

# **Peloton Minerals Corporation**

## **Consolidated Financial Statements**

(Expressed in United States Dollars)

**For the Years Ended December 31, 2025 and 2024**

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Peloton Minerals Corporation

### *Opinion*

We have audited the consolidated financial statements of Peloton Minerals Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income (loss) and comprehensive income (loss), changes in deficiency and 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 December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### *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 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$1,342,951 during the year ended December 31, 2025 and negative cash flows from operations of \$612,016. As of that date, the Company had accumulated a deficit of \$16,407,806 and a working capital deficiency of \$2,917,675. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate 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 December 31, 2025. 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.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

### *Other Information*

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Discussion and Analysis prior to the date of this auditor's report. 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. 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 as issued by the IASB, 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 purpose 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 Mark Jakovcic.

RSM Canada LLP

Chartered Professional Accountants  
Licensed Public Accountants  
April 29, 2026  
Toronto, Ontario



**Peloton Minerals Corporation**  
**Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)**  
(Expressed in United States Dollars)  
**Years Ended December 31, 2025 and 2024**

	2025	2024
<b>Expenses</b>		
Office and administrative costs (Note 15)	\$ 594,604	\$ 534,598
Professional fees	94,096	107,300
Exploration and evaluation expenditures (Note 6)	388,578	467,984
Stock-based compensation (Note 12)	267,816	392,781
Depreciation (Note 5)	17,231	15,193
Foreign exchange loss (gain)	32,035	(66,536)
	<b>1,394,360</b>	<b>1,451,320</b>
<b>Other expenses (income)</b>		
Loss (gain) on revaluation of foreign currency warrants (Note 12)	66,618	(2,150,682)
Reversal of management and director fees payable (Note 15)	(260,467)	(173,020)
Loss (gain) on revaluation of derivative liability (Note 9)	65,075	(90,884)
Fair value of warrants extended (Note 12)	146,770	406,983
Interest income	-	(27)
Income on disposal of exploration properties (Note 6(a))	(301)	-
(Gain) loss on fair value adjustment of investment (Note 4)	(69,104)	122,031
	<b>(51,409)</b>	<b>(1,885,599)</b>
<b>Net (loss) income and comprehensive (loss) income</b>	<b>\$ (1,342,951)</b>	<b>\$ 434,279</b>
<b>(Loss) income per share (Note 13)</b>		
Basic and diluted	\$ (0.010)	\$ 0.003
<b>Weighted average number of common shares outstanding (Note 13)</b>		
Basic and diluted	<b>140,620,723</b>	<b>132,237,718</b>

## Peloton Minerals Corporation

### Consolidated Statements of Changes in Deficiency

(Expressed in United States Dollars)

Years Ended December 31, 2025 and 2024

	Number of Shares (Note 11)	Capital Stock (Note 11)	Contributed Surplus (Note 12)	Deficit	Total
<b>Balance, January 1, 2024</b>	<b>125,023,958</b>	<b>\$ 11,006,001</b>	<b>\$ 2,438,510</b>	<b>\$ (15,499,134)</b>	<b>\$ (2,054,623)</b>
Net income and comprehensive income	-	-	-	434,279	434,279
Units issued for cash (Note 11)	13,476,862	886,369	-	-	886,369
Warrants exercised (Note 11)	213,440	29,466	(17,884)	-	11,582
Allocated to warrants (Note 11)	-	(358,659)	-	-	(358,659)
Units issuance fees (Note 11)	-	(87,139)	-	-	(87,139)
Broker units (Note 11)	-	(159,647)	159,647	-	-
Stock-based compensation (Note 12)	-	-	392,781	-	392,781
<b>Balance, December 31, 2024</b>	<b>138,714,260</b>	<b>\$ 11,316,391</b>	<b>\$ 2,973,054</b>	<b>\$ (15,064,855)</b>	<b>\$ (775,410)</b>
Net loss and comprehensive loss	-	-	-	(1,342,951)	(1,342,951)
Units issued for cash (Note 11)	13,003,917	838,081	-	-	838,081
Allocated to warrants (Note 11)	-	(312,184)	-	-	(312,184)
Units issuance fees (Note 11)	-	(71,868)	-	-	(71,868)
Broker units (Note 11)	-	(132,244)	132,244	-	-
Stock-based compensation (Note 12)	-	-	267,816	-	267,816
<b>Balance, December 31, 2025</b>	<b>151,718,177</b>	<b>\$ 11,638,176</b>	<b>\$ 3,373,114</b>	<b>\$ (16,407,806)</b>	<b>\$ (1,396,516)</b>

**Peloton Minerals Corporation**  
**Consolidated Statements of Cash Flows**  
(Expressed in United States Dollars)  
**Years Ended December 31, 2025 and 2024**

	2025	2024
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Net (loss) income	\$ (1,342,951)	\$ 434,279
Items not affecting cash:		
Loss (gain) on revaluation of derivative liability	65,075	(90,884)
Loss (gain) on revaluation of foreign currency warrants	66,618	(2,150,682)
Reversal of management and director fees payable	(260,467)	(173,020)
Depreciation	17,231	15,193
Fair value of warrants extended	146,770	406,983
Stock-based compensation	267,816	392,781
(Gain) loss on fair value adjustment of investment	(69,104)	122,031
Unrealized foreign exchange loss (gain)	8,960	(9,225)
	<b>(1,100,052)</b>	<b>(1,052,544)</b>
Net changes in non-cash working capital:		
HST receivable	(12,839)	(12,125)
Other receivable	26,016	-
Prepaid expenses	950	(19,946)
Accounts payable and accrued liabilities	473,909	188,544
	<b>(612,016)</b>	<b>(896,071)</b>
<b>Investing</b>		
Purchase of equipment	-	(40,755)
Reclamation bonds	(15,091)	(3,848)
	<b>(15,091)</b>	<b>(44,603)</b>
<b>Financing</b>		
Proceeds from share issuances, net	719,947	813,940
Proceeds from loans payable	136,200	98,468
Deposit for shares to be issued	-	14,096
	<b>856,147</b>	<b>926,504</b>
<b>Net change in cash during the year</b>	<b>229,040</b>	<b>(14,170)</b>
<b>Cash, beginning of year</b>	<b>24,648</b>	<b>38,818</b>
<b>Cash, end of year</b>	<b>\$ 253,688</b>	<b>\$ 24,648</b>
<b>Non-cash transactions:</b>		
Warrant extensions	\$ 146,770	\$ 406,983

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Peloton Minerals Corporation (the "Company" or "Peloton") was incorporated under the Ontario Business Corporations Act on December 21, 2000. The Company has five wholly-owned subsidiary corporations: ES Subsidiary Corporation, a United States corporation incorporated under the laws of the State of Montana in August 2023, GT Subsidiary Corporation, a United States corporation incorporated under the laws of the State of Montana on August 28, 2012; IV Subsidiary Corporation, a United States corporation incorporated under the laws of the State of Montana on December 11, 2020; SBSL Subsidiary Corporation, a United States corporation incorporated under the laws of the State of Montana on October 15, 2018; and TC Subsidiary Corporation, a United States corporation incorporated under the laws of the State of Montana on August 28, 2012. In addition, it owns 15.44% (2024 – 16.78%) of Celerity Mineral Corporation, a corporation incorporated in Canada on April 25, 2012 and continued in Ontario on March 26, 2021.

The Company is engaged in the business of locating and exploring mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned revenues and is considered to be in the exploration stage. The head office and principal address of the Company is 380 Wellington Street, 6th Floor, London City Centre, Tower B, London, Ontario, N6A 5B5.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis that presumes the realization of assets and discharge of liabilities in the normal course of business. During the year ended December 31, 2025 the Company had a net loss of \$1,342,951 (2024 – net income of \$434,279) and negative cash flows from operations of \$612,016 (2024 - \$896,071). As of that date, the Company had accumulated a deficit of \$16,407,806 (2024 - \$15,064,855) and a working capital deficiency of \$2,917,675 (2024 – Working capital deficiency of \$2,215,509).

