



XPLORE RESOURCES CORP.

Consolidated Financial Statements

For the Years Ended June 30, 2026 and 2025

(Expressed in Canadian Dollars)

XPLORE RESOURCES CORP.

June 30, 2026 and 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Xplore Resources Corp.:

Opinion

We have audited the consolidated financial statements of Xplore Resources Corp. and its subsidiary (together the "Company"), which comprise the consolidated statements of financial position as at June 30, 2026 and 2025, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which describes conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<i>Assessment of the existence of impairment indicators for exploration and evaluation assets</i>	
Refer to note 7	Our approach to addressing the matter involved the following procedures, among others:
As at June 30, 2026, the carrying amount of the Company's exploration and evaluation assets was \$1,785,165. At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any of the following indicators: (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or, (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. No impairment indicators were identified by management as at June 30, 2026. We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of impairment indicators related to the exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.	Evaluating the judgments made by management in determining the impairment indicators, which included the following: • Obtained, for a sample of claims by reference to the government registry, evidence to support (i) the right to explore the area and (ii) claim expiration dates . • Reviewed documentation evidencing the Company's the continued and planned exploration expenditures. • Assessed whether available data indicates the potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Doris Yingying Cen.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
September 17, 2026

XPLORE RESOURCES CORP.

Consolidated Statements of Financial Position

As at June 30,

(Expressed in Canadian Dollars)

	2026	2025
Assets		
Current Assets		
Cash	\$ 108,856	\$ 3,876
Other receivables	26,619	29,505
Prepaid expenses	6,364	136,775
Exploration and evaluation deposits (notes 7 and 8)	-	397,950
	141,839	568,106
Non-current Assets		
Exploration and evaluation assets (notes 7 and 8)	1,785,165	1,515,913
Total Assets	\$ 1,927,004	\$ 2,084,019
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities (note 8)	\$ 697,876	\$ 464,332
Total Liabilities	697,876	464,332
Shareholders' Equity		
Common shares (note 9)	6,082,491	6,082,491
Share-based payments reserve (note 10)	200,505	249,276
Deficit	(5,053,868)	(4,712,080)
Total Equity	1,229,128	1,619,687
Total Liabilities and Shareholders' Equity	\$ 1,927,004	\$ 2,084,019

Going Concern (note 2)

Approved on behalf of the board:

<i>"Devin Pickell"</i>	<i>"Richard Boulay"</i>
..... Director	 Director
Devin Pickell	Richard Boulay

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

XPLORE RESOURCES CORP.

Consolidated Statements of Loss and Comprehensive Loss

For the Years Ended June 30,

(Expressed in Canadian Dollars, except for number of shares)

	2026	2025
Expenses		
Consulting fees (note 8)	\$ 125,000	\$ 401,500
Impairment of exploration and evaluation assets (note 7)	-	629,728
Occupancy costs (note 8)	41,000	48,000
Office and general	46,404	50,781
Professional fees (note 8)	103,994	142,595
Shareholder communication and promotion	63,544	114,789
Transfer agent and filing fees	11,554	13,640
	(391,496)	(1,401,033)
Other Item		
Interest income	937	1,125
Loss and Comprehensive Loss for the Year	\$ (390,559)	\$ (1,399,908)
Basic and Diluted Loss Per Share	\$ (0.01)	\$ (0.03)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted	52,601,505	52,299,478

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

XPLORE RESOURCES CORP.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars, except for number of shares)

	Common Shares		Share-based Payments Reserve	Deficit	Total
	Number of Shares	Amount			
Balance, June 30, 2024	52,071,505	\$ 6,066,591	\$ 274,299	\$ (3,337,195)	\$ 3,003,695
Shares issued for exploration and evaluation assets	530,000	15,900	-	-	15,900
Warrants expired	-	-	(25,023)	25,023	-
Loss and comprehensive loss for the year	-	-	-	(1,399,908)	(1,399,908)
Balance, June 30, 2025	52,601,505	6,082,491	249,276	(4,712,080)	1,619,687
Options expired	-	-	(48,771)	48,771	-
Loss and comprehensive loss for the year	-	-	-	(390,559)	(390,559)
Balance, June 30, 2026	52,601,505	\$ 6,082,491	\$ 200,505	\$ (5,053,868)	\$ 1,229,128

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

XPLORE RESOURCES CORP.

