



Consolidated Financial Statements
(Expressed in Canadian Dollars)
For the years ended January 31, 2026 and 2025



Independent auditor's report

To the Shareholders of Harfang Exploration Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Harfang Exploration Inc. and its subsidiary (together, the Corporation) as at January 31, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at January 31, 2026 and 2025;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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.

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500
Montréal, Quebec, Canada H3B 4Y1
T.: +1 514 205 5000, F.: +1 514 876 1502
Fax to mail: ca_montreal_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Corporation'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 January 31, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment indicators of exploration and evaluation assets Refer to note 5 – Critical accounting estimates and judgments and note 9 – Exploration and evaluation assets to the consolidated financial statements. The net book value of exploration and evaluation assets amounted to \$11.6 million as at January 31, 2026. Asset groups are reviewed for an indication of impairment at each consolidated statement of financial position date or when a triggering event is identified. Factors which could trigger an impairment review include, but are not limited to, an expiry of	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Evaluated the reasonableness of management's assessment of indicators of impairment related to exploration and evaluation assets, which included the following:<ul style="list-style-type: none">– Obtained for all claims, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claims' expiration dates.

Key audit matter

How our audit addressed the key audit matter

the right to explore in the specific area during the period or will expire in the near future, and is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area are neither budgeted nor planned; and exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Corporation has decided to discontinue such activities in the specific area.

During the year, the Corporation impaired certain mineral properties for the claims that were dropped.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets and (ii) the judgments made by management in their assessment of indicators of impairment related to exploration and evaluation assets which resulted in a high degree of subjectivity in performing procedures related to these judgments applied by management.

- Read minutes of Board of Directors meetings and obtained budget to evidence continued and planned substantive exploration and evaluation expenditures, discontinuance of exploration and evaluation activities in specific areas, and non-renewal of rights to explore, which included evaluating results of current year work programs.
- Assessed whether exploration for and evaluation of mineral resources in specific areas will not lead to commercially viable quantities of mineral resources based on evidence obtained in other areas of the audit.

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.

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, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 Corporation'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 Corporation'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 Corporation 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 Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Maxime Guilbault.

/s/PricewaterhouseCoopers LLP¹

Montréal, Quebec

May 21, 2026

¹ CPA auditor, public accountancy permit No. A128042

HARFANG EXPLORATION INC.
Consolidated Statements of Financial Position
As at January 31, 2026 and 2025
(In Canadian Dollars)

	Note	As at January 31, 2026 \$	As at January 31, 2025 \$
Assets			
Current assets			
Cash	7	2,089,130	3,916,888
Accounts receivable		124,768	-
Sales tax receivable		49,193	63,929
Tax credits receivables		23,932	81,989
Prepaid expenses and others		25,023	25,851
Current assets		2,312,046	4,088,657
Non-current assets			
Listed shares	8	285,147	66,750
Exploration and evaluation assets	9	11,640,801	11,578,788
Capital assets		33,083	129,604
Non-current assets		11,959,031	11,775,142
Total assets		14,271,077	15,863,799
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		207,195	135,564
Liability related to the premium on flow-through shares	10	252,346	94,353
Lease liabilities – current portion		13,084	27,730
Current liabilities		472,625	257,647
Non-current liabilities			
Lease liabilities		23,464	82,691
Total liabilities		496,089	340,338
Equity			
Share capital	11	31,647,634	30,834,038
Contributed surplus		2,211,839	2,211,839
Deficit		(20,084,485)	(17,522,416)
Total equity		13,774,988	15,523,461
Total liabilities and equity		14,271,077	15,863,799
Going Concern	1		

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

Approved on behalf of the Board:

(s) Richard S Breger
Richard S Breger
President and CEO

(s) Jean-Pierre Janson
Jean-Pierre Janson
Director

HARFANG EXPLORATION INC.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended January 31, 2026 and 2025
(In Canadian Dollars)

	Note	Fiscal 2026	Fiscal 2025
		\$	\$
Revenues			
Project management fees		32,527	-
Operating Expenses			
Exploration and evaluation expenditures, net of tax credits	12	1,812,567	1,134,669
Salaries and benefits	13	188,918	176,553
Stock-based compensation	13	-	133,900
Director's fees	13	34,938	63,500
Consulting and professional fees		595,138	761,520
Office and administrative		103,495	111,695
Travel, conference and investor relations		188,137	318,999
Filing fees		23,432	45,958
Depreciation		35,682	39,877
Gain on disposal of exploration and evaluation assets		-	(2,500)
Residual gain on option payment on exploration and evaluation assets	9	(75,000)	(25,000)
Impairment of exploration and evaluation assets	9	11,562	32,340
Impairment of capital assets		17,339	-
Operating expenses		(2,936,208)	(2,791,511)
Other income (expense)			
Interest income		67,587	243,302
Change in fair value – listed shares	8	143,397	(46,726)
Gain on lease modification		4,877	-
Finance costs – financing fees lease		(9,102)	(12,465)
		206,759	184,111
Loss before income taxes		(2,696,922)	(2,607,400)
Deferred income taxes recovery	14	134,853	472,072
Net loss and comprehensive loss		(2,562,069)	(2,135,328)
Net loss per common share - basic and diluted	15	(0.03)	(0.03)
Weighted average number of common shares outstanding - basic and diluted	15	90,435,776	69,097,242

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

HARFANG EXPLORATION INC.

Consolidated Statements of Changes in Equity
For the years ended January 31, 2026 and 2025
(In Canadian Dollars)

	Note	Number of shares outstanding	Share Capital	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$
Balance at February 1, 2024		64,166,000	29,179,394	2,077,489	(15,387,088)	15,869,795
Net loss and comprehensive loss		-	-	-	(2,135,328)	(2,135,328)
Issuances to investors of NewOrigin Gold Corp. as part of the acquisition						
• Common Shares	6	16,169,120	1,131,838	-	-	1,131,838
• Replacement stock options	6	-	-	450	-	450
Issuance of shares under flow-through private placements	11	7,090,000	602,650	-	-	602,650
• Less: Liability related to the premium on flow-through shares	11	-	(106,350)	-	-	(106,350)
Share issuance costs	11	-	(37,788)	-	-	(37,788)
Exploration and evaluation assets paid in shares		510,670	64,294	-	-	64,294
Stock-based compensation	13	-	-	133,900	-	133,900
Balance at January 31, 2025		87,935,790	30,834,038	2,211,839	(17,522,416)	15,523,461
Balance at February 1, 2025		87,935,790	30,834,038	2,211,839	(17,522,416)	15,523,461
Net loss and comprehensive loss		-	-	-	(2,562,069)	(2,562,069)
Issuance of shares under flow-through private placements	11	11,441,104	1,125,000	-	-	1,125,000
• Less: Liability related to the premium on flow-through shares	11	-	(324,122)	-	-	(324,122)
Share issuance costs	11	-	(77,282)	-	-	(77,282)
Shares issued for payment of finder's fees	11	1,058,823	90,000	-	-	90,000
Balance at January 31, 2026		100,435,717	31,647,634	2,211,839	(20,084,485)	13,774,988

