

VALKEA RESOURCES CORP.
(formerly Outback Goldfields Corp.)

Consolidated Financial Statements

For the years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)



Independent Auditor's Report

To the Shareholders of Valkea Resources Corp.

Opinion

We have audited the consolidated financial statements of Valkea Resources Corp. (the “Company”), which comprise the consolidated statements of financial position as at June 30, 2025 and June 30, 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2025 and June 30, 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended June 30, 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.

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.

Assessment of Impairment Indicators of Exploration and Evaluation Assets

Description

Management assesses whether there are indicators of impairment to exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Management applies judgement in assessing whether impairment indicators are present. During the year ended June 30, 2025, management determined that the Company's remaining Australian exploration and evaluations assets were impaired, and an impairment charge of \$ 13,971,506 was recognized. Management determined that impairment indicators were not present with respect to the Company's Finnish exploration and evaluation assets.

This matter was significant to our audit because the carrying value of the Company's exploration and evaluation assets at June 30, 2025 was \$ 9,488,042, which represents a significant portion of the Company's total assets and management applies significant judgement in assessing whether impairment indicators are present. See Note 8 to the consolidated financial statements.

How the Key Audit Matter Was Addressed in the Audit

Our approach to addressing the matter included the following procedures, among others:

Evaluated management's assessment as to whether there were any indicators of impairment to exploration and evaluation assets, which included the following:

- Obtained mineral claims and permit listings held by the Company and performed auditing procedures to gain assurance that the claims were in good standing with the relevant authorities.
- Considered the Company's intentions to carry out future exploration and evaluation expenditures which included reading Board of Directors' meeting minutes and enquiring as to the intentions and strategy of the Company.
- Assessed whether there were other changes in circumstances indicating that the exploration and evaluation expenditures may not be recoverable, based on the evidence obtained in other areas of the audit.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company recorded a net loss of \$ 17,191,856 and, as at June 30, 2025, the Company had an accumulated deficit of \$ 36,631,323. 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in 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 Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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



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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.



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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 Gordon Cummings.

Vancouver, B.C.
September 19, 2025

"D&H Group LLP"
Chartered Professional Accountants

VALKEA RESOURCES CORP. (formerly Outback Goldfields Corp.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	June 30, 2025	June 30, 2024
		\$	\$
ASSETS			
Current			
Cash		3,948,127	83,684
Restricted cash		-	2,414,000
Amounts receivable	6, 11	50,447	15,687
Prepaid expenses	7	81,993	85,783
		4,080,567	2,599,154
Deferred transaction costs		-	168,748
Deposits		64,120	-
Reclamation bond		20,745	21,168
Equipment		8,084	13,079
Exploration and evaluation assets	5, 8	9,488,042	13,900,025
Total assets		13,661,558	16,702,174
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9, 11	782,772	115,976
Total liabilities		782,772	115,976
SHAREHOLDERS' EQUITY			
Share capital	10(b)	45,454,243	31,259,203
Subscription receipts	10(b), (f)	-	2,414,000
Warrant reserve		278,336	155,055
Option reserve		3,695,235	2,115,112
Accumulated other comprehensive income		82,295	-
Deficit		(36,631,323)	(19,357,172)
Total shareholders' equity		12,878,786	16,586,198
Total liabilities and shareholders' equity		13,661,558	16,702,174

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Chris Donaldson"
Chairman

/s/ "Louis Archambeault"
Director

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

VALKEA RESOURCES CORP. (formerly Outback Goldfields Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares)

	Note	Years ended June 30,	
		2025	2024
		\$	\$
Operating expenses			
Accounting and legal		289,529	55,628
Corporate development and marketing		751,387	62,117
Depreciation		341	-
Exploration expenses	8	3,755	126,458
Management and professional fees	11	423,559	325,853
Office and administrative	11	166,872	216,776
Share-based compensation	10, 11	1,580,123	3,850
Transfer agent, listing and filing fees		137,029	40,112
		(3,352,595)	(830,794)
Other income (expenses)			
Foreign exchange loss		-	(13,425)
Gain on sale of equipment		4,885	-
Impairment of exploration and evaluation assets	8(b)	(13,971,506)	-
Interest income		45,065	38,408
Net loss for the year		(17,274,151)	(805,811)
Gain on translation to presentation currency		82,295	-
Comprehensive loss for the year		(17,191,856)	(805,811)
Net loss per share:			
Basic and diluted		(0.64)	(0.14)
Weighted average number of common shares:			
Basic and diluted		26,806,504	5,837,050

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

VALKEA RESOURCES CORP. (formerly Outback Goldfields Corp.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended June 30,	
	2025	2024
	\$	\$
Operating activities		
Net loss for the year	(17,274,151)	(805,811)
Adjustments for:		
Depreciation	341	5,791
Share-based compensation	1,580,123	3,850
Gain on sale of equipment	(4,885)	-
Impairment of exploration and evaluation assets	13,971,506	-
Changes in non-cash working capital:		
Amounts receivable	38,843	8,252
Prepaid expenses	3,790	23,578
Deferred transaction costs	-	(168,748)
Accounts payable and accrued liabilities	288,603	(17,943)
Cash used in operating activities	(1,395,830)	(951,031)
Investing activities		
Cash acquired in the Transaction	17,936	-
Cash paid for the Transaction	(1,500,000)	-
Deposits for exploration permit	(64,120)	-
Transaction costs paid for the Transaction	(1,012,904)	-
Investments in exploration and evaluation assets	(1,048,228)	(272,004)
Proceeds from disposal of equipment	6,816	-
Purchases of equipment	-	(500)
Reclamation bond	-	(5,142)
Cash used in investing activities	(3,600,500)	(277,646)
Financing activities		
Proceeds from private placements	6,749,979	-
Proceeds from warrants exercised	875	-
Unit issuance costs paid in cash	(293,149)	-
Restricted cash released	2,414,000	-
Cash provided by financing activities	8,871,705	-
Effect of foreign exchange on cash	(10,932)	-
Change in cash	3,875,375	(1,228,677)
Cash, beginning of year	83,684	1,312,361
Cash, end of year	3,948,127	83,684
Supplemental cash flow disclosures:		
Interest paid in cash	-	-
Income taxes paid in cash	-	-
Cash interest earned on cash	44,928	38,408
Exploration and evaluation assets in accounts payable	185,939	15,516
Fair value of finder's warrants	123,903	-
Shares issued for acquisition of exploration and evaluation assets	5,500,000	-

