FINLAY MINERALS LTD.

Condensed Interim Financial Statements
Second Quarter ended June 30, 2025

(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

These interim financial statements of the Company for the period ending June 30, 2025 have been prepared by management and have not been subject to review by the Company's auditors.

FINLAY MINERALS LTD.

Condensed Interim Statement of Financial Position

AS AT JUNE 30, 2025 AND DECEMBER 31, 2024

See accompanying notes to the condensed interim financial statements

All values expressed in Canadian dollars

	June 30 2025	December 31 2024
ASSETS	**$**	**$**
Current Assets		
Cash and cash equivalents	3,153,174	208,297
GST receivable	32,844	7,310
Marketable Securities (Notes 4 and 6)	73,757	91,307
Prepaid expenses	176,249	33,220
	3,436,024	340,134
Non-Current Assest		
Reclamation deposits (Note 5)	151,900	120,900
Exploration and evaluation assets (Note 6)	11,340,715	11,265,171
	14,928,639	11,726,205
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	49,118	21,168
Project cost advances received (Note 6)	1,569,433	-
Due to Related Parties (Note 8)	1,621	4,853
Flow-through liability	101,885	-
	1,722,057	26,021
Non-Current Liabilities		
Deferred income taxes	1,541,030	1,592,912
	3,263,087	1,618,933
Shareholders' Equity		
Share capital (Note 9)	14,483,865	12,918,878
Contributed surplus	2,580,524	2,427,132
Investment revaluation reserve	831	(22,589)
Deficit	(5,399,668)	(5,216,149)
	11,665,552	10,107,272
	14,928,639	11,726,205

Nature and continuance of operations (Note 1) and subsequent events (Note 14)

Approved by the Board of Directors and authorized for issue on August 27, 2025.

"Robert F Brown" , Director

"Alvin Jackson" , Director

FINLAY MINERALS LTD.

Condensed Interim Statement of Comprehensive Loss

FOR THE QUARTERS ENDED JUNE 30, 2025 AND 2024

See accompanying notes to the condensed interim financial statements

All values expressed in Canadian dollars

	Three Months Ended June 30, 2025 $	Three Months Ended June 30, 2024 $	Six Months Ended June 30, 2025 $	Six Months Ended June 30, 2024 $
Operating Costs and Expenses				
Accounting	6,140	3,750	6,140	5,750
Advertising and promotion	24,260	21,061	57,137	51,741
Bank charges and interest	1,053	1,019	1,953	1,817
Consulting	5,279	1,302	9,991	1,302
Insurance	6,363	4,204	10,559	8,408
Legal	43,803	3,497	92,379	4,715
Office and administration	20,116	17,817	35,164	32,063
Rent	4,345	4,218	8,690	8,436
Salaries and benefits	22,573	17,542	40,983	35,931
Travel and accommodation	1,082	866	5,407	866
Trust and filing fees	21,944	6,730	30,001	14,073
	156,958	82,006	298,404	165,102
Loss before other items	(156,958)	(82,006)	(298,404)	(165,102)
Operator's fee income	47,094	-	47,094	-
Flow-through recovery	10,176	-	10,176	-
Exchange loss	(501)	(434)	(501)	(438)
Dividend income (net)	22	102	69	205
Interest Income	4,606	4,970	6,165	7,910
Loss before income tax	(95,561)	(77,368)	(235,401)	(157,425)
Deferred income tax recovery	14,909	1,138	51,882	39,682
Net loss for the period	(80,652)	(76,230)	(183,519)	(117,743)
Other comprehensive income (loss) items that may not be reclassified subsequently to profit or loss:				
Gain on sale of marketable securities	-	11,242	5,640	11,242
Net change in fair value of marketable securities	13,927	62,917	17,780	207
	13,927	74,159	23,420	11,449
Net loss and comprehensive loss for the period	(66,725)	(2,071)	(160,099)	(106,294)
Weighted average number of common shares	145,119,230	138,111,232	142,629,065	138,111,232
Basic and diluted loss per share	0.00	0.00	0.00	0.00

FINLAY MINERALS LTD.