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

HARFANG EXPLORATION INC.
Consolidated Statements of Cash Flows
For the years ended January 31, 2026 and 2025
(In Canadian Dollars)

	Note	Fiscal 2026 \$	Fiscal 2025 \$
Operating activities			
Net loss		(2,562,069)	(2,135,328)
Adjustments for:			
Residual gain on option payment on exploration and evaluation assets	9	(75,000)	(25,000)
Stock-based compensation	13	-	133,900
Depreciation		35,682	39,877
Gain on disposal of exploration and evaluation assets		-	(2,500)
Impairment of exploration and evaluation assets	9	11,562	32,340
Impairment of capital assets		17,339	-
Change in fair value – listed shares	8	(143,397)	46,726
Gain on lease modification		(4,877)	-
Deferred income taxes recovery	10	(134,853)	(472,072)
Finance costs – financing fees lease		9,102	12,465
Changes in non-cash working capital items			
Accounts receivable		(124,768)	-
Sales tax receivable		14,736	(9,482)
Tax credits receivable		58,057	416,843
Prepaid expenses and others		828	77,795
Accounts payable and accrued liabilities		98,756	(144,786)
Cash flows used in operating activities		(2,798,902)	(2,029,222)
Investing activities			
Investment in exploration and evaluation assets	9	(223,575)	(163,598)
Proceeds from disposal of exploration and evaluation assets		-	2,500
Option payment receipt on exploration and evaluation assets	9	150,000	25,000
Investments in NewOrigin prior to the Transaction	6	-	(423,266)
Cash acquired through the acquisition of NewOrigin	6	-	3,306
Transaction costs for the acquisition of NewOrigin	6	(27,125)	(499,597)
Proceeds from disposal of listed shares	8	-	53,524
Cash flows used in investing activities		(100,700)	(1,002,131)
Financing activities			
Flow-through private placements	11	1,125,000	602,650
Share issuance costs	11	(18,558)	(45,885)
Lease payment		(34,598)	(36,444)
Cash flows from financing activities		1,071,844	520,321
Net change in cash		(1,827,758)	(2,511,032)
Cash – beginning		3,916,888	6,427,920
Cash – ending		2,089,130	3,916,888
Additional information			
Interest received		67,587	237,309
Transaction costs included in accounts payable and accrued liabilities	6	-	27,125
Listed shares received for option payment	9	75,000	-
Shares issued for payment of finder's fees	11	90,000	-

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

HARFANG EXPLORATION INC.
Notes to the Consolidated Financial Statements
For the years ended January 31, 2026 and 2025
(In Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Harfang Exploration Inc. (the “Corporation” or “Harfang”) was incorporated on March 30, 2010 under the *Business Corporations Act* (British Columbia) and on June 22, 2017 continued under the *Business Corporations Act* (Québec). The Corporation’s shares are listed on the TSX Venture Exchange under symbol HAR. The Corporation’s head office is located at 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada.

The Corporation, an exploration and evaluation stage company, is in the business of acquiring and exploring mineral properties in Canada. Its focus is currently on the exploration and evaluation of its mineral properties in the James Bay area in the Province of Québec for gold and lithium and in northern Ontario for gold.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation properties. The recoverability of exploration and evaluation assets is dependent on the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to continue the exploration, evaluation and development of its properties; and obtaining certain government approvals or proceeds from the disposal of properties. Changes in future conditions could require material impairment of the carrying value of the exploration and evaluation assets.

These consolidated financial statements (the “Financial Statements”) have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period.

As at January 31, 2026, the Corporation had working capital of \$1,839,421. For the year ended January 31, 2026, (“Fiscal 2026”) the Corporation reported a net loss of \$2,562,069 and has an accumulated deficit of \$20,084,485 as at January 31, 2026. Working capital at January 31, 2026 included cash of \$2,089,130.

The Corporation estimates that the working capital available at January 31, 2026 will not be sufficient to maintain the status of its current exploration obligations and keep its properties in good standing, to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for the ensuing 12 months as they fall due. The Corporation’s ability to continue future operations beyond twelve months and fund its exploration and evaluation expenditures is dependent on management’s ability to secure additional financing in the future, which may be completed in a number of ways, including, but not limited to, the issuance of equity instruments or a combination of strategic partnerships or joint venture arrangements. Management will pursue such additional sources of financing when required, and while management has been successful in securing financing in the last 12 months, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation.

If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these Financial Statements. These circumstances indicate the existence of material uncertainties that cast significant doubt upon the Corporation’s ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

2. BASIS OF PRESENTATION

The accompanying Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) (“IFRS Accounting Standards”). These Financial Statements were approved and authorized for issue by the Board of Directors on May 21, 2026.

HARFANG EXPLORATION INC.
Notes to the Consolidated Financial Statements
For the years ended January 31, 2026 and 2025
(In Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies used in the preparation of these Financial Statements are as follows.

3.1 Basis of measurement

The Financial Statements have been prepared on the historical cost basis.

3.2 Consolidation

The Financial Statements include the accounts of Harfang and those of its wholly-owned subsidiary NewOrigin Gold Corp. (“NewOrigin”) since the effective date of acquisition on November 7, 2024. Harfang has completed a vertical amalgamation with NewOrigin, effective February 1, 2025, with the name of the amalgamated company to remain “Harfang Exploration Inc.”. All intra-group transactions, balances, income and expenses are eliminated during consolidation. Amounts reported in the financial statements of the subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Corporation.

3.3 Functional and presentation currency

The Financial Statements are presented in Canadian dollars, which is the Corporation’s functional currency.