As is common with exploration companies, the Company's ability to continue as a going concern is dependent upon obtaining necessary equity financing to finance its ongoing and planned exploration activities and to cover administrative costs, the discovery of economically recoverable resources, the ability of the Company to secure and maintain title and beneficial interest in the properties, entering agreements with others to explore and develop the mineral properties and future profitable production or proceeds from disposition of such properties. However, there can be no assurances that the Company will be able to obtain financing. These factors create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments may be material.

## **2. MATERIAL ACCOUNTING POLICY INFORMATION**

### **Statement of Compliance**

The consolidated financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee.

The consolidated financial statements of the Company were approved by the Board of Directors on April 29, 2026.

A summary of the Company's material accounting policy information under IFRS are presented below. These policies have been consistently applied.

### **Basis of Measurement**

The consolidated financial statements are prepared on the historical cost basis except for financial instruments classified as fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

These consolidated financial statements are presented in United States dollars, which is also the Company's and United States subsidiaries' functional currency.

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information regarding significant areas of estimation, uncertainty and critical judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements relate to:

#### *Valuation of stock options and warrants issued*

The fair value valuation of stock options and warrants require that management estimates the inputs used in the Black-Scholes pricing model, such as estimated volatility and life of the stock options based on information at each reporting date, and forfeiture rate for options.

#### *Valuation of the convertible debenture*

Management estimated the fair value of the debt component of the convertible debentures by determining the estimated timing of future debt and interest payments pursuant to the terms of the debt agreement and a discount rate equal to the estimated rate of return for a similar debt instrument but having no conversion features. The amount allocated to the debt and equity components would vary with changes in the estimated cash flows and the discount rate.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)**

**Basis of Measurement (Cont'd)**

Valuation of the derivative liability and foreign currency warrants

The fair value valuation of derivative liability and foreign currency warrants require that the management estimates the inputs used in the Black-Scholes pricing model such as estimated volatility and life of the financial instruments based on information at each reporting period.

Determination of the functional currency of the Company

Management has made determinations with respect to its functional currency in accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates," and as such has determined that the functional currency of the Company and its United States subsidiaries is the United States dollar.

Valuation of investment

The fair value of shares and warrants in unlisted equity instruments is estimated by management based on the price of the most recent funding round involving external investors, adjusted where appropriate, for various shareholder categories rights.

**Basis of Consolidation**

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, ES Subsidiary Corporation (United States), TC Subsidiary Corporation (United States), SBSL Subsidiary Corporation, GT Subsidiary Corporation (United States) and IV Subsidiary Corporation (United States). The functional currency of each of these entities is the United States dollar. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation.

**Financial Instruments**

The Company recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Such financial assets or financial liabilities are initially recognized at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of financial instruments that are not classified as fair value through profit or loss.

The classification and measurement approach for financial assets reflect the business model in which assets are managed and their cash flow characteristics. Financial assets are classified and measured based on these categories: amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). Financial assets are not reclassified subsequent to their initial recognition unless the Company identifies changes in its business model in managing financial assets.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)**

**Financial Instruments (Cont'd)**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- The financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The financial asset is held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at FVTPL unless it is measured at amortized cost or at FVOCI.

Financial liabilities are classified and measured based on two categories: amortized cost or FVTPL.

Classification and measurement of the financial instruments is as follows

<u>Financial Instrument</u>	<u>Classification</u>
Cash	Amortized cost
Other receivable	Amortized cost
Investment	FVTPL
Reclamation bonds	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost
Derivative liability – convertible debenture	FVTPL
Derivative liability - foreign currency warrants	FVTPL
Convertible debenture	Amortized cost

Financial assets are derecognized when the Company's rights to cash flows from the respective assets have expired or have been transferred and the Company has neither exposure to the risks inherent in those assets nor entitlement to rewards from them. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of loss and comprehensive loss.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)**

**Financial Instruments (Cont'd)**

The Company categorizes its financial assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs used in the measurement.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in active markets that are accessible at the measurement date.

Level 2: This level includes valuations determined using directly or indirectly observable inputs other than quoted prices included within Level 1. Derivative instruments in this category are valued using models or other standard valuation techniques derived from observable market inputs.

Level 3: This level includes valuations based on inputs which are unobservable, unavailable or where the observable data does not support a significant portion of the instruments' fair value.

The Company's financial instruments measured at fair value on the statement of financial position consist of investment, foreign currency warrants and the derivative liability related to the convertible debenture. Investment, foreign currency warrants and the derivative liability related to the convertible debenture are measured at level 2 of the fair value hierarchy. There have been no transfers between levels.

Under IFRS 9, the Company apply a forward-looking expected credit loss ("ECL") model, at each balance sheet date, to financial assets measured at amortized cost or those measured at FVOCI, except for investments in equity instruments.

The three-stage approach to recognizing ECL under IFRS 9 is intended to reflect the increase in credit risks of a financial instrument and are:

- Stage 1 is comprised of all financial instruments that have not had a significant increase in credit risks since initial recognition or that have low credit risk at the reporting date. The Company recognizes an impairment loss for those financial instrument at an amount equal to twelve month expected credit loss following the balance sheet date.
- Stage 2 is comprised of all financial instruments that have had a significant increase in credit risks since initial recognition but that do not have objective evidence of a credit loss event. The Company recognizes an impairment loss for those financial instruments at an amount equal to the lifetime expected credit losses.
- Stage 3 is comprised of all financial instruments that have objective evidence of impairment at the reporting date. The Company recognizes an impairment loss for those financial instruments at an amount equal to the lifetime expected credit losses.

Impairment losses are recorded in the consolidated statement of comprehensive income with the carrying amount of the financial asset reduced through the use of impairment allowance accounts.

The Company reverses impairment losses on financial assets carried at amortized cost when the decrease in impairment can be objectively related to an event occurring after the impairment loss was initially recognized.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)**

**Mining Claims - Exploration and Evaluation Expenditures**

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition cost of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and exploration and evaluation activities technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

**Impairment of long-lived assets**

At the end of each reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into cash generating units ("CGU's") for impairment purposes. 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 ordinary 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 the consolidated statement of loss and comprehensive loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

**Convertible Debenture**

The convertible debenture is convertible into units in Canadian Dollars and the Company's functional currency is US Dollars. As a result the instrument contains an embedded derivative liability.

The proceeds received on issuance of the Company's convertible debenture are allocated to the host debt and derivative liability components. The fair value of the components is determined based on a relative fair value approach.

The host debt component was discounted using interest rates that would have been applicable to a non-convertible debenture of the Company at the time of issue. The derivative liability feature was measured using the Black-Scholes option pricing model. The derivative liability is fair valued at each statement of financial position date using the Black-Scholes option pricing model.

The host debt component accretes up to the principal balance at maturity with the accretion expense included in the consolidated statements of comprehensive income and loss. The derivative liability component will be reclassified to capital stock on conversion.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)**

**Foreign Currency Translation**

Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At the consolidated statement of financial position date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the reporting date exchange rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognized in the consolidated statement of loss and comprehensive loss.

Financial statements of consolidated entities that have a functional currency other than the United States dollar are translated into the presentation currency as follows: (i) assets and liabilities for each statement of financial position presented are translated at the rate of exchange in effect as at the date of the statement of financial position (ii) income and expenses for each statement of operations are translated as the average rates of exchange in effect during the reporting period and (iii) all resulting exchange differences are recognized in accumulated other comprehensive income.

**Stock-based Compensation Transactions**

The Company grants stock options and other forms of security-based compensation to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of security-based compensation issued for employee services is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. At each reporting date, the Company revises its estimates of the number of options that are expected to vest, based on the non-market vesting conditions. Consideration paid for the shares on the exercise of security-based compensation is credited to share capital.

