2 patented claims.

Ivanhoe/Emporia claims

In accordance with the terms and conditions of the underlying Ivanhoe/Emporia purchase agreement, the Optionors agreed to sell and convey the Ivanhoe/Emporia Claims for the purchase price of US$500,000 of which US$361,375 remained owing to the Robert Howe Educational Trust ("RHET") upon closing on May 17, 2017. Sierra agreed to pay RHET a monthly royalty equal to the greater of the Minimum Monthly Royalty or Production Royalty determined in accordance with the following table:

Monthly Average Silver Price/Oz	Minimum Monthly Royalty	Production Royalty %
Less than US$5.00	US$125	3%
US$5.00 ~ US$6.99	US$250	4%
US$7.00 ~ US$8.99	US$500	5%
US$9.00 ~ US$10.99	US$1,000	6%
US$11.00 ~ US$14.99	US$1,500	7%
US$15 or greater	US$2,000	8%

All royalty payments made to RHET under the Minimum Monthly Royalty or Production Royalty of the agreement will be credited against the purchase price. Sierra received an irrevocable waiver, effective September 30, 2024, whereby the accrued minimum monthly royalty payments outstanding as of January 31, 2026 of $352,087 (US$259,925) could not be enforced for repayment for a period of eighteen months provided that Sierra continues to make ongoing monthly payments of US$1,400. Only the permanent production royalty of 2% of NSR on all ore mined on the Ivanhoe and Emporia lode claims, will remain as an encumbrance after the property has been purchased.

Little Granite Claims

In accordance with the terms and conditions of the underlying Little Granite purchase agreement, the Optionors agreed to sell and convey the Little Granite property to Sierra for the purchase price of US$500,000 of which US$434,000 remained owing to Silver Rose Corporation ("Silver Rose") upon closing on May 17, 2017. During the year ended March 31, 2024, Sierra negotiated a final cash payment US$75,000 to exercise the option through the issuance of a non-interest-bearing promissory note. US$25,000 was repaid by Foremost during the year ended March 31, 2024. As at March 31, 2023, $67,717 (US$50,000) remained payable. The promissory note was due on October 15, 2023, and the remaining US$50,000 was paid by Foremost on behalf of Sierra during the year ended March 31, 2024. Prior to closing on the revised final cash payment, the Company had paid a total of US$111,000 to Silver Rose towards the purchase. The Little Granite Property was acquired for an aggregate cash consideration of US$186,000, versus aggregate consideration of US$434,000 under the original terms. There are no encumbrances on the 4 unpatented Little Granite lode claims.

5. PROMMISORY NOTES PAYABLE

As a condition of the completion of the Arrangement (Note 10), the Company:

i) issued a $677,450 promissory note to a related party, namely Jason Barnard (CEO) and Christina Barnard (VP of Operation), due for payment on or before November 5, 2027. The promissory note will bear interest of 8.95% per annum, starting 4 months from January 31, 2025. The full amount of the promissory note must be settled by the Company using funds from its first and, as necessary, subsequent financing(s) following January 31, 2025. The promissory note is secured by a general security agreement.

The Company incurred $20,155 (July 31, 2025 - $9,479) in interest and made principal payments of $170,066 (July 31, 2025 - $114,412) to the loan during the period ended January 31, 2026.

ii) issued a $520,000 promissory note to Foremost, due for repayment on or before November 5, 2027. The promissory note bear interests at 8.95% per annum, starting 4 months from January 31, 2025. The promissory note is unsecured.

The Company incurred $12,779 (July 31, 2025 - $6,613) in interest expense and made principal payments of $55,128 (July 31, 2025 - $207,780) to the loan during the period ended January 31, 2026.

Promissory notes payable for the period ended January 31, 2026 and the year ended July 31, 2025 and are summarized as follows:

Balance on July 31, 2024	**$**	**-**
Addition		1,197,450
Interest		16,092
Payments		(322,193)
Balance on July 31, 2025		**891,349**
Interest		32,934
Payments		(225,194)
Balance on January 31, 2026	**$**	**699,089**

6. CAPITAL STOCK

Authorized capital stock

The Company has authorized an unlimited number of common shares with no par value. As at January 31, 2026, the Company had 44,899,037 common shares issued an outstanding.