3.4 Financial instruments

The measurement of financial assets and liabilities is based on three possible classification categories: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the Corporation’s business model for holding the instrument and its contractual cash flow characteristics. Equity instruments are classified as financial instruments carried at fair value, with changes in fair value recorded in the consolidated statement of loss and comprehensive loss unless such financial instruments are not held for trading, in which case, the financial instrument may be irrevocably designated as fair value through other comprehensive income on initial recognition without subsequent reclassification to net income or loss of realized gains and losses on sale.

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is an unconditional and legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

All financial instruments are required to be measured at fair value on initial recognition. The fair value is based on quoted market prices, unless the financial instruments are not traded in an active market. In this case, the fair value is determined by using valuation techniques such as the Black-Scholes option pricing model or other valuation techniques.

Measurement in subsequent periods depends on the classification of the financial instrument. At initial recognition, the Corporation has classified its financial instruments in the three categories as follows:

<u>Category</u>	<u>Financial instrument</u>
Financial assets at fair value through profit and loss	Listed shares
Financial assets at amortized cost	Cash, accounts receivable
Financial liabilities at amortized cost	Accounts payable and accrued liabilities

Interest income from financial assets is accrued, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

HARFANG EXPLORATION INC.
Notes to the Consolidated Financial Statements
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Listed shares at fair value through profit and loss are equity investments recognized initially at fair value and subsequently measured at fair value. Gains or losses arising from changes in fair value are recorded in the consolidated statement of loss and comprehensive loss. Dividend income on those investments are recognized in consolidated the statement of loss and comprehensive loss.

3.5 Refundable tax credits for mining exploration and evaluation expenditures

The Corporation is entitled to refundable tax credits on qualified mining exploration and evaluation expenditures incurred in the province of Québec. The credits are accounted for against the exploration and evaluation expenditures as incurred. As management intends to realize the carrying value of its assets through the sale of its exploration and evaluation assets, the related deferred tax has been calculated accordingly.

3.6 Exploration and evaluation assets and expenditures

Expenditures incurred on activities that precede exploration and evaluation activities, being all expenditures incurred prior to securing the legal rights to explore an area, are expensed as incurred on the consolidated statement of loss and comprehensive loss.

Rights in mining properties and costs associated with acquiring an exploration and evaluation asset, paid or acquired through a business combination or an acquisition of assets, are capitalized. They are subsequently measured at cost less accumulated impairment. Exploration and evaluation assets acquired in a business combination are initially recognized at fair value.

Exploration expenditures include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies.

Evaluation expenditures include the cost of establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body, determining the optimal methods of extraction and metallurgical and treatment processes, studies related to surveying, transportation and infrastructure requirements, permitting activities and economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and feasibility studies.

In addition, exploration and evaluation expenditures include overhead expenses directly attributable to the related activities.

Exploration and evaluation expenditures are expensed as incurred on the consolidated statement of loss and comprehensive loss until a prefeasibility or a feasibility study has been completed and development is sanctioned. Capitalized exploration and evaluation expenditures are transferred to property, plant and equipment upon a decision to develop the property and will be subject to depreciation only when the properties are put into commercial production.

Cash flows attributable to capitalized exploration and evaluation assets are classified as investing activities in the consolidated statement of cash flows under investments in exploration and evaluation assets.

From time to time, the Corporation may acquire or dispose of a property pursuant to the terms of an option agreement. Since options are exercisable entirely at the discretion of the option holder, the amounts payable or receivable are not recorded.

Option payments are recorded when they are made or received. Proceeds on the sale of exploration properties are applied in reduction of the acquisition costs of the related mining rights and any residual is recorded in the consolidated statement of loss and comprehensive loss unless there is contractual work required by the Corporation in which case the residual gain is deferred and will be applied against the contractual disbursements when done.

HARFANG EXPLORATION INC.
Notes to the Consolidated Financial Statements
For the years ended January 31, 2026 and 2025
(In Canadian Dollars)

3.7 Impairment of non-financial assets

The carrying value of non-financial assets is reviewed regularly and whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (“cash-generating units” or “CGUs”). The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount.

The Corporation evaluates impairment losses at each reporting date for potential reversals when events or circumstances warrant such consideration.

3.8 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of loss and comprehensive loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income taxes

The current income tax charge is the expected tax payable on the taxable income for the year, using the tax laws enacted or substantively enacted at the consolidated statement of financial position date in the jurisdictions where the Corporation operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes

The Corporation uses the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates (and laws) that apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.9 Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from the proceeds in equity in the period where the transaction occurs.

HARFANG EXPLORATION INC.
Notes to the Consolidated Financial Statements
For the years ended January 31, 2026 and 2025
(In Canadian Dollars)

Flow-through shares

The Corporation finances some exploration and evaluation expenses through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference (“premium”) between the amounts recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share related liability which is reversed into the consolidated statement of loss and comprehensive loss as a recovery of deferred income taxes when the eligible expenditures are incurred. The amount recognized as a flow-through share liability represents the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares, net of allocated issue costs.

3.10 Equity-settled share-based compensation

The Corporation offers an equity settled share-based compensation plan for its eligible directors, officers, employees and consultants. Each award is considered a separate award with its own vesting periods and fair value. Fair value is measured at the date of grant using the Black-Scholes option pricing model.

Any consideration paid on exercise of share options is credited to share capital. None of the Corporation’s plans feature any options for a cash settlement. The accumulated expenses resulting from stock options are transferred to share capital when the options are exercised.

All equity settled share-based compensation are ultimately recognized as an expense in the consolidated statement of loss and comprehensive loss with a corresponding credit to stock options in the consolidated statement of changes in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options or warrants expected to vest. Non-market vesting conditions are included in assumptions about the instruments that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of instruments expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period.

3.11 Earnings (loss) per share

The calculation of earnings (loss) per share (“EPS”) is based on the weighted average number of common shares outstanding for each period. The basic EPS is calculated by dividing the profit or loss attributable to the equity owners of the Corporation by the weighted average number of common shares outstanding during the period.

The computation of diluted EPS assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. It also includes shares issued and held in escrow. The treasury stock method is used to determine the dilutive effect of the warrants and share options. When the Corporation reports a loss, the diluted net loss per common share is equal to the basic net loss per common share due to the anti-dilutive effect of the outstanding warrants and share options.