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

VALKEA RESOURCES CORP. (formerly Outback Goldfields Corp.)
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Subscription receipts	Warrant reserve	Option reserve	Accumulated other comprehensive income	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$	\$	\$
Balance, June 30, 2023	5,837,050	31,259,203	-	155,055	2,111,262	-	(18,551,361)	14,974,159
Subscription receipts issued for cash	-	-	2,414,000	-	-	-	-	2,414,000
Share-based compensation	-	-	-	-	3,850	-	-	3,850
Net loss for the year	-	-	-	-	-	-	(805,811)	(805,811)
Balance, June 30, 2024	5,837,050	31,259,203	2,414,000	155,055	2,115,112	-	(19,357,172)	16,586,198
Shares issued for acquisition of exploration and evaluation assets	13,750,000	5,500,000	-	-	-	-	-	5,500,000
Shares issued for warrants exercised	2,187	1,497	-	(622)	-	-	-	875
Subscription receipts issued for cash	-	-	2,589,979	-	-	-	-	2,589,979
Conversion of subscription receipts to units	12,509,947	5,003,979	(5,003,979)	-	-	-	-	-
Units issued for cash	150,000	60,000	-	-	-	-	-	60,000
Units issued for private placement	16,400,000	4,100,000	-	-	-	-	-	4,100,000
Unit issuance costs	-	(470,436)	-	123,903	-	-	-	(346,533)
Share-based compensation	-	-	-	-	1,580,123	-	-	1,580,123
Gain on translation to presentation currency	-	-	-	-	-	82,295	-	82,295
Net loss for the year	-	-	-	-	-	-	(17,274,151)	(17,274,151)
Balance, June 30, 2025	48,649,184	45,454,243	-	278,336	3,695,235	82,295	(36,631,323)	12,878,786

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

VALKEA RESOURCES CORP. (formerly Outback Goldfields Corp.)
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Valkea Resources Corp. (formerly Outback Goldfields Corp.) (the “Company”) was incorporated pursuant to the provisions of the Business Corporations Act of Ontario on March 6, 2018. On September 17, 2024, the Company changed its name to Valkea Resources Corp. The Company’s head office is located at Suite 600 - 1111 Hastings Street, Vancouver, British Columbia, V6E 2J3. The Company’s principal business activities include the acquisition and exploration of mineral property assets.

On February 13, 2019, the Company’s common shares commenced trading on the Canadian Securities Exchange (“CSE”) under the symbol “SKRB”. In December 2020, the Company’s trading symbol on the CSE was changed to “OZ”. In the year ended June 30, 2021, the Company began trading on the Frankfurt Exchange under the trading symbol “S600”. In January 2022, the Company began trading on the TSX Venture Exchange (the “TSXV”) under the trading symbol “OZ”. On November 14, 2024, the Company began trading on the OTCQB Venture Market under the ticker symbol “OZBKF”.

These audited consolidated financial statements for the years ended June 30, 2025 and 2024 (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at June 30, 2025, the Company had working capital of \$3,297,795 (June 30, 2024 - \$2,483,178) and an accumulated deficit of \$36,631,323 (June 30, 2024 - \$19,357,172). For the year ended June 30, 2025, the Company incurred a comprehensive loss of \$17,191,856 (2024 - \$805,811). The Company expects to incur further losses in the development of its business. To continue as a going concern, the Company will be dependent upon its ability to develop the business further, generate future profitable operations and/or obtain additional financing, which carries significant risk in ability to execute. These financial statements have been prepared on a going concern basis which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. However, the above factors indicate the existence of a material uncertainty that raises significant doubt about the Company’s ability to continue as a going concern. Adjustments arising from the non-continuation as a going concern would be material.

On September 17, 2024, the Company completed a consolidation of its common shares on a ten-to-one basis. All share and per share amounts have been retrospectively adjusted to reflect the consolidation. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidation.

On September 18, 2024, the Company completed the acquisition with S2 Resources Limited (“S2”) whereby the Company acquired all the issued and outstanding shares of Sakumpu Exploration Oy (“Sakumpu”) (the “Transaction”) (Note 5).

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on September 19, 2025.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee.

b) Basis of presentation

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards, as well as information presented in the consolidated statements of cash flows.

c) Functional and presentation currency

The financial statements are presented in Canadian dollars (“\$” or “CAD”). The functional currency is the currency of the primary economic environment in which an entity operates and listed in Note 2(d) below. References to “AUD” are to Australian dollars, references to “EUR” are to euros.