Consolidated Statements of Cash Flows

For the Years Ended June 30,

(Expressed in Canadian Dollars)

	2026	2025
Operating Activities		
Loss for the year	\$ (390,559)	\$ (1,399,908)
Item not affecting cash		
Impairment of exploration and evaluation assets	-	629,728
Changes in non-cash working capital		
Other receivables	2,886	62,419
Prepaid expenses	130,411	96,345
Accounts payable and accrued liabilities	129,758	266,435
Cash Used in Operating Activities	(127,504)	(344,981)
Investing Activities		
Exploration and evaluation asset expenditures	(272,345)	(393,918)
Exploration and evaluation deposits refunded	397,950	335,000
Exploration and evaluation deposits paid	-	(110,000)
Mining tax credits received	106,879	82,154
Cash Provided by (Used in) Investing Activities	232,484	(86,764)
Inflow (Outflow) of Cash	104,980	(431,745)
Cash, Beginning of Year	3,876	435,621
Cash, End of Year	\$ 108,856	\$ 3,876
Supplemental Disclosure with Respect to Cash Flows		
Income taxes paid	\$ -	\$ -
Interest received (paid)	\$ 937	\$ 1,125
Non-cash Investing and Financing Activities		
Shares issued for exploration and evaluation assets	\$ -	\$ 15,900
Exploration and evaluation asset expenditures included in accounts payable and accrued liabilities	\$ 225,416	\$ 63,772
Deposits used for exploration and evaluation assets	\$ -	\$ 166,300

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

XPLORE RESOURCES CORP.

Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Xplore Resources Corp. (the “Company”) was incorporated on February 24, 2017 pursuant to the *Business Corporations Act* of British Columbia. On October 30, 2017, the Company completed its initial public offering and the Company’s shares commenced trading on the TSX Venture Exchange (“TSX-V”) under the symbol XPLR. The Company’s principal business activities include the acquisition and exploration of mineral property assets located in Canada. The Company’s head office and principal business address is 1615 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6. The Company’s registered and records office is 2501 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

2. GOING CONCERN

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company incurred a net loss of \$390,559 for the year ended June 30, 2026 and has an accumulated deficit of \$5,053,868 at June 30, 2026. The Company’s ability to continue its operations and to realize its assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation (or “E&E”) assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company plans to maintain adequate cash flows by funding its operations by the sale of its E&E assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. These adjustments could be material.

3. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on September 17, 2026.

b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value. In addition, these consolidated financial statements are prepared using the accrual basis of accounting, aside from cash flow information. These consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar, except where otherwise indicated.

XPLORE RESOURCES CORP.

Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

3. BASIS OF PREPARATION – continued

c) Basis of consolidation

These consolidated financial statements include the accounts of the following entities:

Entity	Relationship	Percentage at June 30, 2026	Percentage at June 30, 2025
Xplore Resources Corp.	Parent	100%	100%
Xplore Resources Holdings Corp. (formerly Xplore Resources Corp.)	Subsidiary	100%	100%

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control is achieved when the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. All significant intercompany transactions and balances have been eliminated.

4. MATERIAL ACCOUNTING POLICIES

a) Exploration and evaluation assets

i) Expenditures

Pre-license expenditures are costs incurred before the legal rights to explore a specific area have been obtained. These costs are expensed in the period in which they are incurred as pre-exploration and evaluation expenses.