Condensed Interim Statement of Cash Flow

FOR THE QUARTERS ENDED JUNE 30, 2025 AND 2024

See accompanying notes to the interim financial statements

All values expressed in Canadian dollars

	Six Months Ended June 30, 2025 $	Six Months Ended June 30, 2024 $
CASH PROVIDED BY (USED FOR):		
Operating Activities		
Net loss for the period	(183,519)	(117,743)
Add (deduct) non-cash items		
Flow-through recovery	(10,176)	-
Deferred income tax recovery	(51,882)	(39,682)
	(245,577)	(157,425)
Changes in non-cash working capital		
Amounts receivable	(25,534)	(724)
Prepaid expenses	(143,029)	30,591
Accounts payable and accrued liabilities	54,644	(28,738)
Project cost advances received	1,569,433	-
Due to related parties	(3,232)	3,091
	1,206,705	(153,205)
Investing Activities		
Mineral property costs	(642,420)	(24,825)
Mineral property cost recovery	215,182	-
Option payments received	325,000	-
Reclamation deposits	(31,000)	-
Proceeds of sale of marketable securities	40,970	23,333
	(92,268)	(1,492)
Financing Activities		
Warrants exercised	266,667	-
Private placements	1,672,670	-
Share issue costs	(108,897)	-
	1,830,440	-
INCREASE (DECREASE) IN CASH POSITION	2,944,877	(154,697)
Cash position, beginning of the period	208,297	418,052
CASH POSITION, END OF PERIOD	3,153,174	263,355
Cash position includes cash and short term investments.		
Cash	*2,698,894*	*149,521*
Short-term deposits	*14,280*	*13,834*
GIC	*440,000*	*100,000*
	3,153,174	*263,355*

FINLAY MINERALS LTD.
Condensed Interim Statement of Changes in Equity
FOR THE QUARTERS ENDED JUNE 30, 2025 AND 2024

See accompanying notes to the interim financial statements
All values expressed in Canadian dollars

	Number of Shares	Share Capital	Contributed Surplus	Investment Revaluation Reserve	Deficit	Total Equity
		$	$	$	$	$
December 31, 2023	138,111,232	12,718,878	2,427,132	34,865	(5,000,917)	10,179,958
Other comprehensive income for the period	-	-	-	11,449	-	11,449
Net loss for the period	-	-	-	-	(117,743)	(117,743)
June 30, 2024	**138,111,232**	**12,718,878**	**2,427,132**	**46,314**	**(5,118,660)**	**10,073,664**
December 31, 2024	140,111,232	12,918,878	2,427,132	(22,589)	(5,216,149)	10,107,272
Warrants exercised	2,666,666	266,667	-	-	-	266,667
Shares issued	15,606,088	1,560,609	-	-	-	1,560,609
Share issue costs	-	(262,289)	153,392	-	-	(108,897)
Other comprehensive income for the period	-	-	-	23,420	-	23,420
Net loss for the period	-	-	-	-	(183,519)	(183,519)
June 30, 2025	**158,383,986**	**14,483,865**	**2,580,524**	**831**	**(5,399,668)**	**11,665,552**

1) NATURE AND CONTINUANCE OF OPERATIONS

The Company was incorporated under the Business Corporations Act (British Columbia) and its principal business activity is the acquisition and exploration of resource properties. The properties of the Company are without a known economically feasible ore body. The exploration programs undertaken and proposed constitute an exploratory search. There is no assurance that the Company will be successful in its search. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, and to construct mining and processing facilities at a particular site. It is not possible to ensure that the current exploration programs planned by the Company will result in a profitable commercial mining operation.

Although the Company has taken steps to verify title to resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

These financial statements have been prepared on a going-concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Several adverse conditions cast substantial doubt on the validity of this assumption. The Company has incurred operating losses since inception with a comprehensive loss for the six months ended June 30, 2025 of $160,099, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its mineral property projects.

The application of the going-concern concept is dependent upon the Company's ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required 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 differing from those reflected in the financial statements.

Management plans to continue to pursue equity or debt financing to support operations. Management believes this plan will be sufficient to meet the Company's liabilities and commitments as they become payable over the next twelve months. There can be no assurance that management's plan will be successful. Failure to maintain the support of creditors and obtain additional external equity financing will cause the Company to curtail operations and the Company's ability to continue as a going-concern will be impaired. The outcome of these matters cannot be predicted at this time.

2) MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. Accordingly, these Financial Statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes. These financial statements should be read in conjunction with the Company's financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS as issued by the IASB.