In situations where equity instruments are issued for non-employee services and some or all of the goods or services received by the entity as consideration cannot be reliably measured, they are measured at the fair value of the share-based payment. Otherwise, the stock-based compensation is measured at the fair value of goods or services received.

**Income Taxes**

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

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

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 taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)**

**Share Capital**

Common shares are classified as equity. Amounts received for units issued are allocated between common shares and warrants based on relative fair value method. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

**Income/Loss Per Share**

The Company presents basic and diluted income/loss per share data for its common shares. Basic income/loss per share is calculated by dividing the loss attributed to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income per share is determined by adjusting the income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares. Diluted income per share does not adjust the loss attributed to the common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

**Restoration Liabilities**

The Company recognizes the fair value of restoration liabilities related to statutory, contractual or legal obligations associated with the retirement of mining claims in the year in which it is incurred when a reasonable estimate of fair value can be made, in which case the carrying amount of the related mining claim is increased by the same amount as the net present value of the restoration liability. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. The Company's estimates of such costs could change as a result of changes in regulatory requirements and assumptions regarding the amount and timing of the future expenditures and changes in the net present value.

**Related Party Disclosures**

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. 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.

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reasonable estimate can be made of the amount of the obligation. Provisions for legal claims, onerous leases and other onerous commitments are recognized at the best estimates of the expenditures required to settle the Company's liability.

Provisions are measured at the present value of the expenditures required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)**

**Warrants Denominated in a Foreign Currency**

Warrants denominated in a currency different from the functional currency of the Company, called foreign currency warrants in these consolidated financial statements, meet the definition of a derivative financial liability and are fair valued at each statement of financial position date using the Black-Scholes option pricing model, with changes in the fair value recognized in the consolidated statement of loss and comprehensive loss.

Warrants that are issued as compensation for services are classified as equity and are presented as contributed surplus and are not subsequently revalued.

**Equipment**

Equipment is stated at cost less accumulated depreciation and any impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Equipment is depreciated using the straight-line method over the estimated useful life of 5 - 10 years and is depreciated from the time it is available for use. The residual value, useful life and depreciation method are reviewed at least annually.

**3. NEW ACCOUNTING PRONOUNCEMENTS**

**Future accounting pronouncements**

The accounting pronouncements detailed below have been issued but are not yet effective. The Company does not expect the impact of applying these standards to be significant on its consolidated financial statements.

*IFRS 18, Presentation and Disclosure in the Financial Statements*

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in the Financial Statements* ("IFRS 18") to replace IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 *Statement of Cash Flows* were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 *Earnings Per Share* were issued to permit disclosures of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently evaluating the impact of the standard on its financial statements and will apply it from the effective date.

*Amendments to IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures*

On May 30, 2024, the IASB issued narrow scope amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments include the clarification of the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system. The amendments also introduce additional disclosure requirements to enhance transparency regarding investments in equity instruments designed at FVOCI and financial instruments with contingent features.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of the amendments on its financial statements and will apply the amendments from the effective date.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**4. INVESTMENT**

At December 31, 2025, the Company held 6,657,457 common shares (representing 15.44% interest) of Celerity (2024 – 6,657,457 common shares representing 16.78%) which is recorded at fair value through profit and loss and 537,457 warrants, exercisable at \$0.36 - \$0.55 (\$0.50 - \$0.75 CDN) into common shares of Celerity for 2 years following listing on a stock exchange. The fair value of the warrants has been estimated at \$Nil. If the Company were to exercise all the warrants as at December 31, 2025, it would hold 16.48% (2024 - 17.89%) of Celerity at that date.

On December 18, 2023, Celerity settled \$119,047 (\$161,237 CDN) owing to the Company by issuing 537,457 units, with each unit consisting of one common share and one share purchase warrant exercisable for 2 years following listing on a stock exchange. Each warrant entitles the holder to purchase one share at a price of \$0.50 CDN for a period of up 12 months after listing date and \$0.75 CDN for an additional 12 months thereafter.

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Company's investments fall as at December 31, 2025:

	Level 1	Level 2	Level 3	Total
Investment - shares	\$ -	\$1,457,184	\$ -	\$1,457,184
Investment - warrants	\$ -	\$ -	\$ -	\$ -

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Company's investments fall as at December 31, 2024:

	Level 1	Level 2	Level 3	Total
Investment - shares	\$ -	\$1,388,080	\$ -	\$1,388,080
Investment - warrants	\$ -	\$ -	\$ -	\$ -

**5. EQUIPMENT**

Cost	December 31, 2023	Additions	December 31, 2024	Additions	December 31, 2025
Diamond Drilling Equipment and Lithium Analyzer	\$90,799	\$ 40,755	\$131,554	\$ -	\$131,554
<b>Accumulated Depreciation</b>	December 31, 2023	Depreciation	December 31, 2024	Depreciation	December 31, 2025
Diamond Drilling Equipment and Lithium Analyzer	\$68,099	\$15,193	\$83,292	\$17,231	\$100,523
Carrying amount December 31, 2024					\$48,262
<b>Carrying amount December 31, 2025</b>					<b>\$31,031</b>

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

**6. MINING CLAIMS - EXPLORATION AND EVALUATION EXPENDITURES**

Cumulative spending to date:

	December 31, 2024	Additions	December 31, 2025
Silver Bell St. Lawrence Claims, MT <sup>(a)</sup>	\$ 468,876	\$ -	\$ 468,876
Independence Valley, NV <sup>(b)</sup>	67,230	4,464	71,694
Potential acquisition of Boulder Porphyry, MT <sup>(c)</sup>	904,021	-	904,021
North Elko Lithium, NV <sup>(d)</sup>	1,456,791	384,114	1,840,905
Cost related to potential property acquisition	74,515	-	74,515
	<b>\$ 2,971,433</b>	<b>\$ 388,578</b>	<b>\$ 3,360,011</b>
	December 31, 2023	Additions	December 31, 2024
Silver Bell St. Lawrence Claims, MT <sup>(a)</sup>	\$ 468,876	\$ -	\$ 468,876
Independence Valley, NV <sup>(b)</sup>	58,037	9,193	67,230
Potential acquisition of Boulder Porphyry, MT <sup>(c)</sup>	904,021	-	904,021
North Elko Lithium, NV <sup>(d)</sup>	998,000	458,791	1,456,791
Cost related to potential property acquisition	74,515	-	74,515
	<b>\$ 2,503,449</b>	<b>\$ 467,984</b>	<b>\$ 2,971,433</b>

(a) Silver Bell St. Lawrence

The Company held 100% interest in the Silver Bell St. Lawrence ("SBSL") property consisting of 10 (2024 - 10) mining claims. These claims were subject to a 2% net smelter royalty to an arm's-length party.

The Company also held 100% interest in 20 (2024 - 20) mining claims adjacent to the northern and eastern boundaries of the SBSL property. These mining claims were called the Roar claims.

On March 15, 2019, the Company, through its wholly owned subsidiary, SBSL Subsidiary Corporation, signed an exploration agreement with Frederick Private Equity Corporation ("Frederick PEC") on the Silver Bell St. Lawrence Gold Project. Under the agreement, Frederick PEC could earn up to 75% interest in the Project by spending a total of \$2,000,000 in exploration expenditures within six years and making annual option payments.

On April 26, 2019, AFR NuVenture Resources Inc. (formerly African Metals Corporation) ("AFR") announced that it had entered into an agreement with Frederick PEC whereby it could acquire initially a 51% interest in the Silver Bell St. Lawrence Project from Frederick PEC. As part of that transaction, AFR agreed to expend and has expended a minimum of \$200,000 in exploration expenditures in the first year. There is a common director between the Company and Frederick PEC and AFR who recused himself from the approval process of the transactions.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**6. MINING CLAIMS - EXPLORATION AND EVALUATION EXPENDITURES (Cont'd)**

(a) Silver Bell St. Lawrence (Cont'd)

During the year ended December 31, 2024, the Company did not renew the unpatented mineral claims that it held in the Silver Bell St. Lawrence Project and during the quarter ended September 30, 2025, the Company sold the one remaining patented mineral claim to a private party for \$301. The Frederick PEC/AFR agreements have also lapsed.