Once the legal right to explore has been acquired, costs directly associated with an exploration project are capitalized as either tangible or intangible E&E assets according to the nature of the asset acquired. Such E&E costs may include undeveloped land acquisition, geological, geophysical and seismic, exploratory drilling and completion, testing, decommissioning and directly attributable internal costs. Tax credits and grants arising from eligible mining exploration activities are recognized as part of the cost recovery of E&E assets when there is reasonable assurance that the credits will be realized. E&E costs are not depleted and are carried forward until technical feasibility and commercial viability of extracting a mineral resource is considered to be determined. The technical feasibility and commercial viability of a mineral resource is considered to be established when proved or probable mineral reserves sufficient to sustain profitable production are determined to exist. All such carried costs are subject to technical, commercial and management review at least once a year to confirm the continued intent to develop or otherwise extract value from the exploratory activity. When this is no longer the case, impairment charges are included in profit or loss. Upon determination of mineral reserves, E&E assets attributed to those reserves are first tested for impairment and then reclassified to development and production assets within property, plant and equipment, net of any impairment. Expired land costs are included in profit or loss as they occur.

XPLORE RESOURCES CORP.

Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

4. MATERIAL ACCOUNTING POLICIES – continued

a) Exploration and evaluation assets – continued

ii) Impairment

Assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax 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 profit or loss for the period.

Industry-specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further E&E activities is neither budgeted nor planned;
- E&E activities have not led to a discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue further E&E activities;
- Title to the asset is compromised, has expired or is expected to expire;
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale;
- Adverse changes in the taxation, regulatory or political environment; and
- Adverse changes in variables in commodity prices and markets making the project unviable.

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.

b) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, and are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors, such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no material restoration, rehabilitation and environmental obligations as at June 30, 2026 and 2025.

XPLORE RESOURCES CORP.

Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

4. MATERIAL ACCOUNTING POLICIES – continued

c) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current income tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry-forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

d) Share capital

Common shares, options and warrants are classified as equity. The Company bifurcates units that consist of common shares and share purchase warrants using the residual value approach, whereby it measures the common share component of the unit at fair value using market prices as input values and then allocates the residual value, if any, of the units over the fair value of the common shares to the warrant component. The value of the warrant component is credited to share-based payments reserve. When options and warrants are exercised, forfeited or expire, the corresponding value is reclassified from share-based payments reserve to deficit.

Transaction costs directly attributable to the issue of common shares and options are recognized as a deduction from equity, net of any tax effects. For warrants issued in connection with debt, the Company allocates the fair value on a pro-rata basis.

e) Earnings (loss) per share

Earnings (loss) per share is calculated by dividing the net income (loss) for the period available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. The Company uses the treasury stock method of calculating fully diluted earnings per share amounts, whereby any proceeds from the exercise of dilutive instruments are assumed to be used to purchase common shares at the average market price during the period. Basic and diluted loss per share are the same for the periods presented when there are no dilutive instruments outstanding during the periods presented, or the effect of dilutive instruments would be anti-dilutive.

XPLORE RESOURCES CORP.

Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

4. MATERIAL ACCOUNTING POLICIES – continued

f) Share-based payments

Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (“equity-settled transactions”). The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

In situations where equity instruments are issued for goods or services to other than employees, the transaction is measured at the fair value of the goods or services received by the Company. When the fair value of the goods or services cannot be specifically identified, they are measured at the fair value of the share-based payment, at the date the goods or services are received by the Company.

The cost of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant recipients become fully entitled to the award (“vesting date”). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company’s best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share-based payments reserve, or common shares as applicable.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether the market condition is satisfied provided that all other performance and/or service conditions are satisfied. The amounts recorded in reserves for unexercised share options are transferred to deficit upon their expiry or cancellation.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional amount is recognized on the same basis as the amount of the original award for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee as measured at the date of modification.

g) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into: (a) a flow-through share premium equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and (b) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until qualifying expenditures are incurred.

XPLORE RESOURCES CORP.

Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

4. MATERIAL ACCOUNTING POLICIES – continued

h) Financial instruments

Financial assets and financial liabilities, except for trade receivables, but including derivatives, are recognized on the consolidated statement of financial position when the Company becomes a party to the financial instrument or derivative contract. Trade receivables are initially recognized when they are originated.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories i) those to be measured subsequently at fair value through profit or loss (“FVTPL”); ii) those to be measured subsequently at fair value through other comprehensive income; and iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income (loss).

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit or loss or other comprehensive income (loss) (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income (loss).

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information. For trade accounts receivable, the Company applies the simplified approach, as permitted by IFRS 9 *Financial Instruments*. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade accounts receivable.

XPLORE RESOURCES CORP.

Notes to the Consolidated Financial Statements
For the Years Ended June 30, 2026 and 2025
(Expressed in Canadian Dollars)

4. MATERIAL ACCOUNTING POLICIES – continued

h) Financial instruments – continued

Impairment – continued

Evidence of impairment may include indications that the counterparty debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off. The Company assumes that credit risk on financial assets has increased if it is more than 30 days past due.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive.

The Company assesses all information available, including past due status, credit ratings, the existence of third party insurance and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

The Company measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

The Company's financial instruments are accounted for as follows under IFRS 9:

Classification	Measurement
Cash	FVTPL
Exploration and evaluation deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

i) Accounting standards adopted during the year

There were no new accounting standards or amendments to existing standards effective July 1, 2025 that had a material impact on the Company's consolidated financial statements.

j) Accounting standards issued but not yet effective

The following new standards, amendments and interpretations have been issued by the IASB, but are not yet effective and have not been applied in preparing these consolidated financial statements. The Company will adopt the amendments on their effective dates.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which will replace International Accounting Standard ("IAS") 1 *Presentation of Financial Statements*, but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's statement of loss and comprehensive loss, disclosure of any management-defined performance measures related to the statement of loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

XPLORE RESOURCES CORP.

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4. MATERIAL ACCOUNTING POLICIES – continued

- j) Accounting standards issued but not yet effective – continued

Impairment – continued

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The adoption of IFRS 9 and IFRS 7 is not expected to have a material impact on the consolidated financial statements and notes to the consolidated financial statements of the Company.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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 or loss in the year of the change if the change affects that year only, or in the year of the change and future years if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below.

- a) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

- b) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for E&E expenditures and impairment of the capitalized expenditures requires assumptions about future events or circumstances and whether it is likely that future economic benefits will flow to the Company. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available. In the current year, estimates were involved in determining the carrying amount of E&E assets. These estimates and the related uncertainty could impact the carrying amount of E&E assets in the next year.

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6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, exploration and evaluation deposits, and accounts payable and accrued liabilities.

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for assets or liabilities that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value by level within the fair value hierarchy:

June 30, 2026	Level 1	Level 2	Level 3	Total
Cash	\$ 108,856	\$ -	\$ -	\$ 108,856

June 30, 2025	Level 1	Level 2	Level 3	Total
Cash	\$ 3,876	\$ -	\$ -	\$ 3,876

The carrying amounts of exploration and evaluation deposits and accounts payable and accrued liabilities approximate their fair values.

Financial risk management

There were no changes to the Company's approach to and management of risk exposures during the year ended June 30, 2026. The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's credit risk is primarily attributable to its cash balance. The Company manages its credit risk on cash by holding cash balances in high credit quality banking institutions in Canada.

The overall credit risk related to cash is considered minimal. The maximum exposure to credit risk at June 30, 2026 is the carrying value of cash of \$108,856 (2025 - \$3,876).

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

XPLORE RESOURCES CORP.

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6. FINANCIAL INSTRUMENTS – continued

b) Liquidity risk – continued

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The financial liabilities of the Company as of June 30, 2026 total \$697,876 (2025 - \$464,332). Accounts payable are due within 30 days of the reporting date.