Basis of preparation

These financial statements have been prepared on the historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid investments having terms to maturity of 90 days or less when acquired.

2) MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgments in applying accounting policies:

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

- the determination that the Company will continue as a going-concern for the next year; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluations assets may not be recoverable.

Exploration and evaluation expenditures

Once a license to explore an area has been secured, expenditures on mineral properties are capitalized to exploration and evaluation assets.

Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration and evaluation expenditures are not expected to be recovered, they are charged to operations.

Share Capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded.

Impairment of non-financial assets

At the end of each reporting year, and when relevant triggering events and circumstances occur, the carrying amounts of the Company's non-financial assets 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 the 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 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 year.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Income taxes

The Company uses the statement of financial position method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Flow-through shares

The Company has issued common shares as flow-through shares, whereby the investor may claim the tax deductions arising from the related resource expenditures. When flow-through shares are issued, the sale of the tax deduction is valued (using the residual method) and deferred as a flow-through liability. When resource expenditures are renounced to the investors and the Company has reasonable assurance that the expenditures will be completed, the flow-through liability is reversed, and a deferred income tax liability is recognized.

Previously unrecognized deferred income tax assets may be used to reduce the deferred income tax liability amount recognized, and the Company will recognize a future income tax recovery to this extent.

Share-based payments

The Company's Stock Option Plan allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the share-based payment is measured using the Black-Scholes option pricing model. The fair value of the share-based payment is recognized as an expense or capitalized to exploration and evaluation assets with a corresponding increase in contributed surplus. Consideration received on the exercise of stock options is recorded as share capital and a corresponding amount is transferred to share capital from contributed surplus.

Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Where the effects of including all outstanding options and warrants would be anti-dilutive, no dilution is calculated and the diluted loss per share is presented as the same as basic loss per share.

Reclamation deposits

The Company maintains cash deposits as required by regulatory bodies as assurance for the funding of reclamation costs. These funds are restricted to that purpose and are not available to the Company until the reclamation obligations have been fulfilled. Reclamation deposits are classified as non-current assets.

Mineral Exploration Tax Credit ("METC")

The Company recognizes METC amounts when the Company's METC application is approved by the Canada Revenue Agency or when the amount to be received can be reasonably estimated and collection is reasonably assured.

All values expressed in Canadian dollars

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments

The Company recognizes financial assets and liabilities on the statement of financial position when it becomes a party to the contractual provisions of the instrument.

Financial assets

Cash and cash equivalents are classified as subsequently measured at amortized cost.

Investment in Cascadia Minerals Ltd. (formerly ATAC Resources Ltd.) and Hecla Mining Company are irrevocably classified, at the Company's election, as subsequently measured at fair value through other comprehensive income. Investment transactions are recognized on the trade date with transaction costs included in the underlying balance. Fair values are determined by reference to quoted market prices at the statement of financial position date.

Reclamation deposits are classified as subsequently measured at amortized cost.

Financial liabilities

Trade payables are non-interest bearing if paid when due and are recognized at face amount, except when fair value is materially different. Trade payables are subsequently measured at amortized cost.

Due to related parties is subsequently measured at amortized cost.

3) NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

The Company has not adopted any new IFRS pronouncements as at June 30, 2025 as any new standards are not applicable to the Company's financial statements.

4) MARKETABLE SECURITIES

On July 10, 2023, ATAC Resources Ltd. announced the completion of its merger with Hecla Mining Company and the spin-out of the new exploration company, Cascadia Minerals Ltd. As a result of this transaction, the Company's 851,285 ATAC Resources Ltd. shares were converted to 14,131 Hecla Mining Company shares and 85,128 Cascadia Mineral shares. On December 8, 2023, the Company was issued a further 264,690 Cascadia Minerals Ltd. shares pursuant to the second year share issuance obligations relating to the PIL Property Option Agreement. During the year ended December 31, 2024, the Company sold 162,000 shares of Cascadia Minerals Ltd. and 4,000 shares of Hecla Mining Company. During the fiscal quarter ended March 31, 2025 the Company sold 5,000 shares of Hecla Mining Company. The Company now holds a total of 187,818 shares of Cascadia Minerals Ltd. and 5,131 shares of Hecla Mining Company. The shares of these corporations are traded on the TSX Venture Exchange.