(b) Independence Valley

The Company holds 21 mineral claims (2024 – 38) located in Elko County, Nevada, about 77 miles south of the Company's Golden Trail Project. The mineral claim package is called the Independence Valley Project.

To maintain the staked claims, the Company must pay annual maintenance fees to the Department of the Interior (Bureau of Land Management - BLM Nevada State Office) and the local county in the cumulative approximate amount of \$212 (2024 - \$212) per claim.

(c) Boulder Porphyry

The Company holds a 15.44% interest in Celerity Mineral Corporation which owns a 100% working interest in the Boulder Porphyry Property located approximately 16 miles (26 km) northeast of Butte, Montana.

(d) North Elko Lithium Project

The North Elko Lithium Project is comprised of:

(i) Golden Trail

The Company holds 100% interest in the Golden Trail property consisting of 23 (2024 - 23) contiguous unpatented mining claims in the Elko County region of Nevada.

To maintain the staked claims, the Company must pay annual maintenance fees to the Department of the Interior (Bureau of Land Management - BLM Nevada State Office) and the local counties in the cumulative approximate amount of \$212 (2024 - \$212) per claim.

(i) Texas Canyon

During February 2018, the Company acquired by staking a 44-mineral claim package located in Elko County, Nevada, about five miles west of the Company's Golden Trail Project. The mineral claim package is called the Texas Canyon Project.

To maintain the staked claims, the Company must pay annual maintenance fees to the Department of the Interior (Bureau of Land Management - BLM Nevada State Office) and the local county in the cumulative approximate amount of \$212 (2024 - \$212) per claim.

(ii) Emmigrant Springs

During 2025, the Company acquired by staking 90 claims to bring the total to 375 mineral claims package at December 31, 2025 (2024 – 285) located in Elko County, Nevada, between and just south of the Company's Golden Trail Project and Texas Canyon Project. The mineral claim package is called the Emmigrant Springs Project. For recording purposes, these claims are registered in the name of a director of the Company, as agent for the Company and will be transferred to a subsidiary of the Company in 2025. As of April 29, 2026, this transfer has not occurred.

To maintain the staked claims, the Company must pay annual maintenance fees to the Department of the Interior (Bureau of Land Management – BLM Nevada State Office) and the local county in the cumulative approximate amount of \$212 (2024 - \$212) per claim.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**7. RECLAMATION BONDS**

As at December 31, 2025, a reclamation bond is being held by the Bureau of Land Management ("BLM") in the amount of \$18,505 (2024 - \$17,853) on the Golden Trail property and \$14,439 (2024 - \$Nil) on the Texas Canyon property.

The permit area for the Golden Trail property was increased during 2025, thereby increasing the bond requirement by \$652 (2024 - \$3,848) which was approved by the BLM. During 2024, BLM approved a reduction in the bond requirement by \$4,680 which is still refundable.

The drill permit on the Independence Valley property expired at December 31, 2024 and the BLM approved a refund of reclamation bond of \$13,917 which was received during 2025.

The drill permit on the Texas Canyon property expired in 2024 and the BLM approved a refund of reclamation bond of \$12,099 which was received during 2025. During 2025, an extension for the permit has been granted and the Company submitted a new reclamation bond of \$14,439.

The Company has not recorded a restoration liability as at December 31, 2025 as the Company has not yet disturbed the land at the Golden Trail property or the Texas Canyon property to trigger the recognition of this liability.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The following is a breakdown of the amounts included in accounts payable:

	2025	2024
Trade payables	\$ 282,868	\$ 147,501
Accrued liabilities:		
Management and director fees (Note 15)	712,153	662,609
Audit and accounting	42,092	45,731
	<b>\$ 1,037,113</b>	<b>\$ 855,841</b>

**9. CONVERTIBLE DEBENTURE**

(a) Convertible debenture of \$100,000

On August 11, 2015, the Company received \$100,000 (principal) from an arm's length party in exchange for a convertible debenture. The convertible debenture is due on demand upon six months' notice in writing, with such notice not to be given on or before August 11, 2020. The debenture pays interest at the rate of 4%, payable quarterly, beginning October 1, 2015 with the first payment due December 31, 2015. The convertible debenture, and all principal and interest owing, is convertible, in whole or in part, at the holder's option into units of the Company (the "Unit"). Each Unit consists of one common share and one common share purchase warrant. The conversion price of the debenture is \$0.036 (\$0.05 CDN) per Unit. Each warrant will entitle the holder to acquire one additional common share at a price of \$0.073 (\$0.10 CDN) per share until August 11, 2020. Since the conversion into Unit did not happen by August 11, 2020, the warrant component has expired and the debenture is now only convertible into shares.

As security, the Company has pledged the diamond drill rig (Note 5).

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**9. CONVERTIBLE DEBENTURE (Cont'd)**

If the common shares of the Company trade for ten consecutive trading days on the Canadian Securities Exchange or any other stock exchange or quotation service upon which it happens to trade or be quoted at that time, at a price equal to or greater than \$0.146 (\$0.20 CDN) per share, this debenture will automatically be converted into units without any action on the part of either the Company or the holder. The automatic conversion was triggered during 2026 but not implemented at that date. The conversion is under discussion with the debenture holder.

(b) Valuation of debenture

The conversion rate of the units and the warrants to be issued on conversion of the above convertible debenture are not in the Company's functional currency and as a result are presented as a derivative financial liability. The Company valued the derivative financial liabilities using the Black-Scholes option pricing model and after valuing the derivative financial liabilities assigned the remaining value to the convertible debenture.

The fair value of the units of debenture were estimated at the issuance date using the Black-Scholes pricing model with the following inputs and assumptions:

Share price	\$0.040 CDN
Expected dividend yield	Nil
Exercise price	\$0.050 - \$0.100 CDN
Risk free interest rate	0.72%
Expected life	5.0 - 5.5 years
Expected volatility (based on historical prices)	210 - 223%

On the date of issuance, the Company determined the amount relating to the units in the convertible debenture to be \$76,886.

The fair value of the conversion feature of debenture was revalued at December 31, 2024 using the Black-Scholes option pricing model with the following inputs and assumptions:

Share price	\$0.08 CDN
Expected dividend yield	Nil
Exercise price	\$0.05 CDN
Risk free interest rate	3.26%
Expected life	0.50 year
Expected volatility (based on historical prices)	108%

On December 31, 2024, the conversion feature was revalued at \$76,194 resulting in a gain on revaluation of derivative liability of \$90,884.

The fair value of the conversion feature of debenture was revalued at December 31, 2025 using the Black-Scholes option pricing model with the following inputs and assumptions:

Share price	\$0.12 CDN
Expected dividend yield	Nil
Exercise price	\$0.05 CDN
Risk free interest rate	2.56%
Expected life	0.50 year
Expected volatility (based on historical prices)	40%

On December 31, 2025, the conversion feature was revalued at \$141,269 resulting in a loss on revaluation of derivative liability of \$65,075.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**9. CONVERTIBLE DEBENTURE (Cont'd)**

(b) Valuation of debenture (Cont'd)

<b>Convertible Debenture</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2025</b>	<b>2024</b>
Principal – debenture	\$ 100,000	\$ 100,000
Derivative liability – debenture	(76,886)	(76,886)
Accumulated accretion expense	76,886	76,886
	<b>\$ 100,000</b>	<b>\$ 100,000</b>

<b>Derivative Liability</b>	<b>December 31,</b>	<b>December 31,</b>
	<b>2025</b>	<b>2024</b>
Derivative liability – debenture (fair value on issuance date)	\$ 76,886	\$ 76,886
Cumulative fair value adjustment – debenture	64,383	(692)
	<b>\$ 141,269</b>	<b>\$ 76,194</b>

**10. LOANS PAYABLE**

On December 31, 2025, the Company had a loan payable of \$200,640 (\$275,000 CDN) (2024 - \$86,875 (\$125,000 CDN)) to an arm's length party. The loan is unsecured, due on demand and bears interest at 6% per annum, payable quarterly. The proceeds of the loan can, at the holder's option, be used to participate in a future private placement of the Company.