3.12 Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the President who fulfills the role of the chief operating decision-maker. The President is responsible for allocating resources and assessing performance of the Corporation’s operating segments. The Corporation manages its business under a single operating segment, consisting of acquiring and exploring mineral properties in Canada.

4. CHANGES IN ACCOUNTING POLICIES

4.1 Accounting standards issued but not yet effective

The Corporation has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but are not yet effective for the current reporting period. Many of these updates are not expected to have any significant impact on the Corporation and are therefore not discussed herein.

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IFRS 18, Presentation and Disclosure in Financial Statements (“IFRS 18”)

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted.

The new Accounting Standard introduces significant changes to the structure of a corporation's income statement and new principles for aggregation and disaggregation of information. The main impacts of the new Accounting Standard include:

- Introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three distinct categories based on the corporation's main business activities: Operating, investing and financing;
- Disclosure about management performance measures;
- Adding new principles for aggregation and disaggregation of information;
- Requiring the cash flow statement to start with operating profit; and
- Remove the accounting policy choice for presentation of dividend and interest.

The Corporation is currently evaluating the impact of these amendments on its consolidated financial statements.

Amendments to IFRS 9, Financial Instruments (“IFRS 9”) and IFRS 7, Financial Instrument Disclosures (“IFRS 7”)

In May 2024, the IASB published *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. The amendments to IFRS 9 clarify de-recognition and classification of specific financial assets and liabilities respectively while the amendments to IFRS 7 clarify the disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows on the occurrence or non-occurrence of a contingent event. The amendments to IFRS 9 and IFRS 7 are effective for annual reporting beginning on or after January 1, 2026. The Corporation is currently evaluating the impact of these amendments on its consolidated financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS Accounting Standards requires the Corporation to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. The Corporation also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The more significant areas requiring the use of management estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, relate to the going concern assumption, the impairment of assets and the income taxes.

5.1 Going concern

The assessment of the Corporation's ability to execute its strategy by funding future working capital requirements involves judgement. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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5.2 Impairment of non-financial assets

Asset groups are reviewed for an indication of impairment at each statement of financial position date or when a triggering event is identified. Factors which could trigger an impairment review include, but are not limited to, an expiry of the right to explore in the specific area during the period or will expire in the near future, and is not expected to be renewed; substantive exploration and evaluation expenditures in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Corporation has decided to discontinue such activities in the specific area; sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the assets is unlikely to be recovered in full from successful development or by sale; significant negative industry or economic trends; interruptions in exploration and evaluation activities; and a significant drop in current or forecast commodity prices.

Assessment of impairment of non-financial assets requires the use of judgements when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Corporation's non-financial assets.

During the year, the Corporation impaired certain mineral properties for the claims that were dropped or were expected to be dropped.

5.3 Income taxes

The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. Judgment is also involved in the determination of the expected manner of realisation or settlement of the carrying amount of the Corporation's assets and liabilities which is expected to be through the sale of the Corporation's assets.

The Corporation is also subject to usual tax audits. Where the final tax outcome of tax audits is different from the amounts that were initially recorded, such differences could impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

6. ARRANGEMENT AGREEMENT WITH NEWORIGIN AND RELATED TRANSACTIONS

On August 8, 2024, Harfang and NewOrigin entered into a definitive arrangement agreement (the "Arrangement Agreement") pursuant to which Harfang agreed, subject to certain conditions, to acquire all of the issued and outstanding common shares of NewOrigin (the "NewOrigin Shares") that it did not already own or could acquire, pursuant a court-approved plan of arrangement made under the provisions of the *Business Corporations Act* (Ontario) (the "Transaction").

On August 20, 2024, NewOrigin issued to Harfang a convertible debenture pursuant to which Harfang loaned a principal amount of \$250,000 to NewOrigin. The maturity date of the Debenture was the earlier of the closing of the Transaction and January 31, 2025.

On November 7, 2024, the Transaction closed and Harfang acquired all of the issued and outstanding NewOrigin Shares. The former NewOrigin shareholders received 0.25694426 (the "Exchange Ratio") of a common share of Harfang ("Harfang Share") in exchange for each NewOrigin Share. As a result, Harfang issued an aggregate of 16,169,120 Harfang Shares and NewOrigin became a wholly-owned subsidiary of Harfang. Upon closing of the Transaction, the former NewOrigin shareholders owned approximately 20% of the issued and outstanding Harfang Shares.

As per the terms of the Arrangement Agreement, outstanding warrants and stock options of NewOrigin were automatically exchanged for warrants and stock options of Harfang based on the Exchange Ratio.

The Transaction was recorded as an acquisition of assets since the acquired assets and assumed liabilities did not constitute businesses under IFRS 3, *Business Combinations*. Accordingly, the acquisition of NewOrigin has been accounted for in accordance with IFRS 2, *Share-based Payment*.

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The acquisition of NewOrigin has been accounted for as follows:

	\$
Consideration paid⁽¹⁾	
16,169,120 common shares of Harfang issued to NewOrigin's existing shareholders ⁽²⁾	1,131,838
563,987 replacement options for common shares of Harfang issued to NewOrigin's existing option holders ⁽³⁾	450
1,336,107 replacement warrants for common shares of Harfang issued to NewOrigin's existing warrant holders ⁽⁴⁾	-
Contribution to a NewOrigin convertible debenture including interest prior to the Transaction	256,095
Advances to NewOrigin in the form of exploration expenses and other fees prior to the Transaction	167,171
Transaction costs paid in cash	526,722
	2,082,276
Net assets acquired:	
Cash	3,306
Sales tax receivable	15,664
Exploration and evaluation assets	2,197,461
Accounts payable and accrued liabilities	(134,155)
	2,082,276

(1) The consideration paid for the acquisition of NewOrigin reflects the shares issued by Harfang on the basis of 0.25694426 Harfang Shares for each share, option and warrant of NewOrigin outstanding at November 7, 2024.

(2) Based on the 62,928,698 NewOrigin common shares outstanding as at November 7, 2024. The price of Harfang shares was based on the closing market value of the shares the day of the special meeting of NewOrigin shareholders held on October 23, 2024.