	June 30, 2025	December 31, 2024
	$	$
Marketable securities -- fair value	73,757	91,307
Marketable securities -- cost	87,236	115,232

All values expressed in Canadian dollars

5) RECLAMATION BONDS

The Company's reclamation bonds relate to the following properties:

	June 30, 2025	December 31, 2024
	$	$
Silver Hope	35,500	35,500
PIL	98,000	67,000
ATTY	18,400	18,400
	151,900	120,900

These bonds are expected to be refunded to the Company once the government agencies are satisfied that the Company has performed all necessary reclamation activities.

6) EXPLORATION AND EVALUATION ASSETS

Omineca Mining Division
British Columbia

Silver Hope Claims

The Company has a 100% interest in 45 mineral tenures, eight of which are subject to a 1½% Net Smelter Returns royalty ("NSR"), and were acquired during 2006 by the issuance of two million common shares. One half of the NSR (3/4%) is purchasable prior to a production decision for $1 million dollars.

PIL-Gold Claims

The Company has 100% interest in 50 minerals tenures of which:

(i) 23 mineral claims were acquired from Electrum Resource Corporation ("Electrum"), a private company controlled by common directors of the Company, for consideration to Electrum of nine million common shares (post-subdivision) and a 3% NSR. One half of the 3.0% NSR (1 1/2%) is purchasable prior to a production decision for $2 million dollars (the "Buy Back Right"). The Company is also obligated to issue a further one million shares to Electrum when the property is put into commercial production;

(ii) 16 mineral tenures were acquired by staking and are subject to the 3.0% Electrum NSR;

(iii) 8 mineral tenures were accepted from Cascadia Minerals Ltd. pursuant to their termination of the PIL Option Agreement on December 27, 2024. 7 of the minerals tenures have an underlying 2.0% NSR in favour of Eagle Plains Resources Ltd. with 1/2 (1%) purchasable prior to a production decision for $500,000; 6 of these minerals tenures are fractional claims. Alll 8 mineral claims are subject to the Electrum 3.0% NSR; and

(iv) 3 minerals were purchased from a prospector and are subject to the 3.0% Electrum NSR.

On April 17, 2025, the Company entered into an Earn-In Agreement with Freeport-McMoRan Mineral Properties Canada Inc. ("Freeport)", a wholly-owned subsidiary of Freeport-McMoRan Inc. Freeport has the option to earn an 80% interest in the Company's wholly-owned PIL Property by paying $3.0 million cash and incurring $25 million in exploration expenditures over a six-year term with the Company acting as the operator on the PIL and earning an Operator's Fee.

Following the completion of the PIL earn-in agreement, Freeport and the Company would hold interests of 80% and 20% respectively, and a joint venture would be formed for further exploration and development. In the event that a party does not fund their portion of further joint venture programs, their interests in the joint venture would dilute. Any party that dilutes to below a 10% interest in the joint venture would exchange its joint venture interest for a NSR royalty of 1% on the PIL Property, which is subject to a 0.5% buyback for USD $2.0 million.

6) EXPLORATION AND EVALUATION EXPENDITURES *(continued)*

Additionally, the Company and Electrum have entered into an amended and restated royalty agreement (the "A&R PIL Royalty Agreement"), pursuant to which, upon and subject to the exercise of the earn-in in respect of the PIL by Freeport, the Buy Back Right would be amended to provide for a 2.0% royalty buy-back, in consideration for an increased buy-back payment that would be sole-funded by Freeport without joint venture dilution to the Company, and would be divided equally between the Company and Electrum as follows:

(i) USD $10 million if the buy-back is exercised on or before the date that is 60 days following the report of an initial Pre-Feasibility Study (as defined in National Instrument 43-101 – Disclosure Standards for Mineral Projects ("NI 43-101")) on the PIL Property;

(ii) USD $15 million if the buy-back is exercised on or before the date that is 60 days following the report date of an initial Feasibility Study (as defined in NI 43-101) on the PIL Property; or

(iii) USD $20 million if the buy-back is exercised on or after commercial production.

Under the A&R PIL Royalty Agreement, the Company and Electrum have also agreed, subject to the exercise of the applicable Freeport earn-in, to extinguish the share issuance obligation of one million common shares owing to Electrum on a production decision.