On December 31, 2025, the Company had loans payable of \$90,470 (\$124,000 CDN) (2024 - \$59,075 (\$85,000 CDN)) to officers of the Company. The loans are unsecured, non-interest bearing and due on demand.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

**11. CAPITAL STOCK**

Authorized

Unlimited common shares

Issued and outstanding common shares

	<b>Number of Shares</b>	<b>Value</b>
<b>Balance, January 1, 2024</b>	<b>125,023,958</b>	<b>\$ 11,006,001</b>
Units issued for cash <sup>(a)</sup>	13,476,862	886,369
Warrants exercised for cash <sup>(a)</sup>	213,440	29,466
Allocated to warrants <sup>(a)</sup>	-	(358,659)
Share issuance costs <sup>(a)</sup>	-	(246,786)
<b>Balance, December 31, 2024</b>	<b>138,714,260</b>	<b>\$ 11,316,391</b>
Units issued for cash <sup>(b)</sup>	13,003,917	838,081
Allocated to warrants <sup>(b)</sup>	-	(312,184)
Share issuance costs <sup>(b)</sup>	-	(204,112)
<b>Balance, December 31, 2025</b>	<b>151,718,177</b>	<b>\$ 11,638,176</b>

- (a) (i) On April 16, 2024, the Company issued 213,440 units, from the exercise of broker warrants, at \$0.075 CDN per unit for proceeds of \$11,582 (\$16,008 CDN). The previously recognized contributed surplus amount of \$17,884 relating to these broker warrants was reclassified from contributed surplus to capital stock. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one share at a price of \$0.125 CDN up to May 4, 2024.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.11 CDN
Expected dividend yield	Nil
Exercise price	\$0.125 CDN
Risk free interest rate	4.28%
Expected life	0.05 years
Expected volatility (based on historical prices)	115%

The Company determined the amount relating to the warrants in the unit issuance to be \$596, based on a relative fair value allocation on proceeds to shares and share purchase warrants.

- (ii) On May 31, 2024, the Company issued 8,861,307 units at \$0.09 CDN per unit for proceeds of \$584,401 (\$797,518 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to May 31, 2027.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.11 CDN
Expected dividend yield	Nil
Exercise price	\$0.12 CDN
Risk free interest rate	3.09%
Expected life	3.0 years
Expected volatility (based on historical prices)	116%

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**11. CAPITAL STOCK (Cont'd)**

The Company determined the amount relating to the warrants in the unit issuance to be \$237,739, based on a relative fair value allocation on proceeds to shares and share purchase warrants.

The Company paid a finder's fee consisting of \$47,085 (\$64,233 CDN) in cash and 886,131 broker warrants with each broker warrant exercisable at \$0.09 CDN within five years to purchase additional private placement units consisting of one common share and one common share purchase warrant exercisable for five years at \$0.12 CDN.

The fair value of these broker warrants of \$110,020 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.11 CDN
Expected dividend yield	Nil
Exercise price	\$0.09 - \$0.12 CDN
Risk free interest rate	2.04%
Expected life	5.0 years
Expected volatility (based on historical prices)	103%

- (iii) On June 4, 2024, the Company issued 2,500,000 units at \$0.09 CDN per unit for proceeds of \$165,015 (\$225,000 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to June 4, 2027.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.105 CDN
Expected dividend yield	Nil
Exercise price	\$0.12 CDN
Risk free interest rate	3.10%
Expected life	3.0 years
Expected volatility (based on historical prices)	116%

The Company determined the amount relating to the warrants in the unit issuance to be \$66,376, based on a relative fair value allocation on proceeds to shares and share purchase warrants.

The Company paid a finder's fee consisting of \$13,195 (\$18,000 CDN) in cash and 250,000 broker warrants with each broker warrant exercisable at \$0.09 CDN within five years to purchase additional private placement units consisting of one common share and one common share purchase warrant exercisable for five years at \$0.12 CDN.

The fair value of these broker warrants of \$29,320 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.105 CDN
Expected dividend yield	Nil
Exercise price	\$0.09 - \$0.12 CDN
Risk free interest rate	2.05%
Expected life	5.0 years
Expected volatility (based on historical prices)	103%

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**11. CAPITAL STOCK (Cont'd)**

- (iv) On August 16, 2024, the Company issued 666,666 units at \$0.09 CDN per unit for proceeds of \$43,708 (\$59,999.94 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to August 16, 2027.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.11 CDN
Expected dividend yield	Nil
Exercise price	\$0.12 CDN
Risk free interest rate	3.33%
Expected life	3.0 years
Expected volatility (based on historical prices)	117%

The Company determined the amount relating to the warrants in the unit issuance to be \$17,908, based on a relative fair value allocation on proceeds to shares and share purchase warrants.

The Company paid a finder's fee consisting of \$3,556 (\$4,800 CDN) in cash and 66,666 broker warrants with each broker warrant exercisable at \$0.09 CDN within five years to purchase additional private placement units consisting of one common share and one common share purchase warrant exercisable for five years at \$0.12 CDN.

The fair value of these broker warrants of \$8,240 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.11 CDN
Expected dividend yield	Nil
Exercise price	\$0.09 - \$0.12 CDN
Risk free interest rate	2.12%
Expected life	5.0 years
Expected volatility (based on historical prices)	103%

- (v) On November 18, 2024, the Company issued 1,448,889 units at \$0.09 CDN per unit for proceeds of \$93,245 (\$130,400 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to November 18, 2027.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.08 CDN
Expected dividend yield	Nil
Exercise price	\$0.12 CDN
Risk free interest rate	3.55%
Expected life	3.0 years
Expected volatility (based on historical prices)	116%

The Company determined the amount relating to the warrants in the unit issuance to be \$36,040, based on a relative fair value allocation on proceeds to shares and share purchase warrants.

The Company paid a finder's fee consisting of \$7,433 (\$10,432 CDN) in cash and 144,889 broker warrants with each broker warrant exercisable at \$0.09 CDN within five years to purchase additional private placement units consisting of one common share and one common share purchase warrant exercisable for five years at \$0.12 CDN.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**11. CAPITAL STOCK (Cont'd)**

The fair value of these broker warrants of \$12,067 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.08 CDN
Expected dividend yield	Nil
Exercise price	\$0.09 - \$0.12 CDN
Risk free interest rate	2.20%
Expected life	5.0 years
Expected volatility (based on historical prices)	103%

- (b) (i) On October 30, 2025 the Company issued 10,030,553 units at \$0.09 CDN per unit for proceeds of \$645,177 (\$902,750 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to October 30, 2028.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.09 CDN
Expected dividend yield	Nil
Exercise price	\$0.12 CDN
Risk free interest rate	3.62%
Expected life	3.0 years
Expected volatility (based on historical prices)	102%

The Company determined the amount relating to the warrants in the unit issuance to be \$238,549, based on a relative fair value allocation on proceeds to shares and share purchase warrants.

The Company paid a finder's fee consisting of \$51,619 (\$72,220 CDN) in cash and 1,003,055 broker warrants with each broker warrant exercisable at \$0.09 CDN within five years to purchase additional private placement units consisting of one common share and one common share purchase warrant exercisable for five years at 0.12 CDN.

The fair value of these broker warrants of \$96,619 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.09 CDN
Expected dividend yield	Nil
Exercise price	\$0.09 - \$0.12 CDN
Risk free interest rate	2.60%
Expected life	5.0 years
Expected volatility (based on historical prices)	103%

- (ii) On November 13, 2025, the Company issued 1,266,664 units at \$0.09 CDN per unit for proceeds of \$81,205 (\$114,000 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to November 13, 2028.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**11. CAPITAL STOCK (Cont'd)**

Share price	\$0.095 CDN
Expected dividend yield	Nil
Exercise price	\$0.12 CDN
Risk free interest rate	3.60%
Expected life	3.0 years
Expected volatility (based on historical prices)	102%

The Company determined the amount relating to the warrants in the unit issuance to be \$30,394, based on a relative fair value allocation on proceeds to shares and share purchase warrants.