VALKEA RESOURCES CORP. (formerly Outback Goldfields Corp.)
Notes to the Consolidated Financial Statements
For the years ended June 30, 2025 and 2024
(Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

During the year ended June 30, 2025, the Company changed the functional currency of Outback Goldfields Australia Pty Ltd from CAD to AUD. The change aligns the Company's functional currency with the currency of the primary economic environment in which it operates, as the majority of the Company's costs are denominated in AUD. In accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*, the change has been applied prospectively from July 1, 2024, with all items translated into AUD at the exchange rate on that date. The change did not have a material impact on the Company's financial statements.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at June 30, 2025 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
Valkea Resources Corp.	Canada	100%	CAD	Holding company and head office function
Outback Goldfields Australia Pty Ltd ("Outback Australia")	Australia	100%	AUD	Holding company
Sakumpu Exploration Oy ⁽¹⁾	Finland	100%	EUR	Holding company

(1) On September 18, 2024, the Company acquired a 100% interest in Sakumpu Exploration Oy.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS

a) Foreign currency transactions

For foreign currency transactions, the Company translates each transaction by applying the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of the reporting period, monetary assets and liabilities denominated in foreign currency are restated using the closing exchange rate at the reporting date, and non-monetary assets and liabilities measured at fair value are translated using the exchange rate at the date when fair value was measured. Exchange differences are recognized in profit or loss for the period in which they arise. However, if fair value changes for a non-monetary item measured at fair value are recognized in other comprehensive income, the exchange difference component of the change in fair value is also recognized in other comprehensive income.

For the presentation of the consolidated financial statements, assets and liabilities of the Company's foreign operations whose functional currency is different from the presentation currency are translated at the closing exchange rate prevailing at the reporting date. Income and expenses are translated at the average exchange rates for the period where these approximate the rates on the dates of transactions. Exchange differences arising from translation of foreign operations are recognized in other comprehensive income in the period.

b) Cash and restricted cash

Cash primarily includes cash on hand with a Canadian chartered bank and reputable banks in Australia and Finland. Cash equivalents include guaranteed investment certificates. Restricted cash indicates cash that has limitations or contingencies ahead of it being available to the Company.

c) Exploration and evaluation assets

All costs related to the acquisition, exploration and evaluation of mineral properties are capitalized as incurred and deferred until management establishes technical feasibility and economic feasibility of a property. When technical feasibility and commercial viability of a property is demonstrated, exploration and evaluation assets will be reclassified into property.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS (continued)

The recoverability of mineral properties and exploration and development costs is dependent on the existence of economically recoverable reserves, the ability to obtain the necessary financing to complete the development of the reserves, and the profitability of future operations. The Company has not yet determined whether or not any of its future mineral properties contain economically recoverable reserves. Amounts capitalized to mineral properties as exploration and development costs do not necessarily reflect present or future values.

When properties are sold, proceeds are credited to the cost of the property. If no future capital expenditure is required and proceeds exceed costs, the excess proceeds are reported as a gain.

Exploration and evaluation assets are assessed for impairment when facts or circumstances suggest that the carrying value of an exploration and evaluation asset may exceed its recoverable amount. If any such indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The estimated recoverable amount is determined on an asset-by-asset basis, except where such assets do not generate cash flows independent of other assets, in which case the recoverable amount is estimated at the cash generating unit ("CGU") level. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company will measure, present and disclose any resulting impairment loss.

d) Impairment of long-lived assets

The carrying value of long-lived assets, which consist primarily of exploration and evaluation assets, is reviewed at each reporting date to determine whether there is any indication that the carrying value of the asset may not be recoverable. If indication does exist, the recoverable amount is estimated which is the higher of fair value less cost to sell and the value in use. An impairment loss would be recorded in the statements of loss and comprehensive loss for the amount the carrying value exceeds the recoverable amount. Impairment is assessed at a CGU level, which for the Company are its individual gold projects.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of recoverable amount. An impairment loss is reversed through the statements of loss and comprehensive loss only to the extent that the assets or CGU's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU.

e) Equipment depreciation

The cost of equipment with a life greater than one year is depreciated over its estimated useful life less any expected salvage value.

f) Share capital

Common shares and warrants are classified as equity instruments. Costs directly identifiable to the issuance of new shares are shown in equity as a deduction to the related proceeds. Warrants issued to brokers or agents as a part of a financing transaction are measured at fair value using the Black-Scholes option pricing model and recorded in share capital and warrant reserve as share issuance costs.

Valuation of common shares and warrants issued in unit offerings

When units are issued as part of a financing transaction consisting of both common shares and share purchase warrants, proceeds are allocated using the residual method which first allocates value to the more reliable estimate based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in private placements is determined to be the more reliable estimate as there is an observable market price for the shares which is determined by the closing price on the issuance date. The remaining balance, if any, is allocated to the attached warrants. Any value attributed to the warrants is recorded to warrant reserve. Upon exercise, the value attributed to the exercised warrants is transferred to share capital.

g) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share, where applicable, is determined by adjusting the loss 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 in the case of where they are in-the-money.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS (continued)

h) Share-based payments

Stock options

The fair value of stock options granted is recognized as an expense over the vesting period with a corresponding increase in option reserve. The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. When stock options are exercised, shares are granted and the amount previously recorded in option reserve is credited to share capital less consideration paid on exercise.