The Company initially records the amounts of contributions received or receivable from Freeport pursuant to the PIL Earn-In Agreement as a liability (project cost advances received) in the statements of financial position, and subsequently reallocates amounts as cost recoveries in exploration and evaluation expenditures as the Company incurs the related expenditures. During the quarter ended June 30, 2025, the Company recorded an advanced contribution balance of $1,391,284 (June 30, 2024 - $nil).

During the quarter ended June 30, 2025, the Company recorded a gross amount of cost recovery of $180,975 offsetting the expenditures incurred pursuant to the PIL Earn-In Agreement.

ATTY Claims

The Company has 100% interest in 15 minerals tenures. Pursuant to a 1999 Purchase Agreement with Electrum and a 2018 amending agreement, the ATTY Property is subject to a 3.0% NSR in favour of Electrum. One-half of the 3.0% NSR (1 1/2%) is purchasable prior to a production decision for $1 million dollars (the "Buy Back Right"). The Company is also obligated to issue five hundred thousand shares to Electrum on an ATTY production decision.

On August 26, 2022, the Company acquired the ATG Property, comprised of 3 tenures adjacent and contiguous to the ATTY claims from Electrum for consideration consisting of 1,750,000 common shares of the Company with a fair value of $140,000. As a result of the ATG Property purchase, the Electrum NSR now applies over the ATG Property and the pre-existing ATTY Claims. Pursuant to the terms of the ATG Purchase Agreement, the Buy Back Right was amended so that the Company retains the right to buy back one-half of the NSR for an aggregate payment of $1.5 million.

On April 17, 2025, the Company entered into an Earn-In Agreement with Freeport-McMoRan Mineral Properties Canada Inc. ("Freeport)", a wholly-owned subsidiary of Freeport-McMoRan Inc. Freeport has the option to earn an 80% interest in the Company's wholly-owned ATTY Property by paying $1.1 million cash and incurring $10 million in exploration expenditures over a six-year term with the Company acting as the operator on the ATTY and earning an Operator's Fee.

Following the completion of the ATTY earn-in agreement, Freeport and the Company would hold interests of 80% and 20% respectively, and a joint venture would be formed for further exploration and development. In the event that a party does not fund their portion of further joint venture programs, their interests in the joint venture would dilute. Any party that dilutes to below a 10% interest in the joint venture would exchange its joint venture interest for a NSR royalty of 1% on the ATTY Property, which is subject to a 0.5% buyback for USD $2 million.

6) EXPLORATION AND EVALUATION EXPENDITURES *(continued)*

Additionally, the Company and Electrum have entered into an amended and restated royalty agreement (the "A&R ATTY Royalty Agreement"), pursuant to which, upon and subject to the exercise of the earn-in in respect of the ATTY by Freeport, the Buy Back Right would be amended to provide for a 2.0% royalty buy-back, in consideration for an increased buy-back payment that would be sole-funded by Freeport without joint venture dilution to the Company, and would be divided equally between the Company and Electrum as follows:

(i) USD $5 million if the buy-back is exercised on or before the date that is 60 days following the report of an initial Pre-Feasibility Study (as defined in National Instrument 43-101 – Disclosure Standards for Mineral Projects ("NI 43-101")) on the ATTY Property;

(ii) USD $7.5 million if the buy-back is exercised on or before the date that is 60 days following the report date of an initial Feasibility Study (as defined in NI 43-101) on the ATTY Property; or

(iii) USD $10 million if the buy-back is exercised on or after commercial production.

Under the A&R ATTY Royalty Agreement, the Company and Electrum have also agreed, subject to the exercise of the applicable Freeport earn-in, to extinguish the share issuance obligation of five hundred thousand common shares owing to Electrum on a production decision.

The Company initially records the amounts of contributions received or receivable from Freeport pursuant to the ATTY Earn-In Agreement as a liability (project cost advances received) in the statements of financial position, and subsequently reallocates amounts as cost recoveries in exploration and evaluation expenditures as the Company incurs the related expenditures. During the quarter ended June 30, 2025, the Company recorded an advanced contribution balance of $178,149 (June 30, 2024 - $nil).

During the quarter ended June 30, 2025, the Company recorded a gross amount of cost recovery of $34,207 offsetting the expenditures incurred pursuant to the ATTY Earn-In Agreement.