The following are the contractual maturities of financial liabilities as at June 30, 2026:

	Carrying Amount \$	Contractual Cash Flows \$	Within 1 Year \$	Within 2 Years \$	Within 3 Years \$	Over 3 Years \$
Accounts payable and accrued liabilities	697,876	697,876	697,876	-	-	-

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- i) *Currency risk* – Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no funds held in foreign currencies, and as a result, is not exposed to significant exchange risk on its financial instruments at period-end.
- ii) *Interest rate risk* – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest earned on cash is at nominal interest rates, and the Company does not carry interest-bearing financial liabilities. The Company does not consider interest rate risk to be significant.
- iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to significant other price risk.

d) Capital management

Capital is comprised of the Company's shareholders' equity and any debt it may issue. As at June 30, 2026, the Company's shareholders' equity was \$1,229,128 (2025 - \$1,619,687). The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operations and business development. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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6. FINANCIAL INSTRUMENTS – continued

d) Capital management – continued

The Company has not generated any revenues and cash flows since its inception, therefore, the Company is dependent on external financing to fund its business plan. The capital structure of the Company currently consists of working capital and shareholders' equity. 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 new shares through private placements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's approach to capital management during the year ended June 30, 2026. The Company is not subject to externally imposed capital requirements.

7. EXPLORATION AND EVALUATION ASSETS

a) Surge Root Project

Surge

On February 18, 2022, the Company entered into an agreement to earn a 100% interest in the Surge property, located in the Patricia Mining District in Ontario. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of \$20,000 (paid) and issuance of 160,000 common shares of the Company (issued and fair valued at \$20,000) on signing of the agreement;
- Cash payment of \$25,000 on or before February 18, 2023 (paid);
- Cash payment of \$5,000 for extending the February 18, 2023 payment date to May 15, 2023 (paid);
- Cash payment of \$30,000 on or before February 18, 2024 (paid); and
- Cash payment of \$35,000 on or before February 18, 2025 (paid).

The Company was also required to incur exploration expenditures of \$60,000 on or before February 18, 2023 (incurred).

The vendors retain a 1.5% net smelter return royalty ("NSR") on the property. The Company may purchase one-third of the NSR (0.5%) for \$800,000.

Surge Extension

On November 30, 2023, the Company entered into an agreement to acquire additional claims for \$9,500. The vendor of the additional claims retains a 1.5% NSR on the additional claims. The Company may purchase one-third of the NSR (0.5%) for \$500,000.

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7. EXPLORATION AND EVALUATION ASSETS – continued

a) Surge Root Project – continued

Root Bay North

On December 22, 2023, the Company entered into an agreement to earn a 100% interest in the Root Bay North property. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of \$9,000 (paid);
- Issuance of 300,000 common shares of the Company (issued and fair valued at \$42,000) within five business days of TSX-V approval;
- Cash payment of \$15,000 on or before December 22, 2024 (paid);
- Cash payment of \$21,000 on or before December 22, 2025 (paid); and
- Cash payment of \$30,000 on or before December 22, 2026.

The vendors retain a 1.5% NSR on the property. The Company may purchase one-third of the NSR (0.5%) for \$500,000.

Root Falls

On December 22, 2023, the Company entered into an agreement to earn a 100% interest in the Root Falls property. Under the terms of the agreement, the Company was required to make payments as follows:

- Cash payment of \$12,000 (paid);
- Issuance of 600,000 common shares of the Company (issued and fair valued at \$84,000) within five business days of TSX-V approval;
- Cash payment of \$18,000 on or before December 22, 2024 (paid);
- Cash payment of \$21,000 on or before December 22, 2025; and
- Cash payment of \$36,000 on or before December 22, 2026.

The vendors retained a 1.5% NSR on the property. The Company could purchase one-third of the NSR (0.5%) for \$600,000.

During the year ended June 30, 2025, the Company terminated the Root Falls property agreement and recorded an impairment charge of \$114,000.