Restricted share units ("RSUs") and deferred share units ("DSUs")

The RSU and DSU plans are available to the Company's directors, certain employees and consultants. RSUs and DSUs are exchangeable, at settlement date, for (i) one common share of the Company, (ii) a lump sum payment in cash equal to the market value of one common share of the Company on the settlement date, or (iii) any combination of the foregoing. The settlement date of RSUs is the vesting date of respective RSU issuances. The fair value of each RSU and DSU is measured at the grant date by reference to the Company's share price at that time. The fair value of RSUs and DSUs granted is recognized as share-based compensation over the vesting period.

i) Financial instruments

The Company's financial instruments are classified and subsequently measured in the following categories: amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). The classification is determined at initial recognition. A financial asset is derecognized when the contractual rights to cash flows from the financial asset expire, or when all associated risks and rewards of ownership of the asset are transferred. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

A summary of the Company's classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

Financial instruments	Classification
Financial assets	
Cash	Amortized cost
Restricted cash	Amortized cost
Amounts receivable	Amortized cost
Reclamation bond	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost

Financial assets and liabilities at amortized cost

Financial assets and liabilities categorized as amortized costs are initially recognized at fair value, adjusted for transaction costs, and subsequently carried at amortized cost less any impairment.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Gains and losses on derecognition of financial assets and liabilities categorized as amortized costs are recognized in the statements of loss and comprehensive loss.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS (continued)

Financial assets and liabilities at FVTPL

Financial assets and liabilities categorized as FVTPL are recorded initially at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in financial assets and liabilities classified as FVTPL are recognized in the statements of loss and comprehensive loss in the period they are realized.

j) Current and deferred income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

k) New accounting pronouncements

The IASB continually issues new and amended standards and interpretations which may need to be adopted by the Company. The Company continually assesses the impact that the new and amended standards and interpretations may have on its financial statements or whether to early adopt any of the new requirements. On July 1, 2024, the Company adopted the following new accounting pronouncement:

Classification of liabilities as current or non-current - Amendments to IAS 1

Additionally, the Company assessed the impacts of the amendments to IAS 1 *Presentation of Financial Statements*, effective for periods beginning on or after January 1, 2024, which clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments had no impact on the Company's financial statements.

There were no other recent pronouncements applicable to the Company's financial statements.

Pronouncements issued but not yet effective

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. These amendments updated classification and measurement requirements in IFRS 9 *Financial Instruments* and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the 'solely payments of principal and interest' criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is currently assessing the effect of these amendments on the financial statements.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS (continued)

IFRS 19: Subsidiaries without Public Accountability: Disclosures

On April 9, 2024, the IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures* ("IFRS 19"). IFRS 19 allows eligible subsidiaries to apply reduced disclosure requirements. Subsidiaries can apply IFRS 19 if they do not have public accountability and has a parent company that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

An entity does not have public accountability if it does not have debt or equity instruments that are traded in a public market, is not in the process of issuing such instruments for trading in a public market and does not hold assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses. An entity is permitted to elect to apply IFRS 19 more than once. An entity that has elected to apply IFRS 19 may later revoke that election. IFRS 19 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Company is currently assessing the impact of the standard on its condensed interim consolidated financial statements.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements and applying its accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgements, key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a) Impairment of exploration and evaluation assets

Each reporting period, management applies judgement in assessing whether there are any indicators of impairment related to exploration and evaluation assets. If an indicator exists, the recoverability of the exploration and evaluation asset is assessed using estimates, judgements and assumptions. To estimate recoverability, management considers current and forecasted commodity prices as well as the economic viability of the project.

b) Share-based payments

The Company measures the fair value of its share-based payments using the Black-Scholes option pricing model, which requires management to use judgements and estimates in determining the inputs used in the model. These inputs include the exercise price of the option, the life of the option, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares (if appropriate), and the risk-free interest rate for the life of the option. Valuation and allocation of consideration paid to acquire mineral properties

c) Allocation of consideration among acquired mineral properties

Management applies judgement in determining the allocation of consideration paid amongst properties when acquired. Relevant factors and indicators are evaluated including number of properties/claims, status of the ability to explore, the geological prospectivity of the property, and land area open to exploration.

d) Tax loss utilization

Management applies judgement in assessing, each reporting period, whether incurred losses have the potential to be utilized against future profits. Deferred tax assets are recognized for unused tax losses and other deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the losses can be utilized. In making this assessment, management considers projected future taxable income, the nature and timing of temporary differences, tax planning opportunities, and the expiry periods of loss carryforwards. No deferred tax assets have been recognized.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

e) Asset acquisition versus business combination

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets is acquired. More specifically, consideration is given to the extent to which significant processes are acquired. When the acquisition does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

5. ACQUISITION OF SAKUMPU EXPLORATION OY

On September 18, 2024, the Company completed the Transaction whereby the Company acquired all of the issued and outstanding shares of Sakumpu from Norse Exploration Pty Ltd. (the "S2 Subsidiary"), an indirect wholly owned subsidiary of S2 pursuant to a share purchase agreement between the Company, the S2 Subsidiary, and S2 dated May 9, 2024 (the "Share Purchase Agreement"). Pursuant to the Share Purchase Agreement, the Company paid S2 \$1,500,000 in cash and issued 13,750,000 common shares of the Company at a fair value of \$0.40 per share to S2. As a result of the common shares issued to S2 and its common share ownership resulting from participation in private placements, S2 became the largest single shareholder of Valkea with an approximate 44.6% ownership at the time of the Transaction.

The Company incurred transaction costs of \$1,128,268 comprised of legal fees and due diligence costs in connection with the Transaction, of which \$115,364 was incurred during the year ended June 30, 2024, and recorded in deferred transaction costs. Total transaction costs have been included as part of the total consideration in the Transaction.

Sakumpu did not qualify as a business under IFRS 3 *Business Combinations*, as it did not possess the significant inputs, processes, and outputs that together constitute a business at the time of acquisition. Therefore, the Transaction was accounted for as an asset acquisition. Accordingly, no goodwill was recorded and consideration measured at fair value was allocated to the assets and liabilities acquired.