SAY Claims

The Company has 100% interest in the SAY Property. On July 12, 2024, the Company acquired 18 mineral tenures from Electrum at a cost of $50,000 and subject to a 1.5% NSR in favour of Electrum with the Company retaining the right to buy back one-half of the NSR (0.75%) for $1.5 million. Additionally, on completion of a feasibility study on the SAY, the Company will make an aggregate payment to Electrum of $300,000.

The SAY has been enlarged since July, 2024 and is now comprised of 30 mineral tenures totalling 26,202 hectares.

JJB Claims

In February 2025, the Company staked 9 mineral tenures totalling 15,453 hectares in the Bear Lake Corridor of British Columbia ("JJB Property").

All values expressed in Canadian dollars

6) EXPLORATION AND EVALUATION EXPENDITURES *(continued)*

	December 31 2023	Net Additions	December 31 2024	Net Additions	June 30 2025
BRITISH COLUMBIA					
Silver Hope Claims					
Acquisition	166,873	-	166,873	-	166,873
Assay	480,697	-	480,697	-	480,697
Camp and travel	693,428	-	693,428	11,159	704,587
Drilling	2,037,764	-	2,037,764	-	2,037,764
Equipment rental	147,976	-	147,976	-	147,976
Field office	38,218	-	38,218	-	38,218
Geological	1,241,695	25,023	1,266,718	33,625	1,300,343
Geophysical	988,093	69,796	1,057,889	-	1,057,889
Road construction	124,675	-	124,675	-	124,675
Tenure management	61,814	-	61,814	-	61,814
BCMETC refund	(361,501)	(38,594)	(400,095)	-	(400,095)
	5,619,732	56,225	5,675,957	44,784	5,720,741
PIL Claims					
Acquisition	28,536	-	28,536	-	28,536
Assay	262,918	-	262,918	-	262,918
Camp and travel	890,817	-	890,817	101,508	992,325
Drilling	1,466,687	-	1,466,687	-	1,466,687
Equipment rental	110,607	-	110,607	-	110,607
Field office	105,081	-	105,081	-	105,081
Geological	1,018,687	344	1,019,031	84,032	1,103,063
Geophysical	527,360	-	527,360	-	527,360
Road construction	402,273	-	402,273	-	402,273
Tenure management	35,215	-	35,215	3,814	39,029
BCMETC refund	(94,188)	-	(94,188)	-	(94,188)
Operator's fees	-	-	-	43,158	43,158
Expense recovery from Freeport	-	-	-	(180,975)	(180,975)
Recovery	(350,000)	-	(350,000)	(250,000)	(600,000)
	4,403,993	344	4,404,337	(198,463)	4,205,874

All values expressed in Canadian dollars

6) EXPLORATION AND EVALUATION EXPENDITURES *(continued)*

ATTY Claims					
Acquisition	140,540	-	140,540	-	140,540
Assay	52,867	-	52,867	-	52,867
Camp and travel	385,840	-	385,840	20,788	406,628
Equipment rental	30,725	-	30,725	-	30,725
Field office	13,092	-	13,092	-	13,092
Geological	114,528	-	114,528	13,417	127,945
Geophysical	489,198	-	489,198	-	489,198
Tenure management	20,135	-	20,135	-	20,135
BCMETC Refund	(39,986)	-	(39,986)	-	(39,986)
Operator's fees	-	-	-	3,936	3,936
Expense recovery from Freeport	-	-	-	(34,207)	(34,207)
Recovery	(125,000)	-	(125,000)	(75,000)	(200,000)
Royalty buyback payment	(10,000)	-	(10,000)	-	(10,000)
	1,071,939	-	1,071,939	(71,066)	1,000,873
SAY Claims					
Acquisition	-	50,000	50,000	-	50,000
Assay	-	5,295	5,295	-	5,295
Camp and travel	-	20,536	20,536	56,444	76,980
Geological	-	25,986	25,986	14,805	40,791
Geophysical	-	-	-	47,069	47,069
Tenure management	-	11,121	11,121	19,163	30,284
	-	112,938	112,938	137,481	250,419
JJB Claims					
Camp and travel	-	-	-	66,814	66,814
Geological	-	-	-	12,329	12,329
Geophysical	-	-	-	56,623	56,623
Tenure management	-	-	-	27,042	27,042
	-	-	-	162,808	162,808
Total exploration and evaluation expenditures	11,095,664	169,507	11,265,171	75,544	11,340,715

All values expressed in Canadian dollars

7) RELATED PARTY TRANSACTIONS

	Six Months Ended June 30, 2025 $	Six Months Ended June 30, 2024 $
Key management personnel compensation:		
Mineral property geological consulting	23,114	2.565
Wages and benefits, and other compensation	57,152	51,337

8) DUE TO RELATED PARTIES

At June 30, 2025, the Company owes $1,621 (December 31, 2024 - $4,853) to an officer of the Company. At June 30, 2025 the Company has a prepaid deposit of $433 (December 31, 2024 - $nil) with an officer of the Company. The amounts are unsecured, do not bear interest and have no fixed terms of repayment.