Surge North

On June 5, 2024, the Company entered into an agreement to earn a 100% interest in the Surge North property. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of \$75,000 (paid); and
- Issuance of 1,500,000 common shares of the Company (issued and fair valued at \$180,000).

The vendors retain a 2% NSR on the property. The Company may purchase one-half of the NSR (1%) for \$750,000.

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Notes to the Consolidated Financial Statements
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7. EXPLORATION AND EVALUATION ASSETS – continued

a) Surge Root Project – continued

Root Lake South

On May 30, 2024, the Company entered into an assignment agreement to earn 100% of the rights, titles, benefits and interest in, to and under an option agreement dated December 20, 2022 between optionors and an optionee. Under the terms of the assignment agreement, the Company must make a payment of \$200,000 (paid) to the assignor. Under the terms of the option agreement, the Company must make payments to the optionors as follows:

- Cash payment of \$29,000 (paid);
- Issuance of 260,000 common shares of the Company (issued and fair valued at \$27,300) within seven calendar days of TSX-V approval; and
- Cash payment of \$38,500 (paid) and issuance of 530,000 common shares of the Company (issued and fair valued at \$15,900) on or before January 11, 2025.

The vendors retain a 2% NSR on the property. The Company may purchase one-half of the NSR (1%) for \$1,000,000. The assignor of the Root Lake South property is related by a common officer.

b) Perrigo Lake Property

On August 13, 2021, the Company entered into an agreement to earn a 100% interest in the Perrigo Lake property, located in the Red Lake Mining Division in Ontario. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of \$18,000 on signing of the agreement (paid);
- Issuance of 48,000 common shares of the Company (issued and fair valued at \$9,000) within five days of TSX-V approval;
- Cash payment of \$20,000 (paid) and issuance of 48,000 common shares of the Company (issued and fair valued at \$6,000) on or before September 9, 2022;
- Cash payment of \$28,000 (paid) on or before September 9, 2023; and
- Cash payment of \$30,000 (paid) on or before September 9, 2024.

The vendors retain a 1.75% NSR on the property. The Company may purchase a portion of the NSR (0.5% of the 1.75%) for \$600,000. The remaining 1.25% NSR is subject to a pre-existing agreement with an arm's length third party.

During the year ended June 30, 2024, the Company staked 12 additional claims for the Perrigo Lake property.

During the year ended June 30, 2025, the Company recorded an impairment charge of \$239,728, as the property claims lapsed.

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7. EXPLORATION AND EVALUATION ASSETS – continued

c) Raggy Creek, Aerial Lake and Cathy Creek Properties

On December 22, 2023, the Company entered into an agreement to earn a 100% interest in the Raggy Creek, Aerial Lake and Cathy Creek properties located in the Red Lake Mining District, Ontario. Under the terms of the agreement, the Company must make payments as follows:

- Cash payment of \$30,000 (paid);
- Issuance of 900,000 common shares of the Company (issued and fair valued at \$126,000) within five business days of TSX-V approval;
- Cash payment of \$36,000 on or before December 22, 2024;
- Cash payment of \$54,000 on or before December 22, 2025; and
- Cash payment of \$84,000 on or before December 22, 2026.

The vendors retain a 1.5% NSR on the property. The Company may purchase one-third of the NSR (0.5%) for \$500,000.

On November 29, 2024, the Company terminated the option agreement and recorded an impairment charge of \$276,000 during the year ended June 30, 2025.

Exploration and evaluation deposits

During the years ended June 30, 2025 and 2024, the Company made refundable exploration and evaluation deposits to secure exploration services. The balance of deposits allocated for future exploration at June 30, 2025, amounting to \$397,950 was refunded during the year ended June 30, 2026.