A summary of the Company's consideration and the net assets acquired from Sakumpu as at September 18, 2024, acquisition date is as follows:

	\$
Consideration:	
Cash payments	1,500,000
Fair value of common shares issued to S2 (Note 10(b))	5,500,000
Transaction costs	1,128,268
	8,128,268
Assets and liabilities acquired:	
Cash	17,936
Amounts receivable	73,603
Exploration and evaluation assets	8,041,728
Equipment	1,316
Accounts payable and accrued liabilities	(6,315)
	8,128,268

The amount of \$8,041,728 allocated to the exploration and evaluation assets was allocated to the Finnish properties (Note 8(a)).

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6. AMOUNTS RECEIVABLE

A summary of the Company's amounts receivable is as follows:

	June 30, 2025	June 30, 2024
	\$	\$
Goods and services taxes receivable	28,355	15,687
Other receivable	22,092	-
	50,447	15,687

As at June 30, 2025, the other receivable balance represents an amount owed by a related party (Note 11) comprised of \$20,000 plus a transaction fee of \$1,500 and accrued interest of \$592. The amount accrues interest at 10.20% per year and is due on July 10, 2025. During the year ended June 30, 2025, the Company recorded interest income on this balance of \$592 (2024 - \$nil).

7. PREPAID EXPENSES

A summary of the Company's prepaid expenses is as follows:

	June 30, 2025	June 30, 2024
	\$	\$
Exploration expenses	-	15,650
Corporate development and marketing	34,733	45,250
Office and administrative	32,683	14,120
Transfer agent, listing, and filing fees	14,577	10,763
	81,993	85,783

8. EXPLORATION AND EVALUATION

A summary of the Company's exploration and evaluation assets is as follows:

	Yeungroon project	Silver Spoon project	Finnish properties	Total
	\$	\$	\$	\$
Balance, June 30, 2023	10,508,759	3,125,053	-	13,633,812
Chemical analysis	17,843	-	-	17,843
Geological services	59,031	28,994	-	88,025
Geophysical surveys	11,310	-	-	11,310
Materials and supplies	7,029	-	-	7,029
Project management	77,617	40,409	-	118,026
Recording and filing	15,294	4,315	-	19,609
Travel	3,961	410	-	4,371
Balance, June 30, 2024	10,700,844	3,199,181	-	13,900,025
Acquisition costs	-	-	8,041,728	8,041,728
Depreciation	3,011	769	-	3,780
Drilling and trenching	-	-	328,007	328,007
Geological services	32,386	3,006	728,756	764,148
Project management	14,485	9,635	-	24,120
Recording and filing	-	191	238,838	239,029
Travel	-	-	64,802	64,802
Impairment of evaluation and evaluation assets	(10,758,949)	(3,212,557)	-	(13,971,506)
Currency translation	8,223	(225)	85,911	93,909
Balance, June 30, 2025	-	-	9,488,042	9,488,042

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8. EXPLORATION AND EVALUATION (continued)

The Company does not capitalize expenditures on projects that were previously impaired. Expenditures on previously impaired projects are expensed.

A summary of the Company's exploration expenses for the year ended June 30, 2025 on previously impaired projects is as follows:

	Ballarat West project	Glenfine project	Total
	\$	\$	\$
Geological services	528	2,553	3,081
Project management	101	573	674
	629	3,126	3,755

A summary of the Company's exploration expenses for the year ended June 30, 2024 on previously impaired projects is as follows:

	Ballarat West project	Glenfine project	Total
	\$	\$	\$
Geological services	19,647	89,764	109,411
Project management	1,791	4,614	6,405
Recording and filing	4,122	6,394	10,516
Travel	126	-	126
	25,686	100,772	126,458

a) Finnish Properties

On September 18, 2024, the Company completed the Transaction with S2 (Note 5). The acquisition of Sakumpu includes several exploration licenses, including the Aarnivalkea mineral prospect within the Paana Central exploration license and of two licenses which are subject to an earn-in agreement with Rupert Resources Corp. (collectively, the "Finnish Properties"). These licenses are wholly owned by Sakumpu. During the year ended June 30, 2025, all exploration and evaluation expenditures of the Company were related to the Paana project. There is no minimum exploration expenditures required on the Finnish Properties although there are annual minimum landholder payments required. The estimated total annual landholder payments required in fiscal year 2026 are EUR 427,480. Landholder payments in fiscal years of 2027 and beyond are dependent upon the composition of retained licenses and are estimated annually.

b) Victorian Gold Projects

The Victorian Gold Projects include Yeungroon, Silver Spoon, Ballarat West, and Glenfine projects.

On March 4, 2025, the Company completed the grant of an option on its Yeungroon, Ballarat West, and Silver Spoon projects ("YBWSS Option") located in Australia to S2 and contemplated as part of the Transaction. Pursuant to the YBWSS Option, S2 can earn an 80% interest in the Yeungroon, Ballarat West, and Silver Spoon projects by sole-funding total expenditures of AUD \$1.2 million within four years. The Company also announced that it has granted S2 an option on its Glenfine project (the "Glenfine Option" and, together with the YBWSS Option, the "Options") located in Australia. Pursuant to the Glenfine Option, S2 can earn a 51% interest in the Glenfine project by sole funding total expenditures of AUD 200,000 within four years. Upon exercise of the YBWSS Option, S2 will hold an 80% interest in the Yeungroon, Ballarat West, and Silver Spoon projects, and the Company will retain 20% interest. Upon exercise of the Glenfine Option, S2 will hold a 51% interest in the Glenfine project, and the current Glenfine partners will retain a 49% interest. If a party's joint venture interest is diluted below 10%, it will automatically convert to a 2% net smelter return royalty.