Issued capital stock

During the period ended January 31, 2026, the Company:

i) issued 1,005,554 shares upon the exercise of stock options for gross proceed of $124,404, and as a result, the Company reallocated $65,031 from share-based payment reserve to capital stock.

ii) issued 1,262,546 shares upon the exercise of warrants for gross proceed of $249,544, and as a result, the Company reallocated $476 from warrant reserve to capital stock.

6. CAPITAL STOCK (Continued)

During the year ended July 31, 2025, the Company:

i) issued 25,827,350 shares valued at $1,175,604, and 9,281,236 warrants valued at $145,536 totaling $1,321,140 as part of the Arrangement (Note 10).

ii) issued 292,952 shares upon the exercise of RSUs, and as a result, the Company reallocated $21,103 from share-based payment reserve to capital stock.

iii) issued 3,073,734 shares upon the exercise of warrants for gross proceed of $441,592, and as a result, the Company reallocated $70,524 from warrant reserve to capital stock. Pursuant to the Arrangement, the proceeds were collected by Foremost, less $197,850 as agreed as part of the settlement of the promissory note using 15% of its funds from its subsequent financing(s) following completion of the Arrangement. As of July 31, 2025, the remaining amount to be collected was $243,742.

iv) issued 108,000 shares upon the exercise of stock options for gross proceed of $13,390, and as a result, the Company reallocated $4,513 from share-based payment reserve to capital stock.

v) closed a non-brokered, full subscribed private placement by issuing an aggregate of 13,328,900 units of the Company at a price of $0.10 per unit for gross proceeds of $1,332,890. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one additional share of the Company at a price of $0.20 per share and expire on June 6, 2027.

The Company paid $300 in finder's fees pursuant to the private placement.

Stock options

During the period ended January 31, 2026, the Company:

i) granted 30,000 stock options exercisable at $0.42 until November 12, 2028 to consultants. They are fair valued at $8,500.

During the year ended July 31, 2025, the Company:

i) granted 944,018 stock options exercisable at $0.134 to $0.754 until March 8, 2025 to November 15, 2029 upon completion of the arrangement (Note 10). They are fair valued at $42,500.

ii) granted 20,000 stock options exercisable at $0.065 until February 26, 2027 to an officer and consultants. They are fair valued at $800.

iii) granted 800,000 stock options exercisable at $0.065 until February 26, 2030 to an investor relation consultant. They are fair valued at $44,100.

iv) granted 50,000 stock options exercisable at $0.07 until March 14, 2028 to a consultant. They are fair valued at $2,500.

v) granted 20,000 stock options exercisable at $0.085 until May 12, 2028 to a consultant. They are fair valued at $1,200.

vi) granted 1,200,000 stock options exercisable at $0.35 until July 16, 2027 to an officer and consultants. They are fair valued at $263,000.

6. CAPITAL STOCK (Continued)

Stock options (continued)

The fair value of stock options granted was calculated using the Black-Scholes option pricing model with the following weighted average assumptions.

	For the period ended January 31, 2026	For the year ended July 31, 2025
Fair value per option	$ 0.40	$ 0.15
Exercise price	$ 0.42	$ 0.23
Expected life (years)	3.00	3.18
Interest rate	2.44%	2.76%
Annualized volatility	123%	124%
Dividend yield	0.00%	0.00%

Stock option transactions for the period ended January 31, 2026 are summarized as follows:

Expiry Date	Exercise Price	Balance July 31, 2025	Granted	Exercised	Forfeited / Expired	Balance January 31, 2026	Exercisable
November 20, 2025	$ 0.18	12,000	-	-	(12,000)	-	-
December 13, 2025	$ 0.42	16,000	-	-	(16,000)	-	-
September 6, 2026	$ 0.29	20,000	-	-	-	20,000	20,000
July 16, 2027	$ 0.35	1,200,000	-	(61,812)	-	1,138,188	1,138,188
November 15, 2027	$ 0.12	20,000	-	-	-	20,000	20,000
March 14, 2028	$ 0.07	50,000	-	-	(50,000)	-	-
May 12, 2028	$ 0.085	20,000	-	-	(20,000)	-	-
September 6, 2028	$ 0.29	80,000	-	(80,000)	-	-	-
November 12, 2028	$ 0.42	-	30,000	-	-	30,000	-
February 15, 2029	$ 0.29	40,000	-	-	-	40,000	40,000
April 1, 2029	$ 0.12	63,742	-	(63,742)	-	-	-
February 26, 2030	USD$0.065	800,000	-	(800,000)	-	-	-
Total		**2,321,742**	**30,000**	**(1,005,554)**	**(98,000)**	**1,248,188**	**1,218,188**
Weighted average exercise price		**$ 0.23**	**$ 0.42**	**$ 0.12**	**$ 0.14**	**$ 0.35**	**$ 0.34**

As at January 31, 2026, the stock options outstanding had a weighted average remaining contractual life of 1.52 years (July 31, 2025 – 2.96 years).

6. CAPITAL STOCK (Continued)

Stock options (continued)

Stock option transactions for the year ended July 31, 2025 are summarized as follows:

Expiry Date	Exercise Price	Balance July 19, 2024 and July 31, 2024	Granted	Exercised	Forfeited / Expired	Balance July 31, 2025	Exercisable
March 8, 2025	$ 0.69	-	8,000	-	(8,000)	-	-
September 2, 2025	$ 0.57	-	40,000	-	(40,000)	-	-
September 6, 2025	$ 0.61	-	16,000	-	(16,000)	-	-
November 20, 2025	$ 0.18	-	12,000	-	-	12,000	12,000
December 2, 2025	$ 0.40	-	84,000	-	(84,000)	-	-
December 13, 2025	$ 0.42	-	42,000	-	(26,000)	16,000	16,000
March 26, 2026	$ 0.15	-	40,000	(40,000)	-	-	-
August 25, 2026	$ 0.25	-	35,000	-	(35,000)	-	-
September 6, 2026	$ 0.29	-	65,000	-	(45,000)	20,000	20,000
November 1, 2026	$ 0.33	-	20,000	-	(20,000)	-	-
December 4, 2026	$ 0.24	-	40,000	-	(40,000)	-	-
February 26, 2027	$ 0.065	-	20,000	(14,000)	(6,000)	-	-
July 16, 2027	$ 0.35	-	1,200,000	-	-	1,200,000	1,200,000
November 15, 2027	$ 0.12	-	110,000	(40,000)	(50,000)	20,000	20,000
March 14, 2028	$ 0.07	-	50,000	-	-	50,000	50,000
May 12, 2028	$ 0.085	-	20,000	-	-	20,000	20,000
September 6, 2028	$ 0.29	-	80,000	-	-	80,000	80,000
February 15, 2029	$ 0.29	-	40,000	-	-	40,000	40,000
April 1, 2029	$ 0.12	-	166,388	-	(102,646)	63,742	63,742
July 23, 2029	$ 0.17	-	72,000	-	(72,000)	-	-
November 15, 2029	$ 0.12	-	73,630	(14,000)	(59,630)	-	-
February 26, 2030	USD$0.065	-	800,000	-	-	800,000	800,000
Total		**-**	**3,034,018**	**(108,000)**	**(604,276)**	**2,321,742**	**2,321,742**
Weighted average exercise price		**$ -**	**$ 0.23**	**$ 0.12**	**$ 0.26**	**$ 0.23**	**$ 0.23**

Restricted Share Units

The terms and conditions of vesting of each granted are determined by the Board at the time of the grant in accordance with the Company's Stock Incentive Plan. The Company uses the fair value method to recognize the obligation and compensation expense associated with the restricted share units ("RSUs"). The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU, the carrying amount is recorded as an increase in common share capital.