The Company paid a finder's fee consisting of \$6,506 (\$9,120 CDN) in cash and 126,666 broker warrants with each broker warrant exercisable at \$0.09 CDN within five years to purchase additional private placement units consisting of one common share and one common share purchase warrant exercisable for five years at 0.12 CDN.

The fair value of these broker warrants of \$12,968 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.095 CDN
Expected dividend yield	Nil
Exercise price	\$0.09 - \$0.12 CDN
Risk free interest rate	2.61%
Expected life	5.0 years
Expected volatility (based on historical prices)	103%

- (iii) On November 14, 2025, the Company issued 216,700 units at \$0.09 CDN per unit for proceeds of \$13,906 (\$19,503 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to November 14, 2028.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.10 CDN
Expected dividend yield	Nil
Exercise price	\$0.12 CDN
Risk free interest rate	3.60%
Expected life	3.0 years
Expected volatility (based on historical prices)	102%

The Company determined the amount relating to the warrants in the unit issuance to be \$5,250, based on a relative fair value allocation on proceeds to shares and share purchase warrants.

The Company paid a finder's fee consisting of \$1,112 (\$1,560 CDN) in cash and 21,670 broker warrants with each broker warrant exercisable at \$0.09 CDN within five years to purchase additional private placement units consisting of one common share and one common share purchase warrant exercisable for five years at 0.12 CDN.

The fair value of these broker warrants of \$2,354 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**11. CAPITAL STOCK (Cont'd)**

Share price	\$0.10 CDN
Expected dividend yield	Nil
Exercise price	\$0.09 - \$0.12 CDN
Risk free interest rate	2.61%
Expected life	5.0 years
Expected volatility (based on historical prices)	103%

- (iv) On December 29, 2025, the Company issued 1,490,000 units at \$0.09 CDN per unit for proceeds of \$97,793 (\$134,100 CDN). Each unit consists of one common share and one share purchase warrant exercisable for 3 years. Each warrant entitles the holder to purchase one share at a price of \$0.12 CDN up to December 29, 2028.

The fair value of these warrants was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.12 CDN
Expected dividend yield	Nil
Exercise price	\$0.12 CDN
Risk free interest rate	3.55%
Expected life	3.0 years
Expected volatility (based on historical prices)	100%

The Company determined the amount relating to the warrants in the unit issuance to be \$37,991, based on a relative fair value allocation on proceeds to shares and share purchase warrants.

The Company paid a finder's fee and units issuance fees consisting of \$12,631 (\$14,718 CDN) in cash and 149,000 broker warrants with each broker warrant exercisable at \$0.09 CDN within five years to purchase additional private placement units consisting of one common share and one common share purchase warrant exercisable for five years at \$0.12 CDN.

The fair value of these broker warrants of \$20,303 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.12 CDN
Expected dividend yield	Nil
Exercise price	\$0.09 - \$0.12 CDN
Risk free interest rate	2.67%
Expected life	5.0 years
Expected volatility (based on historical prices)	101%

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**12. STOCK OPTIONS AND WARRANTS**

(a) Stock Options

The Company has a Security-Based Compensation Plan (the "Compensation Plan") for the benefit of employees, directors, officers and third parties, which allows for the Company to issue stock options, deferred share units, restricted share units, share appreciation rights, and/or any other security-based compensation plan that is acceptable to the regulatory authorities, including the Canadian Securities Exchange (the "Exchange") or any other stock exchange where the shares of the Company may be listed. The Compensation Plan is a hybrid plan with 10 percent rolling for stock options and fixed up to 10 percent for other awards. The exercise price of awards granted under the Compensation Plan will be determined by the directors, but will be at least equal to the closing trading price for the common shares for the last trading day prior to the grant and otherwise the fair market price as determined by the Board of Directors. The term of any award granted shall not exceed ten years. Except as otherwise provided elsewhere in the Compensation Plan, the options shall be cumulatively exercisable in installments over the option period at a rate to be fixed by the Board of Directors.

	2025		2024	
	Number of Options	Weighted Average Exercise Price (CDN)	Number of Options	Weighted Average Exercise Price (CDN)
Outstanding, beginning of year	13,700,000	\$ 0.10	9,550,000	\$ 0.11
Granted	3,349,998	\$ 0.11	7,800,000	\$ 0.10
Expired	(2,300,000)	\$ 0.13	(3,650,000)	\$ 0.10
Outstanding, end of year	<b>14,749,998</b>	<b>\$ 0.10</b>	13,700,000	\$ 0.10
Exercisable	<b>14,749,998</b>	<b>\$ 0.10</b>	13,700,000	\$ 0.10

The Company had the following stock options outstanding at December 31, 2025:

Number of Options	Exercise Price	Expiry Date
2,100,000	CDN \$0.100	June 10, 2027
1,000,000	CDN \$0.110	June 9, 2028
500,000	CDN \$0.110	November 29, 2028
2,100,000	CDN \$0.090	April 2, 2027
2,000,000	CDN \$0.100	June 13, 2027
2,900,000	CDN \$0.100	June 13, 2029
200,000	CDN \$0.100	July 9, 2029
600,000	CDN \$0.090	November 1, 2027
883,332	CDN \$0.110	November 21, 2028
366,666	CDN \$0.110	November 28, 2028
2,100,000	CDN \$0.115	December 19, 2030
<b>14,749,998</b>		

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**12. STOCK OPTIONS AND WARRANTS (Cont'd)**

(a) Stock Options (Cont'd)

The above options were not included in the computation of diluted net loss per share as they are anti-dilutive. The weighted average remaining contractual life of these options is 2.60 years (2024 – 2.76 years).

(i) On April 2, 2024, the Company granted 2,100,000 stock options to consultants of the Company. The stock options are exercisable at \$0.09 CDN per share and expire April 2, 2027. All the stock options vest immediately.

The fair value of these stock options of \$97,023 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.09 CDN
Expected dividend yield	Nil
Exercise price	\$0.09 CDN
Risk free interest rate	2.87%
Expected life	3.00 years
Expected volatility (based on historical prices)	116%

(ii) On June 13, 2024, the Company granted 2,000,000 incentive stock options to consultants of the Company. The stock options are exercisable at \$0.10 CDN per share and expire June 13, 2027. All the stock options vest immediately.

The fair value of these stock options of \$102,135 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.10 CDN
Expected dividend yield	Nil
Exercise price	\$0.10 CDN
Risk free interest rate	3.14%
Expected life	3 years
Expected volatility (based on historical prices)	117%

(iii) On June 13, 2024, the Company granted 2,900,000 incentive stock options to directors of the Company. The stock options are exercisable at \$0.10 CDN per share and expire June 13, 2029. All the stock options vest immediately.

The fair value of these stock options of \$161,036 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.10 CDN
Expected dividend yield	Nil
Exercise price	\$0.10 CDN
Risk free interest rate	2.06%
Expected life	5 years
Expected volatility (based on historical prices)	103%

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**12. STOCK OPTIONS AND WARRANTS (Cont'd)**

(a) Stock Options (Cont'd)

(iv) On July 9, 2024, the Company granted 200,000 incentive stock options to a consultant of the Company. The stock options are exercisable at \$0.10 CDN per share and expire July 9, 2029. All the stock options vest immediately.

The fair value of these stock options of \$8,629 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.08 CDN
Expected dividend yield	Nil
Exercise price	\$0.10 CDN
Risk free interest rate	2.08%
Expected life	5 years
Expected volatility (based on historical prices)	103%

(v) On November 1, 2024, the Company granted 600,000 incentive stock options to consultants of the Company. The stock options are exercisable at \$0.09 CDN per share and expire November 1, 2027. All the stock options vest immediately.