The minimum expenditure commitments associated with granted exploration licenses at the Victorian Gold Projects are as follows:

- \$419,800 for year ended June 30, 2025 (not met);
- \$317,300 for year ended June 30, 2026;
- \$25,000 for year ended June 30, 2027; and
- \$25,000 for the year ended June 30, 2028.

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8. EXPLORATION AND EVALUATION (continued)

The Company has the flexibility to defer expenditures from one year to the next, and it is expected renewals of certain licenses will result in additional minimum expenditures.

Following a strategic evaluation of the Company's four projects in the year ended June 30, 2023, it was determined that given existing plans and finances available for exploration, the priority of the Company was the Yeungroon and Silver Spoon projects. As a result, the Glenfine and Ballarat West projects were impaired in the year ended June 30, 2023 and any future expenditures are expensed.

During the year ended June 30, 2025, the Company decided not to incur additional exploration expenses on the Yeungroon and Silver Spoon projects and have successfully entered into a joint venture with S2 on these projects. As a result, the Yeungroon and Silver Spoon projects were considered to have met the criteria for impairment indicators, and as such were impaired. An impairment of exploration and evaluation assets of \$13,971,506 (2024 - \$nil) was recognized. Any future expenditures will be expensed.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	June 30, 2025	June 30, 2024
	\$	\$
Trade payables	531,861	85,292
Accrued liabilities	250,911	30,684
	782,772	115,976

10. SHARE CAPITAL

a) Authorized share capital

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

Omnibus Equity Incentive Compensation Plan

On July 22, 2024, the Company adopted a new Omnibus Equity Incentive Compensation Plan (the "Plan") that allows for issuance for up to 10% of its outstanding common shares on a rolling basis. The Plan permits the grant of stock options, RSUs, DSUs, and performance share units. The purpose of the Plan is: (i) to promote a significant alignment between officers and employees of the Company and its affiliates and the growth objectives of the Company; (ii) to associate a portion of participating employees' compensation with the performance of the Company over the long term; and (iii) to attract, motivate and retain the critical employees to drive the business success of the Company.

b) Issued share capital

During the year ended June 30, 2025, the Company had the following share capital transactions:

- On September 5, 2024, the Company closed a private placement for gross proceeds of \$60,000 by issuing 150,000 units at a price of \$0.40 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.60 per common share until September 5, 2027. The gross proceeds from the units were allocated using the residual value method whereby the proceeds were allocated to the common shares based on the market value at the date of issuance and the remaining proceeds were allocated to the warrants and recognized in warrant reserve. As the fair value of the common shares on the issuance date was equal to the cash proceeds, \$nil residual value was allocated to the share purchase warrants. In connection with this private placement, the Company paid cash finders' fees of \$3,700 and issued 9,000 finders' warrants with an aggregate fair value of \$2,566. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 until September 5, 2027. The finders' warrants were valued using the Black-Scholes option pricing model with a corresponding amount added to warrant reserve.

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10. SHARE CAPITAL (continued)

- On September 18, 2024, upon closing of the Transaction, 12,509,947 subscription receipts of the Company issued on June 21, 2024, and September 16, 2024 (Note 10(f)) were converted into 12,509,947 units of the Company. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant is exercisable into one common share at a price of \$0.60 per common share until September 18, 2027. The gross proceeds of \$5,003,979 were allocated using the residual value method whereby the proceeds were allocated to the common shares based on the market value at the date of issuance with remaining proceeds allocated to the warrants and recognized in warrant reserve. As the fair value of the common shares on the issuance date was equal to the cash proceeds, \$nil residual value was allocated to the share purchase warrants. In connection with the issuance of subscription receipts that subsequently converted to units, the Company incurred total unit issuance costs of \$340,743, including \$53,384 of cash issuance costs incurred during the year ended June 30, 2024 and recorded in deferred transaction costs. Unit issuance costs incurred during the year ended June 30, 2025 were comprised of cash finders' fees of \$121,113, cash issuance costs of \$89,779 and the issuance of 268,800 finders' warrants with an aggregate fair value of \$76,467. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 per share until September 18, 2027. The finders' warrants were valued using the Black-Scholes option pricing model with a corresponding amount added to the warrant reserve.
- On September 18, 2024, the Company issued 13,750,000 common shares at a fair value of \$0.40 per share to S2 for a total fair value of \$5,500,000 as a part of the consideration for the Transaction (Note 5).
- On March 6, 2025, the Company issued 2,187 common shares upon the exercise of 2,187 finders' warrants at an exercise price of \$0.40 for gross proceeds of \$875. As a result, the total fair value of the finders' warrants of \$622 was transferred from warrant reserve to share capital.
- On June 25, 2025, the Company closed a private placement for gross proceeds of \$4,100,000 by issuing 16,400,000 units at a price of \$0.25 per unit. Each unit consists of one common share of the Company and one-half of common share purchase warrant. Each whole share purchase warrant is exercisable into one additional common share at a price of \$0.35 per common share until December 24, 2026. The gross proceeds from the units were allocated using the residual value method whereby the proceeds were allocated to the common shares based on the market value at the date of issuance and the remaining proceeds were allocated to the warrants and recognized in warrant reserve. As the fair value of the common shares on the issuance date was greater than the cash proceeds, \$nil residual value was allocated to the share purchase warrants. In connection with this private placement, the Company incurred unit issuance costs of \$123,427. Unit issuance costs were comprised of cash finders' fees of \$70,500, cash issuance costs of \$8,057 and the issuance of 282,000 finders' warrants with an aggregate fair value of \$44,870. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.25 until December 24, 2026. The finders' warrants were valued using the Black-Scholes option pricing model with a corresponding amount added to warrant reserve.