(3) Based on the 2,195,000 NewOrigin share options outstanding as at November 7, 2024. The fair value of the replacement share options was estimated using the Black-Scholes option pricing model based on the following weighted average assumptions: risk-free interest rate of 3.18%, average expected volatility of 65%, dividend yield of 0%, average expected life of common share options of 1.30 years and fair value of the Corporation's share of \$0.07.

(4) Based on the 5,200,000 NewOrigin share warrants outstanding as at November 7, 2024. The fair value of the replacement share warrants was estimated using the Black-Scholes option pricing model based on the following assumptions: risk-free interest rate of 3.53%, expected volatility of 90%, dividend yield of 0%, expected life of common share warrants of 0.15 year and fair value of the Corporation's share of \$0.07.

7. CASH

The balance on flow-through financing not spent according to the terms of the financings completed on November 19, 2025 by the Corporation represents \$969,549 as at January 31, 2026, and is included in cash. The Corporation has to dedicate these funds to Canadian mining properties exploration activities by December 31, 2026.

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8. LISTED SHARES

	Fiscal 2026			Fiscal 2025		
	Market price per share	Number of shares	Fair value	Market price per share	Number of shares	Fair value
	\$		\$	\$		\$
QcX Gold Corp. ⁽¹⁾	0.275	175,000	48,125	0.15	175,000	26,250
Abitibi Metals Corp.	0.73	150,000	109,500	0.27	150,000	40,500
Li-FT Power Ltd. (note 9)	6.41	14,044	90,022	-	-	-
Fancamp Exploration Ltd. (note 9)	0.135	277,778	37,500	-	-	-
			285,147			66,750

⁽¹⁾ On June 2, 2025, QcX Gold Corp. completed a share consolidation of its issued and outstanding common shares ("Common Shares") on a one (1) post-consolidation Common Share for every ten (10) pre-consolidation Common Shares.

The listed shares are only common shares of Canadian publicly traded companies. The fair values of the listed shares are based on the quoted market prices of those shares on a recognized stock exchange at the end of each reporting period (Level 1). The Corporation sold 150,000 shares of Abitibi Metals Corp. in September 2024 at a price of \$0.357 per share for a total value of \$53,524.

9. EXPLORATION AND EVALUATION ASSETS

Mineral properties acquisition costs	As at Feb. 1, 2025	Net claims acquisitions / renewals	Option payments	Impairment	As at January 31, 2026
	\$	\$	\$	\$	\$
Lake Menarik ⁽¹⁾	871,988	17,664	(100,000)	-	789,652
Serpent ⁽²⁾	5,066,125	69,450	-	-	5,135,575
Sky Lake ⁽³⁾	1,207,096	-	-	-	1,207,096
Blakelock ⁽⁴⁾	2,401,196	-	-	-	2,401,196
Egan ⁽⁵⁾	1,711,402	-	(50,000)	-	1,661,402
South Abitibi ⁽⁶⁾	130,099	-	-	-	130,099
La Passe ⁽⁷⁾	44,684	29,808	-	-	74,492
Taïga ⁽⁷⁾	34,632	-	-	-	34,632
Ewart ⁽⁷⁾	19,040	21,896	-	-	40,936
Lemare ⁽⁷⁾	19,561	5,785	-	(11,562) ⁽⁸⁾	13,784
Conviac ⁽⁷⁾	23,800	25,760	-	-	49,560
Sakami ⁽⁷⁾	34,680	37,536	-	-	72,216
Ross ⁽⁷⁾	14,485	15,676	-	-	30,161
	11,578,788	223,575	(150,000)	(11,562)	11,640,801

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Mineral properties acquisition costs	As at Feb. 1, 2024	Property acquisitions	Net claims acquisitions / renewals	Option payments	Impairment	As at January 31, 2025
	\$	\$	\$	\$	\$	\$
Lake Menarik	852,652	-	19,336	-	-	871,988
Serpent	4,968,033	-	98,092	-	-	5,066,125
Sky Lake (note 6)	-	1,207,096	-	-	-	1,207,096
Blakelock (note 6)	1,540,930	860,266	-	-	-	2,401,196
Egan	1,619,554	64,294	-	27,554	-	1,711,402
South Abitibi (note 6)	-	130,099	-	-	-	130,099
La Passe	44,684	-	-	-	-	44,684
Taïga	48,356	-	18,616	-	(32,340) ⁽⁹⁾	34,632
Ewart	19,040	-	-	-	-	19,040
Lemare	19,561	-	-	-	-	19,561
Conviac	23,800	-	-	-	-	23,800
Sakami	34,680	-	-	-	-	34,680
Ross	14,485	-	-	-	-	14,485
	9,185,775	2,261,755	136,044	27,554	(32,340)	11,578,788

- (1) The Menarik West Zone is 100% owned by the Corporation and part of the property is subject to a 2% net smelter return ("NSR"), a 2% Gross Overriding Royalty on diamonds and a 2% NSR Royalty on other products, with half of the Royalty being redeemable by Harfang for \$1,000,000.

Partnership with SOQUEM

On July 25, 2025 the Corporation signed an option and joint venture agreement (the "Agreement") with SOQUEM Inc. ("SOQUEM"), pursuant to which SOQUEM will have the option to earn a 50% undivided interest in the Lake Menarik's West Zone ("Menarik West") over a period of 3 years (the "Option Period"), by fulfilling the following conditions:

- Financing exploration activities totalling \$3,000,000, with the first \$1,000,000 as a firm commitment, and according to the following schedule:
 - \$500,000 before July 26, 2026 ("Year 1")
 - an additional \$1,000,000 before July 26, 2027 ("Year 2")
 - an additional \$1,500,000 before July 26, 2028 ("Year 3")
- Making cash payments to the Corporation totalling \$200,000, according to the following schedule:
 - \$100,000 on the signing of the Agreement (received)
 - \$50,000 on or before July 25, 2026
 - \$50,000 on or before July 25, 2027

Once all the above conditions have been met, and SOQUEM earns its 50% interest in the Menarik West, the parties will form a joint venture, the terms and conditions of which are set out in the Agreement. Harfang will remain the operator during the Option Period.

The Menarik East Zone is 100% owned by the Corporation.