On January 31, 2025, upon completion of the Arrangement Agreement (Note 10), the Company issued 444,982 RSU's. The RSU's are fair valued at $42,273 based on the stock price of $0.095 at the date of grant. The Company has recorded $29,896 relating to the vested portion of the RSUs.

6. CAPITAL STOCK (Continued)

Restricted Share Units (Continued)

The fair value of each RSU is recorded as share-based payments over the vesting period. These RSUs will vest as follows:

- 158,634 RSUs vested immediately.
- 96,276 RSUs – 80,552 vest on April 1, 2025 and 15,724 vested immediately upon the resignation of a director.
- 179,348 RSUs vest equally over a three-year period starting on April 1, 2025.
- 10,724 RSUs vest on November 15, 2025.

On April 4, 2025, the Company issued 833,333 RSU's. The RSU's are fair valued at $50,000, based on the Company's stock price of $0.06 at the date of grant. The RSUs vest on April 4, 2026. The Company has recorded $16,164 relating to the vested portion of the RSUs. On June 17, 2025, the Company decided to vest 416,667 RSUs and recorded $16,918 relating to the additional vested portion of the RSUs. During the period ended January 31, 2026, the Company has recorded $12,603 (July 31, 2025 - $33,082) relating to the vested portion of the RSUs.

On June 17, 2025, the Company issued 946,588 RSU's. The RSU's are fair valued at $340,772, based on the Rio stock price of $0.36 at the date of grant. 75,000 RSUs vested on grant, the remaining 871,588 RSUs will vest on February 1, 2026. During the period ended January 31, 2026, the Company has recorded $249,931 (July 31, 2025 - $89,481) relating to the vested portion of the RSUs.

On August 25, 2025, the Company granted 10,000 RSU's to a consultant. The RSU's are scheduled to vest on August 25, 2026, but were cancelled subsequently prior to vesting.

On November 12, 2025, the Company issued 25,000 RSU's. The RSU's are fair valued at $9,875, based on the Rio stock price of $0.395 at the date of grant. The RSUs will vest on November 12, 2026. During the period ended January 31, 2026, the Company has recorded $2,164 (July 31, 2025 - $Nil) relating to the vested portion of the RSUs.

Restricted share unit transactions for the period ended January 31, 2026, are summarized as follows:

Grant Date	Balance July 31, 2025	Granted	Exercised	Forfeited / Expired	Balance January 31, 2026	Exercisable
January 31, 2025	130,290	-	-	-	130,290	-
April 4, 2025 [(i)]	833,333	-	-	-	833,333	416,667
June 17, 2025[(ii)]	946,588	-	-	-	946,588	75,000
November 12, 2025	-	25,000	-	-	25,000	-
Total	**1,910,211**	-	-	-	**1,935,211**	**491,667**

[(i)] 416,667 RSUs subsequently exercised
[(ii)] 35,000 RSUs subsequently exercised

6. CAPITAL STOCK (Continued)

Restricted Share Units (Continued)

Restricted share unit transactions for the year ended to July 31, 2025, are summarized as follows:

Grant Date	Balance July 19, 2024 and July 31, 2024	Granted	Exercised	Forfeited / Expired	Balance July 31, 2025	Exercisable
January 31, 2025	-	444,982	(292,952)	(21,740)	130,290	-
April 4, 2025	-	833,333	-	-	833,333	-
June 17, 2025	-	946,588	-	-	946,588	75,000
Total	**-**	**2,224,903**	**(292,952)**	**(21,740)**	**1,910,211**	**75,000**

Warrants

As part of the Arrangement Agreement (Note 10), the Company will be obligated to issue up to 9,281,236 shares of the Company, assuming the full exercise of Foremost Warrants (Note 10) with a weighted average exercise price of $0.05 per warrant

A continuity of the warrants for the period ended January 31, 2026, are summarized as follows:

Expiry Date	Exercise Price	Balance July 31, 2025	Granted	Exercised	Forfeited / Expired	Balance January 31, 2026
March 13, 2026*	$ 0.1792	14,706	-	-	-	14,706
March 13, 2026*	$ 0.1524	6,548	-	-	-	6,548
April 29, 2026	$ 0.1524	102	-	-	-	102
November 14, 2026	$ 0.1792	4,473,600	-	(40,000)	-	4,433,600
November 14, 2026	$ 0.1344	32,546	-	(32,546)	-	-
August 21, 2028	$ 0.4057	80,000	-	-	-	80,000
August 24, 2028	$ 0.4057	1,600,000	-	-	-	1,600,000
June 6, 2027	$ 0.2000	13,328,900	-	(1,190,000)	-	12,138,900
		19,536,402	-	(1,262,546)	-	18,273,856
Weighted average exercise price		$ 0.21	$ -	$ 0.20	$ -	$ 0.21

* subsequently expired

As at January 31, 2026, the warrants outstanding had a weighted average remaining contractual life of 1.32 (July 31, 2025 – 1.82) years.

6. CAPITAL STOCK (Continued)

Warrants (Continued)

A continuity of the warrants for the year ended July 31, 2025, are summarized as follows:

Expiry Date	Exercise Price	Balance July 19, 2024 and July 31, 2024	Granted	Exercised	Forfeited / Expired	Balance July 31, 2025
March 13, 2026	$ 0.1792	-	683,184	(668,478)	-	14,706
March 13, 2026	$ 0.1524	-	6,548	-	-	6,548
April 29, 2026	$ 0.1524	-	494,942	(494,942)	-	-
April 29, 2026	$ 0.1524	-	102	-	-	102
November 14, 2026	$ 0.1792	-	6,091,000	(1,617,400)	-	4,473,600
November 14, 2026	$ 0.1344	-	325,460	(292,914)	-	32,546
August 21, 2028	$ 0.4057	-	80,000	-	-	80,000
August 24, 2028	$ 0.4057	-	1,600,000	-	-	1,600,000
June 6, 2027	$ 0.2000	-	13,328,900	-	-	13,328,900
			22,610,136	(3,073,734)	-	19,536,402
Weighted average exercise price		$ -	$ 0.21	$ 0.17	$ -	$ 0.21

7. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and companies controlled by them. The remuneration that was paid or accrued to the directors and other members of key management personnel during the period ended to January 31, 2026 and 2025 was as follows:

	Director fees	Consulting fees	Share-based payments - RSUs	Total
Period ended January 31, 2026				
Current directors, officers and companies controlled by them	$ 6,250	$ 127,375	$ 124,597[(i)]	$ 258,222

[(i)] 911,588 RSUs were granted to officers, directors, former officers and former directors, of which the vested portion recorded in the share-based compensation – RSUs of $124,597.

The amounts due to/from related parties included in accounts receivable, and accounts payable and accrued liabilities, are unsecured, non-interest bearing, and have no specific terms of repayment, and are as follows:

	January 31, 2026	July 31 2025
Current directors, officers and companies controlled by them	$ 8,000	$ -

Additionally, please refer to Note 5 on the long-term related party promissory note payable.

8. FINANCIAL RISK MANAGEMENT

Capital management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of equity (i.e., capital stock and deficit).

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares. The Company is not exposed to any externally imposed capital requirements.

Fair value

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

Level 1 - Unadjusted quoted prices in active markets for identical assets and liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

The carrying value of cash, amounts receivable, accounts payable and accrued liabilities, royalty payable, promissory notes payable, and income tax penalty payable approximate their fair value because of the short-term nature of these instruments.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consists primarily of royalty payable and income tax penalty payable.

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 January 31, 2026, the Company had current liabilities of $612,116. The Company is exposed to liquidity risk and is dependent on obtaining loans or financings in order to continue as a going concern. Despite previous success in acquiring these loans, there is no guarantee of obtaining future loans.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk
The Company has income tax penalties payable that accrues interest. The Company's liabilities do not have significant exposure to interest rate risk.

8. FINANCIAL RISK MANAGEMENT (Continued)

Fair value (Continued)

Foreign currency risk
The Company is exposed to foreign currency risk on fluctuations related to income tax penalty payable and royalty payable. A 10% change in the USD/CAD foreign exchange rate would result in a $41,000 foreign exchange gain or loss. The Company has not hedged its exposure to currency fluctuations.

Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

9. INCOME TAXES

The Company has income tax penalties payable due to the late filing of corporate tax returns. Interest on unpaid penalties accrues at 8% per annum. As at January 31, 2026, the Company incurred income tax penalties for late filing and recorded $208,578 (July 31, 2025 - $196,631) as the income tax penalties payable.

10. PLAN OF ARRANGEMENT AGREEMENT (SPIN-OUT)

On July 29, 2024, the Company entered into an Arrangement Agreement with Foremost Clean Energy Ltd. ("Foremost"), which was amended and restated on November 4, 2024, (the "Arrangement"). The purpose of the Arrangement was to reorganize Foremost's interest in Sierra by distributing Sierra to the shareholders of Foremost through the Company.

On January 31, 2025, Foremost transferred all of the issued and outstanding shares of Sierra to the Company. In connection with the transfer, the Company issued 25,827,350 common shares and 9,281,236 warrants to Foremost. The Rio Grande common shares and warrants were issued in proportion to the number of Foremost common shares and warrants outstanding as at the effective date of the Arrangement.

Following the issuance of shares and warrants by the Company, Foremost distributed the Rio Grande shares and warrants it received to its shareholders. As a result, Foremost's shareholders gave up their indirect ownership interest in Sierra in exchange for common shares and warrants of the Company. Upon completion of the Arrangement, the Company became the sole shareholder of Sierra, while Foremost's shareholders collectively exchanged their indirect interest in Sierra for an equivalent ownership in Rio Grande through the receipt of common shares and warrants.

The net assets of Sierra acquired by the Company were recorded at their historical carrying amounts as reflected in Sierra's books immediately prior to the Arrangement. The assets and liabilities recognized by the Company on January 31, 2025 were as follows:

- Exploration and evaluation assets: $1,889,031
- Royalty payable: ($366,075)
- Income tax penalty payable: ($201,816)

The total net assets of Sierra recognized by the Company amounted to $1,321,140, reflecting the historical carrying values of the acquired assets and liabilities and forming the basis for the Company's initial share capital and warrant recording under the historical cost accounting approach.

10. PLAN OF ARRANGEMENT AGREEMENT (SPIN-OUT) (Continued)

As a condition to the completion of the arrangement, the Company:

i) issued a $677,450 promissory note of the Company (Note 5) to a related party, namely Jason Barnard and Christina Barnard, due for payment on or before November 5, 2027. The Company's promissory note bears interest of 8.95% per annum, starting four (4) months from the effective date of the Arrangement (the "Effective Date"). The full amount of the Company's promissory note must be settled by the Company using funds from its first and, as necessary, subsequent financing(s) following completion of the arrangement. The Company's promissory note is secured by a general security agreement.

ii) issued a $520,000 promissory note (the "Foremost Promissory Note") (Note 5), due for repayment on or before November 5, 2027. The Foremost Promissory Note bears interest of 8.95% per annum, starting four (4) months from the Effective Date. The Foremost Promissory Note is unsecured. The full amount of the Foremost Promissory Note must be settled by the Company using 15% of its funds from its first and, as necessary, subsequent financing(s) following completion of the Arrangement.

Pursuant to the terms of the arrangement, Foremost (i) transferred to the Company the right to collect receivables in respect of all amounts outstanding from Sierra to Foremost as at the effective date (January 31, 2025) and (ii) assigned and transferred to the Company all of the issued and outstanding common shares in the capital of Sierra in consideration for the Company issuing to Foremost such number of the Company's shares as is equal to the quotient obtained by dividing by 0.8005 the product obtained by multiplying the number of Foremost Shares issued and outstanding immediately prior to the effective time on the effective date (the "Effective Time") by two (2), being 25,827,350 shares.