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7. EXPLORATION AND EVALUATION ASSETS – continued

The Company has incurred the following acquisition and exploration expenditures as at June 30, 2026 and 2025:

	Surge Root Project	Perrigo Lake	Raggy Creek, Ariel Lake and Cathy Lake	Total
Acquisition Costs				
Balance, June 30, 2024	\$ 770,300	\$ 146,400	\$ 156,000	\$ 1,072,700
Cash payments	106,500	30,000	-	136,500
Shares issued for exploration and evaluation assets	15,900	-	-	15,900
Claim costs	20,662	-	-	20,662
Impairment	(114,000)	(176,400)	(156,000)	(446,400)
Balance, June 30, 2025	799,362	-	-	799,362
Cash payments	21,000	-	-	21,000
Balance, June 30, 2026	\$ 820,362	\$ -	\$ -	\$ 820,362
Exploration Costs				
Balance, June 30, 2024	\$ 344,377	\$ 50,828	\$ 120,000	\$ 515,205
Equipment rental	417	-	-	417
Geological and other	352,465	12,500	-	364,965
Geophysical	99,830	-	-	99,830
Travel and transportation	1,616	-	-	1,616
Mining tax credits	(82,154)	-	-	(82,154)
Impairment	-	(63,328)	(120,000)	(183,328)
Balance, June 30, 2025	716,551	-	-	716,551
Assays	3,585	-	-	3,585
Geological and other	226,429	-	-	226,429
Geophysical	125,117	-	-	125,117
Mining tax credits	(106,879)	-	-	(106,879)
Balance, June 30, 2026	\$ 964,803	\$ -	\$ -	\$ 964,803
Total Exploration and Evaluation				
Assets as at June 30, 2025	\$ 1,515,913	\$ -	\$ -	\$ 1,515,913
Total Exploration and Evaluation				
Assets as at June 30, 2026	\$ 1,785,165	\$ -	\$ -	\$ 1,785,165

8. RELATED PARTY TRANSACTIONS AND BALANCES

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

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8. RELATED PARTY TRANSACTIONS AND BALANCES – continued

Key management personnel include the directors, chief executive officer and chief financial officer, who have the authority and responsibility for planning, directing and controlling the activities of the Company.

The amount of key management compensation for the years ended June 30, 2026 and 2025 is as follows:

	Year Ended June 30, 2026	Year Ended June 30, 2025
Short-term compensation		
Consulting fees	\$ 35,000	\$ 42,500
Exploration and evaluation asset expenditures	160,000	115,000
Professional fees	30,000	50,000
	\$ 225,000	207,500

As at June 30, 2026, the Company has outstanding amounts payable to current and former officers and directors of the Company of \$378,525 (2025 - \$167,581).

As at June 30, 2026, the Company has an exploration and evaluation deposit with a private company controlled by a director of \$nil (2025 - \$18,500).

During the year ended June 30, 2026, the Company paid \$26,000 (2025 - \$48,000) in occupancy costs to a company with a common officer.

During the year ended June 30, 2026, the Company incurred \$nil (2025 - \$42,500) of exploration and evaluation asset expenditures to a private company controlled by a director.

During the year ended June 30, 2026, the Company incurred \$16,800 (2025 - \$nil) for camp and equipment rentals, included in exploration and evaluation asset expenditures, to a private company controlled by the chief executive officer.

9. SHAREHOLDERS' EQUITY

a) Authorized

An unlimited number of common shares without par value.

b) Issued and outstanding

At June 30, 2026, there were 52,601,505 (2025 – 52,601,505) issued and outstanding common shares.

During the year ended June 30, 2026:

There were no share transactions during the year ended June 30, 2026.

During the year ended June 30, 2025:

On January 24, 2025, the Company issued 530,000 common shares fair valued at \$15,900 as part of the Surge Root Project – Root Lake South agreement (note 7(a)).