- (2) The Serpent Property is 100% owned by the Corporation and part of the property is subject to NSR agreements which include i) a 2% NSR royalty payable and which at any time, the Corporation has retained the right to purchase one-half of the NSR (1%) for \$1,000,000, and, ii) an additional NSR equal to 2% on all minerals mined, produced or otherwise recovered from the properties. The Corporation has the right to purchase one-half of the NSR (1%) for \$1,000,000.
- (3) The Sky Lake Property is 100% owned by the Corporation and is located in the Patricia Mining Division of northwestern Ontario. Certain claims are subject to various NSR obligations i) 28 claims are subject to a 2.25% NSR which include a 0.75% buy-back option for \$750,000, ii) 71 claims are subject to a 2.0% NSR of which 1.0% can be bought back for \$750,000, and, iii) certain additional claims are subject to a 0.5% NSR and also include a back-in right on these claims which, upon the completion of a Feasibility Study by Harfang, the holder can acquire a 51% interest by paying Harfang three times (3x) the total exploration expenditures.
- (4) The Blakelock Property is located in the Larder Lake mining district, in northeastern Ontario. The Blacklock property is 100% owned by the Corporation subject to a 2% NSR on all minerals mined, produced or recovered from the Blakelock property. The Corporation has a buyout option to purchase one-half (1%) of the NSR for \$1,000,000 at any time. The North Abitibi Property absorbed into the Blakelock Property is subject to a 3% NSR which include a 1.0% buy-back option for \$1,000,000.

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- (5) Following an amendment to the option agreement in the year ended January 31, 2024, the Corporation earned 100% of the interest in Egan in February 2024 by paying the last \$27,554 cash and issuing 510,670 shares of Harfang valued at \$64,294 as per the exchange price on February 2, 2024. The vendors retain a 2% NSR of which the Corporation retains the option to buy back one-half (1%) of the NSR at any time for \$1,500,000 and a right of first refusal over the remaining NSR.

Partnership with Fancamp

With an effective date of December 10, 2025 (“Effective Date”), the Corporation has entered into a Definitive Option Agreement (the “Fancamp Agreement”) with Fancamp Exploration Ltd. (“Fancamp”) for to advance exploration at Harfang’s wholly-owned Egan Project, located in Ontario. Fancamp will remain the operator throughout the duration of the Fancamp Agreement.

Under the terms of the Fancamp Agreement, Fancamp will initially have the option to earn a 40% undivided interest in the Egan Project over a two-year period beginning on the Effective Date (the “First Option”). To exercise the First Option, Fancamp must:

- Fund exploration expenditures totaling \$1,500,000 before the second anniversary of the Effective Date
- Make payments to Harfang totaling \$100,000, half in cash and half in Fancamp common shares (the “Consideration Shares”), according to the following schedule:
 - \$50,000 on the Effective Date (received)
 - \$50,000 within five (5) business days of the first anniversary of the Effective Date

Following the completion of the First Option, and upon Fancamp’s election to proceed with the second option, Harfang may elect to convert Fancamp’s remaining obligations to a 51% / 49% joint venture in favor of Fancamp (the “Harfang Option”).

If Harfang does not exercise the Harfang Option, Fancamp may then earn an additional 40% interest (for a total of 80%) under the “Second Option”. Fancamp may proceed with the Second Option by:

- Funding an additional \$2,500,000 in exploration expenditures by the fourth anniversary of the Effective Date
- Making additional payments to Harfang totaling \$100,000, half in cash and half in Consideration Shares (the “Additional Consideration”), as follows:
 - \$50,000 within five (5) business days of Fancamp exercising the Second Option
 - \$50,000 within five (5) business days of the third (3rd) anniversary of the Effective Date
 - The Additional Consideration is waived if the Harfang Option is exercised

- (6) The South Abitibi Property is located in the Temagami-Cobalt region of Ontario. A small claim block of the property is subject to an NSR royalty of 1.5% and another small claim block is subject to a 1% NSR royalty and a 5% gross profit royalty. The Corporation has the option to buy back a portion of these royalties.
- (7) The property is 100% owned by the Corporation and is located in the James Bay area.
- (8) The Corporation impaired partially the property in Fiscal 2026 for the claims that were dropped or expected to be dropped.
- (9) The Corporation impaired partially the property in the year ended January 31, 2025 (“Fiscal 2025”) for the claims that were dropped or expected to be dropped.

Pontax property

In accordance with the option agreement regarding the Pontax property signed between Harfang and Li-FT Power Ltd. (“Li-FT”), dated July 20, 2022 (the “Li-FT Agreement”), Harfang received the sum of \$25,000 on July 15, 2024 and on July 15, 2025 for the second and third anniversary of the agreement. Since the asset value of the Pontax property is zero, these amounts of \$25,000 are recorded as residual gain on option payment on exploration and evaluation assets in the consolidated statements of loss and comprehensive loss. Also, on July 16, 2025, the Corporation received notice from Li-FT, confirming that it had fulfilled the requirements under the Li-FT Agreement, and had earned a 51% interest in the Pontax property.

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On September 12, 2025, the Corporation received notice from Li-FT of its decision to proceed with the second option in respect of the Pontax property and pursuant to the Li-FT Agreement. Li-FT has elected to accept the grant of the second option to acquire an additional 19% interest, for an aggregate 70% interest and is the project operator. According to the Li-FT Agreement, Li-FT may exercise the second option by paying Harfang an additional \$50,000 in cash and/or common shares, at Li-FT's discretion and, by incurring an additional \$3,350,000 in exploration expenditures prior to the third anniversary of the exercise of the first option. The Corporation has settled the \$50,000 payment by receiving, on September 15, 2025, 14,044 common shares of Li-FT at a deemed price, in accordance with the Li-FT Agreement, of \$3.56 per share. Since the asset value of the Pontax property is zero, the amount of \$50,000 is recorded as residual gain on option payment on exploration and evaluation assets in the consolidated statements of loss and comprehensive loss.

Pursuant to the terms of the Li-FT Agreement, if Li-FT satisfactorily exercises the second option, Harfang can either convert its remaining 30% participating interest into a 2.5% net smelter returns royalty or form a joint venture to further explore Pontax property.

10. LIABILITY RELATED TO THE PREMIUM ON FLOW-THROUGH SHARES

	Fiscal 2026	Fiscal 2025
	\$	\$
Balance, beginning of period	94,353	468,172
Addition, net of issue costs (note 11)	292,846	98,253
Reduction related to qualifying exploration expenditures	(134,853)	(472,072)
Liability related to the premium on flow-through shares	252,346	94,353

11. SHARE CAPITAL

11.1 Share Capital

The Corporation is authorized to issue an unlimited number of common voting shares without par value.