Notwithstanding Foremost's equity incentive plan (the "Foremost Incentive Plan"), each stock option of Foremost (the "Foremost Options") entitling the holder there of to acquire one (1) Foremost Share outstanding immediately prior to the Effective Date shall be simultaneously surrendered and transferred by the holder thereof to Foremost (free and clear of any encumbrances) in the following portions and such portions shall be exchanged for, as the sole consideration therefor the following consideration:

i) 0.9136 of each Foremost Option held immediately prior to the Effective Time shall be transferred and exchanged for one (1) Foremost Replacement Option to acquire one (1) Foremost Share issued in connection with the Arrangement (the "New Foremost Shares") having an exercise price (rounded up to the nearest cent) equal to the product of the exercise price of the Foremost Option so exchanged immediately before the exchange of such Foremost Option multiplied by the fair market value of a Foremost Share determined immediately prior to this divided by the total fair market value of a new Foremost Share and the fair market value of two (2) shares of the Company determined immediately prior to the Effective Time; and

ii) 0.0864 of each Foremost Option held immediately prior to the Effective Time shall be transferred and exchanged for two options of the Company, with each whole Company option entitling the holder thereof to acquire one (1) share of the Company having an exercise price (rounded up to the nearest cent) equal to the product of the exercise price of the Foremost Option so exchanged immediately before the exchange of such Foremost Option multiplied by the fair market value of a share of the Company determined immediately prior to this divided by the total of the fair market value of a new Foremost Share and the fair market value of two (2) shares of the Company at the Effective Time.

10. PLAN OF ARRANGEMENT AGREEMENT (SPIN-OUT) (Continued)

Notwithstanding the Foremost Incentive Plan, each restricted share unit of Foremost (each a "Foremost RSU") to acquire one (1) Foremost Share outstanding as at the Effective Time shall be deemed to be, simultaneously surrendered and transferred by the holder thereof to Foremost (free and clear of any encumbrances) in the following portions and such portions shall be exchanged for, as the sole consideration therefor the following consideration:

i) 0.9136 of each Foremost RSU immediately prior to the Effective Time shall be transferred and exchanged for one (1) Foremost Replacement RSU to acquire such number of New Foremost Shares and on such vesting and other conditions as set forth in the applicable award agreement in respect of such Foremost RSU; and

ii) 0.0864 of each Foremost RSU held immediately prior to the Effective Time shall be transferred and exchanged for two (2) restricted share units of the Company to acquire such number of shares of the Company and on such vesting and other conditions as set forth in the applicable award agreement in respect of such Foremost RSU.

Concurrently with the exchange of the Foremost Options and Foremost RSU's, each share purchase warrant of Foremost (each a "Foremost Warrant") amended to entitle the holder thereof to receive, upon due exercise thereof, for the exercise price immediately prior to the Effective Time:

i) one (1) New Foremost Share for each Foremost Share that was issuable upon due exercise of the Foremost Warrant immediately prior to the Effective Time; and

ii) two (2) shares of the Company for each Foremost Share that was issuable upon due exercise of the Foremost Warrant immediately prior to the Effective Time,

Additionally, Foremost and the Company have acknowledged and agreed that:

i) the Company shall forthwith upon receipt of written notice from Foremost from time to time issue, as directed by Foremost, that number of shares of the Company as may be required to satisfy the foregoing;

ii) Foremost shall, as agent for the Company, collect and pay to the Company an amount for each two (2) shares of the Company so issued that is equal to the exercise price under the Foremost Warrant multiplied by the fair market value of two (2) shares of the Company at the Effective Time divided by the total fair market value of a Foremost Share and two (2) shares of the Company at the Effective Time; and

iii) the terms and conditions applicable to the Foremost Warrants, immediately after the Effective Time, will otherwise remain unchanged from the terms and conditions of the Foremost Warrants as they exist immediately before the Effective Time.

11. PROFESSIONAL FEES

	For the period ended January 31, 2026	For the period from incorporation on July 19, 2024 to January 31, 2025 2025
Audit and accounting	$ 45,420	$ 22,121
Legal	4,278	645,806
Professional fees	1,184	520,000
	$ 50,882	$ 1,187,927

12. SUBSEQUENT EVENT

Subsequent to January 31, 2026, the Company issued 451,667 common shares pursuant to the exercise of RSUs.