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9. SHAREHOLDERS' EQUITY – continued

c) Warrants

A summary of the Company's outstanding and exercisable warrants as at June 30, 2026 and 2025 are as follows:

	Year Ended June 30, 2026		Year Ended June 30, 2025	
	Number of Warrants	Weighted Average Exercise Price \$	Number of Warrants	Weighted Average Exercise Price \$
Balance, beginning of year	32,830,000	0.15	33,150,000	0.15
Expired	(32,830,000)	0.15	(320,000)	0.13
Balance, end of year	-	-	32,830,000	0.15

10. SHARE-BASED PAYMENTS

Long-term incentive plan

During the year ended June 30, 2026, the Company adopted a long-term incentive plan ("LTIP"). The LTIP is a combined rolling and fixed security-based compensation plan pursuant to which:

- the aggregate number of common shares reserved for issuance pursuant to stock options granted thereunder may not exceed, at the time of grant, in aggregate 10% of the Company's issued and outstanding common shares; and
- the aggregate number of common shares reserved for issuance pursuant to all other equity incentive awards granted under the LTIP, which include performance share units, restricted share units and deferred share units, cannot exceed 5,260,150 common shares.

Stock options

The board of directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares. The options will be exercisable for a period of up to five years. In addition, the number of common shares reserved for issuance to any one person shall not exceed 5% of the issued and outstanding common shares, and the number of common shares reserved for issuance to any one consultant will not exceed 2% of the issued and outstanding common shares. Options issued to investor relations consultants will also not exceed 2% of the issued and outstanding common shares, and will vest in stages over twelve months with one-quarter of the options vesting in any three-month period. The board of directors will determine the price per common share and the number of common shares that may be allocated to each director, officer, employee and consultant, and all other terms and conditions of the option, subject to the rules of the TSX-V.

XPLORE RESOURCES CORP.

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10. SHARE-BASED PAYMENTS – continued

Stock options – continued

A summary of the Company's outstanding and exercisable stock options as at June 30, 2026 and 2025 is as follows:

	Year Ended June 30, 2026		Year Ended June 30, 2025	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Balance, beginning of year	2,300,000	0.15	2,300,000	0.15
Expired	(450,000)	0.15	-	-
Balance, end of year	1,850,000	0.15	2,300,000	0.15

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price \$	Stock Options
January 19, 2027	0.56	0.15	1,850,000

11. SEGMENTED INFORMATION

The Company has one operating segment, mineral exploration and evaluation. All of the Company's non-current assets, as presented on the consolidated statements of financial position, are located in Canada.

12. INCOME TAXES

Tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to the Company, to the income (loss) before income taxes due to the following:

	Year Ended June 30, 2026	Year Ended June 30, 2025
Loss before income taxes	\$ (390,559)	\$ (1,399,908)
Canadian federal and provincial income taxes	26.5%	26.5%
Income tax recovery based on Canadian federal and provincial income tax rates	(103,000)	(371,000)
Increase (decrease) attributable to:		
Change in unrecognized deferred tax assets	106,000	352,000
Other	(3,000)	19,000
Tax expense (recovery)	\$ -	\$ -

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12. INCOME TAXES – continued

Deferred tax assets and liabilities consist of the following:

Deferred Tax Assets (liabilities)	Year Ended June 30, 2026	Year Ended June 30, 2025
Exploration and evaluation assets	\$ 276,000	\$ 276,000
Non-capital loss carry-forwards	863,000	754,000
Share issuance costs	7,000	10,000
	1,146,000	1,040,000
Less: Unrecognized deferred tax assets	(1,146,000)	(1,040,000)
Net deferred tax assets (liabilities)	\$ -	\$ -

At June 30, 2026, the Company has non-capital losses of approximately \$3,256,000 available for carry-forward to reduce future years' income taxes, expiring as follows:

Expiry Date	Year Ended June 30, 2026
June 30, 2037	\$ 11,000
June 30, 2038	48,000
June 30, 2039	168,000
June 30, 2040	167,000
June 30, 2041	199,000
June 30, 2042	417,000
June 30, 2043	172,000
June 30, 2044	877,000
June 30, 2045	793,000
June 30, 2046	404,000
	\$ 3,256,000