9) SHARE CAPITAL

a) The authorized share capital of the Company consists of:
an unlimited number of common shares.
100,000,000 Class A preference shares
100,000,000 Class B preference shares

On November 29, 2024, the Company issued 2,000,000 common shares pursuant to the exercise of 2,000,000 warrants at an exercise price of $0.10 to a director and officer of the Company.

On May 13, 2025, the Company issued 2,666,666 common shares pursuant to the exercise of 2,666,666 warrants at an exercise price of $0.10 to a director and officer of the Company.

On June 9, 2025, the Company issued a total of 15,606,088 common shares pursuant to a non-brokered LIFE private placement financing. The share issuances were comprised of (i) 11,206,088 common shares of the Company issued on a flow-through basis under the Income Tax Act (Canada) (each, a “FT Share”) at a price of $0.11 per FT Share, and (ii) 4,400,000 non-flow-through units of the Company (each, a “NFT Unit”) at a price of $0.10 per NFT Unit with each NFT Unit comprised of one non-flow-through common share of the Company (each, a “NFT Share”) and one non-flow-through common share purchase warrant (a “Warrant”). Each Warrant is exercisable by the holder thereof to acquire one NFT Share at an exercise price of $0.20 per NFT Share until June 9, 2027, subject to acceleration. This Warrant Expiry Date may, at the Company’s sole discretion, be accelerated if at any time prior to June 9, 2027 the common shares of the Company trade at a daily volume-weighted average trading price above $0.30 per common share for a period of 30 consecutive trading days on the TSXV.

In connection with the closing of the Private Placement, the Company paid aggregate cash finder's fees and legal fees of $108,897 and granted 829,145 non-transferable finder's warrants with a fair value of $153,392 (each, a "Finder's Warrant") to arm's length finders of the Company, as compensation for locating purchasers in the Private Placement. Each Finder's Warrant entitles the holder to purchase one non-flow-through common share of the Company at an exercise price of $0.20 per share until June 9, 2027. The Finder's Warrants, and any common shares issued pursuant to an exercise of the Finder's Warrants, are subject to a hold period expiring on October 10, 2025 in accordance with applicable securities laws.

All values expressed in Canadian dollars

9) SHARE CAPITAL *(continued)*

	Six Months Ended June 30, 2025		Year Ended December 31, 2024	
	Number of Shares	$	Number of Shares	$
Opening balance	140,111,232	12,918,878	138,111,232	12,718,878
Issued for:				
Private Placements	15,606,088	1,560,609	-	-
Warrants exercised	2,666,666	266,667	2,000,000	200,000
Share issue costs	-	(262,289)	-	-
Ending Balance	158,383,986	14,483,865	140,111,232	12,918,878

b) Share purchase options

The Company has a stock option plan (the "Plan") for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX-V. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company. The Plan was amended in 2022 in order to meet Exchange requirements under the new TSX-V Policy 4.4 - Security Based Compensation. Accordingly, the new Plan has a provision that disinterested shareholder approval will be obtained for any extension of the term of a stock option granted to an insider.

The Plan was approved at the June 26, 2024 Annual General and Special Meeting.