The fair value of these stock options of \$23,958 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.08 CDN
Expected dividend yield	Nil
Exercise price	\$0.09 CDN
Risk free interest rate	3.51%
Expected life	3 years
Expected volatility (based on historical prices)	119%

(vi) On November 21, 2025, the Company granted 883,332 incentive stock options to consultants of the Company. The stock options are exercisable at \$0.11 CDN per share and expire November 21, 2028. All the stock options vest immediately.

The fair value of these stock options of \$43,682 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.11 CDN
Expected dividend yield	Nil
Exercise price	\$0.11 CDN
Risk free interest rate	3.59%
Expected life	3 years
Expected volatility (based on historical prices)	100%

(vii) On November 28, 2025, the Company granted 366,666 incentive stock options to consultants of the Company. The stock options are exercisable at \$0.11 CDN per share and expire November 28, 2028. All the stock options vest immediately.

The fair value of these stock options of \$17,214 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.105 CDN
Expected dividend yield	Nil
Exercise price	\$0.11 CDN
Risk free interest rate	3.58%
Expected life	3 years
Expected volatility (based on historical prices)	100%

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**12. STOCK OPTIONS AND WARRANTS (Cont'd)**

(viii) On December 19, 2025, the Company granted 2,100,000 incentive stock options to directors of the Company. The stock options are exercisable at \$0.115 CDN per share and expire December 19, 2030. All the stock options vest immediately.

The fair value of these stock options of \$133,245 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.115 CDN
Expected dividend yield	Nil
Exercise price	\$0.115 CDN
Risk free interest rate	2.66%
Expected life	5 years
Expected volatility (based on historical prices)	101%

(b) Warrants

The following summarizes the change in foreign currency warrants:

	2025	2024
Balance, beginning of year	\$ 1,146,411	\$ 2,531,451
Fair value of warrants issued – April 16, 2024 (Note 11(a)(i))	-	596
Fair value of warrants issued – May 31, 2024 (Note 11(a)(ii))	-	237,739
Fair value of warrants issued – June 4, 2024 (Note 11(a)(iii))	-	66,376
Fair value of warrants issued – August 16, 2024 (Note 11(a)(iv))	-	17,908
Fair value of warrants issued – November 18, 2024 (Note 11(a)(v))	-	36,040
Fair value of warrants issued – October 30 2025 (Note 11(b)(i))	238,549	-
Fair value of warrants issued – November 13, 2025 (Note 11(b)(ii))	30,394	-
Fair value of warrants issued – November 14, 2025 (Note 11(b)(iii))	5,250	-
Fair value of warrants issued – December 29, 2025 (Note 11(b)(iv))	37,991	-
Fair value of warrants extended - (Note 12(b)(ii) and 12(b)(i))	146,770	406,983
Fair value adjustment (Note 12(b)(iii))	66,618	(2,150,682)
<b>Balance, end of year</b>	<b>\$ 1,671,983</b>	<b>\$ 1,146,411</b>

(i) During the year ended December 31, 2024, the Company modified the expiry dates of the following outstanding warrants:

- 2,668,000 warrants originally expiring on May 4, 2024 are now exercisable until May 4, 2026;
- 213,440 warrants originally expiring on May 4, 2024 are now exercisable until May 4, 2026;
- 1,633,334 warrants originally expiring on July 12, 2024 are now exercisable until July 12, 2026;

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**12. STOCK OPTIONS AND WARRANTS (Cont'd)**

(b) Warrants (Cont'd)

- 7,614,446 warrants originally expiring on December 10, 2024 are now exercisable until December 10, 2026

The incremental fair value of these warrants extended was estimated at \$406,983 using the Black Scholes pricing model with the following inputs and weighted average assumptions:

Share price	\$0.075 - \$0.110 CDN
Expected dividend yield	Nil
Exercise price	\$0.100 - \$0.125 CDN
Risk free interest rate	3.08% - 4.30%
Expected life (original)	0.04 – 0.20 years
Expected life (extended)	2.04 – 2.20 years
Expected volatility (original) (based on historical prices)	80% - 123%
Expected volatility (extended) (based on historical prices)	114% - 129%

The incremental fair value was recorded to foreign currency warrants with an offsetting charge to profit and loss.

- (ii) During the year ended December 31, 2025, the Company modified the expiry dates of the following outstanding warrants:

- 5,613,038 warrants originally expiring on August 16, 2025 are now exercisable until August 16, 2027;

The incremental fair value of these warrants extended was estimated at \$146,770 using the Black Scholes pricing model with the following inputs and weighted average assumptions:

Share price	\$0.08 CDN
Expected dividend yield	Nil
Exercise price	\$0.100 CDN
Risk free interest rate	2.80% - 3.62%
Expected life (original)	0.05 years
Expected life (extended)	2.05 years
Expected volatility (original) (based on historical prices)	31%
Expected volatility (extended) (based on historical prices)	92%

The incremental fair value was recorded to foreign currency warrants with an offsetting charge to profit and loss.

- (iii) At December 31, 2024, the fair value of the 53,455,179 warrants outstanding was estimated at \$1,146,411 using the Black-Scholes pricing model with the following weighted average assumptions:

Share price	\$0.08 CDN
Expected dividend yield	Nil
Exercise price	\$0.100 - \$0.125 CDN
Risk-free interest rate	3.10% - 4.04%
Expected life	1.58 years
Expected volatility (based on historical prices)	102% - 120%

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**12. STOCK OPTIONS AND WARRANTS (Cont'd)**

(b) Warrants (Cont'd)

At December 31, 2025, the fair value of the 50,299,536 warrants outstanding was estimated at \$1,671,983 using the Black-Scholes pricing model with the following weighted average assumptions:

Share price	\$0.12 CDN
Expected dividend yield	Nil
Exercise price	\$0.100 - \$0.125 CDN
Risk-free interest rate	2.48% - 3.55%
Expected life	1.42 years
Expected volatility (based on historical prices)	40% - 100%

At December 31, 2025, a loss on revaluation of foreign currency warrants of \$66,618 (2024 – gain of \$2,150,682) was recognized in the consolidated statement of loss and comprehensive loss.

The Company had the following warrants outstanding at December 31, 2025:

<b>Number of Warrants</b>	<b>Exercise Price (CDN)</b>	<b>Expiry Date</b>
2,668,000	\$0.125	May 4, 2026
1,633,334	\$0.125	July 12, 2026
7,614,446	\$0.100	December 10, 2026
5,613,038	\$0.100	August 16, 2027
1,798,889	\$0.120	May 31, 2026
1,741,999	\$0.120	June 23, 2026
611,111	\$0.120	July 28, 2026
1,924,500	\$0.120	December 22, 2026
213,440	\$0.125	May 4, 2026
8,861,307	\$0.120	May 31, 2027
2,500,000	\$0.120	June 4, 2027
666,666	\$0.120	August 16, 2027
1,448,889	\$0.120	November 18, 2027
10,030,553	\$0.120	October 30, 2028
1,266,664	\$0.120	November 13, 2028
216,700	\$0.120	November 14, 2028
1,490,000	\$0.120	December 29, 2028
<hr/>		
<b>50,299,536</b>		

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

**12. STOCK OPTIONS AND WARRANTS (Cont'd)**

(c) Broker Warrants

The Company had the following broker warrants outstanding at December 31, 2025:

<b>Number of Warrants</b>	<b>Exercise Price (CDN)</b>	<b>Expiry Date</b>
192,450	\$0.090	December 22, 2028
886,131	\$0.090	May 31, 2029
250,000	\$0.090	June 4, 2029
66,666	\$0.090	August 16, 2029
144,889	\$0.090	November 18, 2029
1,003,055	\$0.090	October 30, 2030
126,666	\$0.090	November 13, 2030
21,670	\$0.090	November 14, 2030
149,000	\$0.090	December 29, 2030
<b>2,840,527</b>		

Each broker warrant is exercisable to purchase one additional private placement unit consisting of one common share and one common share purchase warrant exercisable for five years at \$0.12 CDN.