Fiscal 2026

a) Private placement (November 2025)

On November 19, 2025, the Corporation closed a non-brokered private placement consisting of 11,441,104 flow-through common shares (the "FT Shares"), for gross proceeds of \$1,125,000. A total of 3,809,524 FT Shares were issued at a price of \$0.105 ("Quebec FT Shares") per FT Shares for gross proceeds of \$400,000 and a total of 7,631,580 FT Shares were issued at a price of \$0.095 ("Ontario FT Shares") per FT Shares for gross proceeds of \$725,000.

Regarding this flow-through private placement of \$1,125,000, the Corporation's share market value at closing was \$0.07, therefore the residual value attributed to the benefit related to flow-through shares renunciation was \$0.035 for Quebec FT Shares and \$0.025 for Ontario FT Shares for a total value of \$324,122, credited to the liability related to the premium on flow-through shares.

In connection with the non-brokered private placement, the Corporation paid finder's fees consisting of 1,058,823 common shares of the Corporation at a price of \$0.085 per share for a total value of \$90,000 to third parties dealing at arm's length with the Corporation.

Total share issue expenses for Fiscal 2026, including the finder's fees of \$90,000, totaled \$108,558 of which \$77,282 was allocated to capital stock and \$31,276 to flow-through premium.

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Fiscal 2025

b) Private placement (December 2024)

On December 27, 2024, the Corporation closed a non-brokered private placement consisting of 7,090,000 flow-through common shares at a price of \$0.085 per flow-through common share for gross proceeds of \$602,650.

Regarding this flow-through private placement of \$602,650, the Corporation's share market value at closing was \$0.07, therefore the residual value attributed to the benefit related to flow-through shares renunciation was \$0.015 for a total value of \$106,350 credited to the liability related to the premium on flow-through shares.

Total share issue expenses for Fiscal 2025, including the finder's fees of \$33,625, totaled \$45,885 of which \$37,788 was allocated to capital stock and \$8,097 to flow-through premium.

11.2 Capital Management

The Corporation's primary objectives when managing capital are to maintain a sufficient capital base in order to meet its short-term obligations and to fund its exploration and evaluation activities. As needed, the Corporation raises funds in the capital markets. The Corporation does not use long term debt since it does not generate operating revenues. There is no dividend policy. The Corporation defines capital as its total equity. Changes in capital are depicted on the consolidated statement of changes in equity. Refer to consolidated statements of changes in equity for explanations regarding changes to capital for each of the year ended on January 31, 2026 and 2025. The Corporation is not subject to material externally imposed capital requirements neither regulatory nor contractual requirements to which it is subject, unless the Corporation closes a flow-through private placement in which case the funds are reserved in use for exploration expenses (and the Corporation was in compliance during the year).

12. EXPLORATION AND EVALUATION EXPENDITURES

	Fiscal 2026	Fiscal 2025
	\$	\$
Salaries and benefits	589,379	475,390
Geology	773,030	421,782
Analysis	169,273	124,168
Transportation	336,752	99,274
Geophysics	2,043	38,758
Drilling	302,370	-
Lodging and food	121,859	33,262
Supplies and equipment	26,351	24,024
Taxes, permits and insurance	1,915	-
Recharge to partner	(486,473)	-
Exploration and evaluation expenditures before tax credits	1,836,499	1,216,658
Tax credits	(23,932)	(81,989)
Exploration and evaluation expenditures	1,812,567	1,134,669

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13. REMUNERATION

13.1 Salaries and benefits, and director's fees

	Fiscal 2026	Fiscal 2025
	\$	\$
Salaries	656,471	547,591
Director's fees	34,938	63,500
Benefits	121,826	104,352
	813,235	715,443
Less: salaries and benefits presented in exploration and evaluation expenditures	(589,379)	(475,390)
Salaries and benefits, and director's fees disclosed on the consolidated statements of loss and comprehensive loss	223,856	240,053

13.2 Stock-based compensation

The Corporation has a stock option plan (the "Plan"). The number of options granted is determined by the Board of Directors. The exercise price of any option granted under the Plan shall be fixed by the Board of Directors at the time of grant and shall not be lower than the closing price on the day preceding the grant. The term of the option will not exceed ten years from the date of grant. The options vesting period is determined by the Board of Directors. On June 19, 2025, the shareholders of the Corporation reapproved the Plan which provides that the maximum number of common shares in the capital of the Corporation that may be reserved for issuance under the Plan is limited to a maximum of 10% of the common shares outstanding.

Fiscal 2025

On March 20, 2024, the Corporation granted to its directors, officers, employees and consultants 1,300,000 options exercisable at an exercise price of \$0.15, valid for 10 years. The options vested 100% at the grant date. Those options were granted at an exercise price over the closing market value of the shares the previous day of the grant. Total stock-based compensation costs amount to \$133,900 for an estimated fair value of \$0.103 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 92% expected volatility, 3.5% risk-free interest rate and 10 years options expected life. The expected life and expected volatility were estimated by benchmarking comparable situations for companies that are similar to the Corporation.

A summary of changes in stock options is as follows:

	Fiscal 2026		Fiscal 2025	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, beginning	3,770,894	0.44	2,288,065	0.53
Granted – replacement (note 6)	-	-	563,987	0.84
Granted	-	-	1,300,000	0.15
Expired	(1,715,367)	0.61	(381,158)	0.56
Balance, end	2,055,527	0.31	3,770,894	0.44

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Stock options outstanding and exercisable as at January 31, 2026 are as follows:

Number of options outstanding and exercisable	Exercise price	Expiry date
	\$	
18,130	0.83	September 10, 2026
115,988	0.54	June 22, 2027
89,930	0.39	January 11, 2028
95,111	0.54	July 18, 2028
55,674	0.58	May 27, 2029
76,554	0.54	May 22, 2030
176,303	0.92	February 19, 2031
27,837	0.69	September 28, 2031
400,000	0.15	December 11, 2033
1,000,000	0.15	March 20, 2034
2,055,527		

14. INCOME TAXES

A reconciliation of income taxes at the combined Canadian statutory rate 26.5% (26.5% Fiscal 2025) with the reported taxes is as follows:

	Fiscal 2026	Fiscal 2025
	\$	\$
Net loss before income taxes	(2,696,922)	(2,607,400)
Expected income tax recovery	(714,684)	(690,961)
Increase (decrease) attributable to:		
Tax effect of renounced flow-through share expenditures	193,874	249,839
Amortization of flow-through share premiums	(134,853)	(472,072)
Stock-based compensation	-	35,484
Non deductible expenses	442	4,404
Change in unrecognized deductible temporary differences	551,168	335,321
Permanent difference	(19,000)	12,289
Other	(11,800)	53,624
Total	(134,853)	(472,072)

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The significant components of deductible temporary differences and unused tax losses for which the benefits have not been recorded on the consolidated statement of financial position as at January 31, 2026 are as follows:

	As at January 31, 2026	Expiry date range
	\$	
Exploration and evaluation	4,553,001	N/A
Share issue costs	613,681	N/A
Capital assets	352,854	N/A
Non-capital losses	4,400,386	2027-2034
Non-capital losses	432,644	2035
Non-capital losses	400,867	2036
Non-capital losses	693,624	2037
Non-capital losses	262,528	2038
Non-capital losses	1,334,058	2039
Non-capital losses	1,373,945	2040
Non-capital losses	1,574,268	2041
Non-capital losses	1,828,988	2042
Non-capital losses	1,047,289	2043
Non-capital losses	1,565,119	2044
Non-capital losses	1,771,877	2045
Non-capital losses	1,323,447	2046

15. NET LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of shares in circulation during the period. In calculating the diluted loss per share, potential common shares such as stock options and warrants have not been included, as they would have the effect of decreasing the loss per share from continuing operations. Decreasing the loss per share from continuing operations would be antidilutive.

16. KEY MANAGEMENT COMPENSATION AND RELATED PARTY TRANSACTIONS

16.1 Key management compensation

Key management includes directors (executive and non-executive) and officers of the Corporation. The compensation paid or payable to key management for employee services is presented below:

	Fiscal 2026	Fiscal 2025
	\$	\$
Short-term benefits		
Salaries and benefits	175,200	166,624
Consulting and professional fees presented in the share issuance costs	10,395	8,247
Consulting and professional fees presented in the transaction costs	-	138,790
Consulting and professional fees	430,808	551,792
Director's fees	34,938	63,500
Long-term benefits		
Stock-based compensation	-	105,575
Total compensation	651,341	1,034,528

The compensation for the President and CEO is charged through a consulting agreement with Rick Breger. This consulting agreement, which came into force on December 11, 2023, provided for payments, on termination of agreement without cause or following a change of control, of \$105,000 to \$420,000 representing 6 to 24 times the monthly fee, depending on circumstances.

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On August 2, 2024, the Corporation appointed Vincent Dubé-Bourgeois, a director of Harfang, as the Corporation's Interim President and CEO as Richard Breger temporarily stepped back as President and CEO of the Corporation for personal reasons. The compensation for the Interim President and CEO was charged through a consulting agreement. Effective February 18, 2025, Richard Breger has reassumed the roles of President and CEO and has been reappointed as a director of Harfang.

The Vice-President Exploration of the Corporation's employment agreement, which came into force on March 20, 2024, provides for payments, on termination of employment without cause or following a change of control, of \$34,615 to \$150,000 representing 12 weeks to 12 months of base salary, depending on circumstances.

A company controlled by an officer charged an amount of \$65,065 (\$161,111 in Fiscal 2025) of which \$54,670 (\$58,876 in Fiscal 2025) was recorded as professional fees, \$10,395 (\$8,247 in Fiscal 2025) as share issuance costs and \$nil (\$93,988 in Fiscal 2025) as transaction costs, included in the table above.

16.2 Related party transactions

In addition to the amounts listed above in the key management compensation, following are the related party transactions:

In the normal course of operations:

- As at January 31, 2026, the balance due to those related parties listed in the key management compensation amounted to \$45,220 (\$30,318 as at January 31, 2025).

Out of the normal course of operations:

- In Fiscal 2026, no directors of the Corporation participate in the November 19, 2025 flow-through private placement (\$67,150 in the December 27, 2024 flow-through private placement). Where applicable, the directors and officers subscribed to the private placements and the flow-through private placements under the same terms and conditions set forth for all subscribers.

17. FAIR VALUE OF FINANCIAL INSTRUMENT

Financial assets and liabilities recognized or disclosed at fair value are classified in the fair value hierarchy based upon the nature of the inputs used in the determination of fair value. The levels of the fair value hierarchy are:

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

The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short-term nature.

The fair value of the listed shares at fair value through profit and loss is established using the closing price on the most beneficial active market for this instrument that is readily available to the Corporation and as such are classified as Level 1 in the fair value hierarchy.

18. FINANCIAL RISKS

The Corporation's activities expose it to certain financial risks including the market risk, the credit risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's performance.

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Risk management is carried out under policies approved by the Board of Directors. The Board of Directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment in excess liquidities.

18.1 Market risk

Listed shares risk

Listed shares risk is the risk that the fair value of a financial instrument varies due to the changes in the Canadian mining sector and equity market. For the Corporation's listed shares at fair value through profit and loss, a variation of plus or minus 20% of the quoted market prices as at January 31, 2026 would result in an estimated effect on the net loss of \$57,029.

18.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The financial instrument that potentially subjects the Corporation to credit risk consists of cash (bank balances are classified as amortized cost). The balance of cash is \$2,089,130 as of January 31, 2026 (\$3,916,888 as of January 31, 2025). The Corporation reduces its credit risk by holding its cash with Canadian chartered banks.

18.3 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. The Corporation manages the liquidity risk by continuously monitoring actual and projected cash flows, taking into account the requirements related to its investment commitments and exploration and evaluation properties and matching the maturity profile of financial assets and liabilities. The Board of Directors reviews and approves any material transaction out of the ordinary course of business.

Financial liabilities as at January 31, 2026 are comprised of accounts payable and accrued liabilities that are payable within 90 days and lease liabilities. As at January 31, 2026, the Corporation had working capital of \$1,839,421. Management believes that without additional funding, the Corporation does not have sufficient liquidity to maintain the status of its current exploration obligations and keep its properties in good standing, to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for the ensuing 12 months as they fall due. These circumstances indicate the existence of material uncertainties that cast significant doubt upon the Corporation's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS Accounting Standards applicable to a going concern (see note 1).

The Corporation will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.