The following is a summary of the changes in the Company's outstanding stock options:

	Six Months Ended June 30, 2025		Year Ended December 31, 2024	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Balance, beginning of the period	9,200,000	0.09	10,400,000	0.09
Expired	-	-	(1,200,000)	0.11
Balance, end of the period	9,200,000	0.09	9,200,000	0.09
Exercisable, end of the period	9,200,000	0.09	9,200,000	0.09
Weighted average years to expiry		2.26		2.76

All values expressed in Canadian dollars

9) SHARE CAPITAL *(continued)*

Outstanding options details:

	Number of Options	Option Expiry Date	Option Exercise Price $
	4,050,000	August 30, 2026	0.14
	100,000	September 13, 2027	0.08
	5,050,000	August 21, 2028	0.05
	9,200,000		

c) Share purchase warrants

The continuity of share purchase warrants is as follows:

	Six Months Ended June 30, 2025		Year Ended December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price $	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of the period	5,690,049	0.14	20,815,049	0.18
Expired	(500,000)	0.10	(13,125,000)	0.20
Issued	5,229,145	0.20	-	-
Exercised	(2,666,666)	0.10	(2,000,000)	0.10
Balance, end of the period	7,752,528	0.20	5,690,049	0.14
Weighted average years to expiry		1.76		1.06

Outstanding warrant details:

	Number of Warrants	Warrant Expiry Date	Warrant Exercise Price $
	2,523,383	November 18, 2026	0.20
	5,229,145	June 9, 2027	0.20
	7,752,528		

d) Contributed surplus

Contributed surplus records the fair value of share-based payments, agent options and agent warrants until such time that the options and warrants are exercised, at which time the corresponding amount will be transferred to share capital.

10) CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going-concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements except to maintain sufficient cash and deposit balances to meet exploration commitments.

11) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash and cash equivalents, amounting to $3,153,174 at June 30, 2025 (December 31, 2024 - $208,297). As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's liquidity risk from financial instruments is its need to meet accounts payable and accrued liabilities and related party balance obligations. The Company maintained sufficient cash and cash equivalent balances to meet these needs at June 30, 2025.

Interest Rate Risk

The Company has cash balances and only fixed interest-bearing guaranteed investment certificates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking insititutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Fair Value of Financial Instruments

The fair value of the Company's financial assets and liabilities approximates the carrying amount. 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 or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs are not based on observable market data.

All values expressed in Canadian dollars

11) FINANCIAL INSTRUMENT RISKS *(continued)*

The fair value classification of the company's financial instruments as at June 30, 2025 and December 31, 2024 is as follows:

	Fair value level	Six Months Ended June 30, 2025 Fair value through other comprehensive income $	Year Ended December 31, 2024 Fair value through other comprehensive income $
Financial assets:			
Investment in Cascadia Minerals Ltd.	**1**	31,929	19,721
Investment in Hecla Mining Company.	**1**	41,828	71,586

During the quarter ended June 30, 2025 and year ended December 31, 2024, there were no transfers between level 1, level 2, and level 3 classified assets and liabilities.

12) LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

During the quarter ended June 30, 2025, the Company issued 11,206,088 common shares on a flow-through basis for gross proceeds of $1,232,670 and recognized a flow-through liability of $112,061.

As at June 30, 2025, the Company had spent $111,932 of the flow-through funds and recognized a flow-through recovery of $10,176 for the period ended June 30, 2025.

The Company must incur an additional $1,120,738 in qualifying flow-through expenditures prior to December 31, 2026 pursuant to its renunciation to investors. As at June 30, 2025, the Company has a flow-through liability of $101,885 related to unspent funds.

13) SUPPLEMENTARY CASH FLOW INFORMATION

	Six Months Ended June 30, 2025 $	Six Months Ended June 30, 2024 $
Exploration and evaluation assets included in accounts payable and accrued liabilities	26,874	-

14) SUBSEQUENT EVENTS

On July 7, 2025, the Company announced that it had engaged INN to provide advertising, profile generation, press release syndication, and lead generation through their website. The contract was entered into on March 31, 2025 with a start date of May 30, 2025 for a 12-month period for total costs of $26,275. There were no performance factors contained in the agreement in respect of INN's engagement, and INN will not receive common shares or options of the Company as compensation. INN's engagement is subject to the approval of the TSX Venture Exchange. INN is a private company headquartered in Vancouver, Canada, and is an arms-length organization to the Company. Neither INN nor any of its principals have an interest, directly or indirectly, in the securities of the Company.

On July 17, 2025, the Company announced that the approved budget under the Earn-In Agreements with Freeport-McMoRan Mineral Properties Canada Inc. ("Freeport") for both the PIL and ATTY Projects, had been increased to a total of $3.6 million from the $1.25 million minimum first year exploration expenditure requirements of the PIL and ATTY Earn-In Agreements. Finlay continues to own 100% of the PIL and ATTY Properties and continues as the Operator.