(d) Share Appreciation Rights

On November 21, 2025, the Company granted 11,240,531 share appreciation rights ("SAR") to directors of the Company. The SAR have a base price of \$0.11 CDN per share, vest in whole or in part at the determination of the holder during a period commencing on November 21, 2026 and expiring on November 21, 2030. Each SAR entitles the holder to receive, upon exercise, an amount equal to the excess of the Fair Market Value of a share on the date of exercise over the base price, which is payable in cash or shares at the determination of the Company.

The fair value of these share appreciation rights of \$672,289 was estimated at the grant date based on the Black Scholes pricing model, using the following weighted average assumptions:

Share price	\$0.11 CDN
Expected dividend yield	Nil
Exercise price	\$0.11 CDN
Risk free interest rate	2.62%
Expected life	5 years
Expected volatility (based on historical prices)	103%

For the year ended December 31, 2025, the Company recorded a share-based compensation of \$73,675 for these share appreciation rights.

**13. INCOME (LOSS) PER SHARE**

The calculation of basic and diluted income (loss) per share for the year ended December 31, 2025 was based on the loss attributable to common shareholders of \$1,342,951 (2024 – income of \$434,279) and the weighted average number of common shares outstanding of 140,620,723 (2024 – 132,237,718).

Diluted income (loss) per share did not include the effect of 14,749,998 stock options, 50,299,536 warrants, 2,840,527 broker warrants and 11,240,531 share appreciation rights outstanding as they are anti-dilutive.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**14. INCOME TAXES**

(a) Income Tax Expense

The following table reconciles income taxes calculated at combined Canadian federal and provincial tax rates with the income tax expense in these consolidated financial statements:

	2025	2024
(Loss) income before income taxes	\$ (1,342,951)	\$ 434,279
Statutory rate	26.50%	26.50%
Expected income tax (recovery) expense	\$ (355,882)	\$ 115,084
Amounts not deductible (taxable) for tax	75,238	(480,580)
Stock-based compensation	60,809	97,252
Impact on foreign exchange	55,432	74,363
Adjustment to non-capital losses and exploration and evaluation expenditure pool balances	(47,597)	(50,119)
Change in deferred tax assets not recognized	212,000	244,000
Income tax expense	\$ -	\$ -

(b) Deferred Income Taxes

The temporary differences that give rise to deferred income tax assets and deferred income tax liabilities are presented below:

	2025	2024
Deferred tax assets (liabilities)		
Non-capital loss carry forwards	\$ 1,515,000	\$ 1,431,000
Mining claims - exploration and evaluation expenditures	668,000	536,000
Equipment	20,000	14,000
Share issuance costs	30,000	21,000
Investment	(355,000)	(336,000)
	1,878,000	1,666,000
Less: Deferred tax assets not recognized	(1,878,000)	(1,666,000)
Net deferred income tax asset	\$ -	\$ -

(c) Tax Losses

The Company has non-capital losses of approximately \$5,718,000 available in Canada to apply against future taxable income. If not utilized, the non-capital losses will expire as follows:

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

**14. INCOME TAXES (Cont'd)**

(c) Tax Losses (Cont'd)

2028	\$	175,000
2029		94,000
2030		241,000
2031		407,000
2032		365,000
2033		73,000
2034		254,000
2036		491,000
2037		397,000
2038		347,000
2039		227,000
2040		419,000
2041		496,000
2042		403,000
2043		430,000
2044		406,000
2045		493,000
		<b>\$ 5,718,000</b>

The potential tax benefit relating to these tax losses has not been reflected in these consolidated financial statements.

**15. RELATED PARTY DISCLOSURES**

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

Related party transactions conducted in the normal course of operations are measured at fair value.

Remuneration of Directors and key management of the Company was as follows:

	<b>2025</b>	<b>2024</b>
Management and director fees <sup>(a)</sup>	<b>\$ 319,515</b>	\$ 322,405
Stock-based compensation	<b>206,920</b>	149,930

(a) Included in office and administrative costs in the consolidated statements of loss and comprehensive loss.

Other related party balances and transactions are listed below:

(a) Included in accounts payable and accrued liabilities is \$712,153 (2024 - \$662,609) of amounts owing to directors and management of the Company for management and director fees.

(b) During the year ended December 31, 2025, the Company reversed \$260,467 (2024 - \$173,020) of management and director fees owing to directors which were included in accounts payable and accrued liabilities. These management and director fees have been permanently forgiven by the directors.

(c) Included in loans payable are \$90,470 (2024 - \$59,075) owing to officers of the Company which are unsecured, non-interest bearing and due on demand.

**Peloton Minerals Corporation**  
**Notes to Consolidated Financial Statements**  
(Expressed in United States Dollars)  
**December 31, 2025 and 2024**

---

**16. CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes issued capital stock, contributed surplus and deficit and foreign currency warrants in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to further exploration on its properties. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity and warrants, debt or by securing strategic partners.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the year ended December 31, 2025.

**17. FINANCIAL RISK MANAGEMENT**

The Company is exposed to a variety of financial risks by virtue of its activities, in particular market risk (composed of currency risk and equity price risk), liquidity risk, fair value risk, interest risk and credit risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out by management under policies approved by the Board of Directors. Management is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

**Market Risk**

Currency risk

The Company operates internationally and is exposed to foreign exchange risk from the Canadian Dollar. Foreign exchange risk arises from purchase transactions as well as recognized financial assets and liabilities denominated in foreign currencies.

As at December 31, 2025, the Company is exposed to currency risk through the following financial assets and liabilities denominated in Canadian dollars:

	<b>2025</b>	<b>2024</b>
	<b>(CDN\$)</b>	<b>(CDN\$)</b>
Cash	\$ <b>346,808</b>	\$ 33,213
Investment	\$ <b>1,997,237</b>	\$ 1,997,237
Accounts payable and accrued liabilities	\$ <b>1,158,626</b>	\$ 1,156,215
Loans payable	\$ <b>399,000</b>	\$ 210,000

The above balances were translated into US dollars at the year-end rate of 0.7296 (2024 - 0.6950) Canadian dollars to every US dollar.

Based on the above net exposures as at December 31, 2025, assuming that all other variables remain constant, a +/- 5% change in the Canadian dollar against the United States dollar would result in an increase/decrease in net loss of approximately \$29,000 (2024 - \$23,000).

**17. FINANCIAL RISK MANAGEMENT (Cont'd)**

**Market Risk (Cont'd)**

Equity price risk

The Company is exposed to price risk with respect to equity prices of its investment. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the stock market. The Company's investments are subject to fluctuations in fair value arising from changes in the equity market.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. Senior management is also actively involved in the review and approval of planned expenditures.

As at December 31, 2025, the Company has current liabilities of \$3,241,475 (2024 - \$2,324,396) due within 12 months and has cash of \$253,688 (2024 - \$24,648) to meet its current obligations. As a result, the Company has liquidity risk and is dependent on raising additional capital to fund operations.

The convertible debenture is due on demand upon six months' notice in writing but the holder has not yet submitted a notice in writing demanding payment.

**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. The Company's interest rate risk is primarily related to the Company's interest-bearing debt on its consolidated statement of financial position. The Company does not have any debt with variable interest rates, thereby minimizing the Company's exposure to cash flow interest rate risk

**Credit Risk**

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk with respect to its cash. The Company reduces its credit risk by maintaining its primary bank accounts at large financial institutions.

**18. COMMITMENTS**

**Leases**

The Company is committed under lease agreements to the payment of amounts totalling \$1,598 until October 2026.

The Company is also required to make payments to the Bureau of Land Management to keep mining claims in good standing as noted in Note 6.

**19. SUBSEQUENT EVENT**

The Company staked and filed for recording an additional 200 mineral claims at its 100% owned North Elko Lithium Project located in north-eastern Nevada.