During the year ended June 30, 2024, the Company did not have any share capital transactions.

c) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, June 30, 2024 and 2023	-	-
Issued	21,419,747	0.50
Exercised	(2,187)	0.40
Balance, June 30, 2025	21,417,560	0.50

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10. SHARE CAPITAL (continued)

A summary of the Company's warrants outstanding as at June 30, 2025 is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	\$	Years
December 24, 2026	8,200,000	0.35	1.48
December 24, 2026	282,000	0.25	1.48
September 5, 2027	9,000	0.40	2.18
September 5, 2027	150,000	0.60	2.18
September 18, 2027	266,613	0.40	2.22
September 18, 2027	12,509,947	0.60	2.22
	21,417,560	0.50	1.93

During the year ended June 30, 2025, the Company had the following warrant transactions:

- In connection with the September 5, 2024 private placement, the Company issued 9,000 finders' warrants with an aggregate fair value of \$2,566, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the warrant reserve. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 per share until September 5, 2027.
- In connection with the September 5, 2024 private placement, the Company issued 150,000 common share purchase warrants. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.60 per common share until September 5, 2027.
- In connection with the subscription receipts issued on June 21, 2024 and September 16, 2024 (Note 10(f)), the Company issued 268,800 finders' warrants with an aggregate fair value of \$76,467, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the warrant reserve. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.40 per share until September 18, 2027.
- On September 18, 2024, upon closing of the Transaction, 12,509,947 subscription receipts of the Company issued in the private placements that closed on June 21, 2024 and September 16, 2024 (Note 10(f)) were converted into 12,509,947 units of the Company. As a result, 12,509,947 common share purchase warrants of Company were issued. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.60 per common share until September 18, 2027.
- On March 6, 2025, the Company issued 2,187 common shares upon the exercise of 2,187 finders' warrants at an exercise price of \$0.40 for gross proceeds of \$875. As a result, the total fair value of the finders' warrants of \$622 was transferred from warrant reserve to share capital.
- In connection with the June 25, 2025 private placement, the Company issued 8,200,000 common share purchase warrants. Each common share purchase warrant is exercisable into one additional common share at a price of \$0.35 per common share until December 24, 2026.
- In connection with the June 25, 2025 private placement, the Company issued 282,000 finders' warrants with an aggregate fair value of \$44,870, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the warrant reserve. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.25 until December 24, 2026.

During the year ended June 30, 2024, the Company did not issue any warrants.

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10. SHARE CAPITAL (continued)

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for warrants issued during the year ended June 30, 2025 is as follows:

Share price	\$0.36
Exercise price	\$0.42
Expected life	2.24 years
Risk-free interest rate	2.88%
Expected volatility	105.51%
Expected annual dividend yield	0.00%

d) Stock options

A summary of the Company's stock option activity is as follows:

	Number of stock options outstanding	Weighted average exercise price
	#	\$
Balance, June 30, 2023	583,500	5.70
Expired	(525,000)	6.00
Balance, June 30, 2024	58,500	2.55
Granted	4,915,000	0.36
Forfeited	(33,333)	0.40
Balance, June 30, 2025	4,940,167	0.39

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

Date of expiry	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	\$	Years
February 23, 2028	14,000	4,667	1.10	2.65
July 9, 2028	5,833	5,833	3.00	3.03
October 21, 2028	38,667	38,667	3.00	3.31
September 16, 2029	3,116,667	1,050,000	0.40	4.22
June 23, 2030	1,765,000	588,333	0.30	4.98
	4,940,167	1,687,500	0.39	4.48

During the year ended June 30, 2025, the Company granted the following stock options:

- On September 17, 2024, the Company granted 3,150,000 stock options to directors, officers, and consultants. These stock options have an exercise price of \$0.40, expire on September 16, 2029, and vest over a two-year period in three equal tranches with the first 1/3 on the grant date, and 1/3 every twelve months thereafter.
- On June 24, 2025, the Company granted 1,765,000 stock options to directors, officers, and consultants. These stock options have an exercise price of \$0.30, expire on June 23, 2030, and vest over a two-year period in three equal tranches with the first 1/3 on the grant date, and 1/3 every twelve months thereafter.

During the year ended June 30, 2024, the Company did not grant any stock options.

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10. SHARE CAPITAL (continued)

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for stock options granted during the year ended June 30, 2025 is as follows:

Share price	\$0.36
Exercise price	\$0.36
Expected life	5.00 years
Risk-free interest rate	2.77%
Expected volatility	140.99%
Expected annual dividend yield	0.00%

During the year ended June 30, 2025, the Company recognized share-based compensation of \$966,695 (2024 - \$3,850), relating to the vesting of stock options.

e) Deferred share units

A summary of the Company's DSU activity is as follows:

	Number of DSUs
	#
Outstanding, June 30, 2024 and 2023	-
Granted	2,208,750
Outstanding, June 30, 2025	2,208,750

During the year ended June 30, 2025, the Company granted the following DSUs:

- On September 17, 2024, the Company granted 1,931,250 DSUs to certain directors and officers of the Company. These DSUs will vest on September 17, 2025. The fair value of each DSU was determined to be the fair value of the Company's common share on grant date, resulting in total fair value of \$772,500 which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On March 3, 2025, the Company granted 98,750 DSUs to certain directors of the Company. These DSUs will vest on March 3, 2026. The fair value of each DSU was determined to be the fair value of the Company's common share on grant date, resulting in total fair value of \$39,500 which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On May 23, 2025, the Company granted 98,750 DSUs to certain directors of the Company. These DSUs will vest on May 23, 2026. The fair value of each DSU was determined to be the fair value of the Company's common share on grant date, resulting in total fair value of \$19,750 which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On June 30, 2025, the Company granted 80,000 DSUs to certain directors of the Company. These DSUs will vest on March 3, 2026. The fair value of each DSU was determined to be the fair value of the Company's common share on grant date, resulting in total fair value of \$25,600 which will be recognized as share-based compensation on a straight-line basis over the vesting period.

During the year ended June 30, 2024, the Company did not grant any DSUs.

During the year ended June 30, 2025, the Company recognized \$613,428 (2024 - \$nil) in share-based compensation related to the vesting of DSUs.

f) Subscription receipts

On June 21, 2024, the Company closed a private placement of subscription receipts for gross proceeds of \$2,414,000 by issuing 6,035,000 subscription receipts at a price of \$0.40 per subscription receipt. On September 18, 2024, the subscription receipts were converted into 6,035,000 units (Note 10(b)).

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10. SHARE CAPITAL (continued)

On September 16, 2024, the Company closed a private placement of subscription receipts for gross proceeds of \$2,589,979 by issuing 6,474,947 subscription receipts at a price of \$0.40 per subscription receipt. On September 18, 2024, the subscription receipts were converted into 6,474,947 units (Note 10(b)).

11. RELATED PARTY DISCLOSURES

Key management personnel are those with the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions is as follows:

	Years ended June 30,	
	2025	2024
	\$	\$
Corporate development and marketing	134,903	-
Management and professional fees	423,418	332,862
Office and administrative	12,500	112,500
Share-based compensation	1,251,315	3,276
	1,822,136	448,638

The Company sub-leased its office space and received shared services from an entity controlled by its former Chairman of the Board of Directors. This contract ended on September 30, 2024. During the year ended June 30, 2025, sub-lease costs, office expenses, human resource support, and related fees of \$12,500 were paid to this entity (2024 - \$112,500). All transactions with this entity are at fair market value for services received by the Company. As of October 1, 2024, these services are no longer provided by a related party.

On March 4, 2025, the Company completed the grant of the YBWSS Option to S2 and contemplated as part of the Transaction (Note 8(b)).

As at June 30, 2025, included in accounts payable and accrued liabilities are due to related parties of \$229,816 (June 30, 2024 - \$32,541). The amounts due are unsecured, due on demand and are non-interest bearing.

As at June 30, 2025, the other receivable balance of \$22,092 included in amounts receivable (Note 6), was receivable from a related company under common control.

12. CAPITAL MANAGEMENT

The Company's capital consists of all components of shareholders' equity. The Company manages its capital structure based on the funds available to the Company, in order to support exploration. The Board of Directors does not impose quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the management of capital, the Company considers all types of equity and is dependent on third party financing, whether through debt, equity, or other means. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining required financing in the future or that such financing will be available on terms acceptable to the Company. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at June 30, 2025, financial instruments comprised of cash, amounts receivable except for goods and services taxes receivable, reclamation bond, and accounts payable and accrued liabilities that are classified as and measured at amortized cost. The carrying value of cash, amounts receivable, reclamation bond, and accounts payable and accrued liabilities approximate their respective fair values due to the short-term nature of these financial instruments.

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13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfil its contractual obligations. The Company's credit risk relates primarily to cash.

The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's primary exposure to liquidity risk is through accounts payable and accrued liabilities. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. As of June 30, 2025, the Company had cash of \$3,948,127 (June 30, 2024 - \$83,684) and working capital of \$3,297,795 (June 30, 2024 - \$2,483,178). As at June 30, 2025, liquidity risk is assessed as low. The Company had sufficient cash on hand to discharge its financial liabilities as they become due but will require additional funding to continue operations.

c) Foreign exchange risk

Foreign exchange risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Company is exposed to foreign exchange risk from fluctuations in the Canadian dollar to the Australian dollar and the euro. A 1% change in the Canadian dollar exchange rate relative to the Australian dollar would change the Company's loss by approximately \$342; and a 1% change in the Canadian dollar exchange rate relative to the euro would change the Company's loss by approximately \$1,143.

A summary of the Company's financial assets and liabilities as at June 30, 2025 that are denominated in the Australian dollar and the euro is as follows:

	AUD	EUR
	\$	\$
Financial assets		
Cash	12,269	277,355
Amounts receivable	1,205	3,069
Reclamation bond	20,745	-
	34,219	280,424
Financial liabilities		
Accounts payable and accrued liabilities	-	166,162
	-	166,162
Net financial assets	34,219	114,262

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14. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Years ended June 30,	
	2025	2024
	\$	\$
Net loss for the year	(17,274,151)	(805,811)
Combined federal and provincial statutory income tax rates	27%	27%
Expected income tax recovery	(4,664,020)	(217,569)
Non-deductible expenditures and non-taxable revenues	426,618	-
Change in statutory, foreign tax, foreign exchange rates and other	55,721	6,102
Share issuance costs	(93,564)	-
Non-deductible portion of capital item	-	1,040
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	516,371	-
Temporary differences originated in the year	9,984	-
Change in unrecognized deferred tax assets	3,748,890	210,427
Provision for income tax recovery	-	-

As summary of the significant components of the Company's deferred tax assets and liabilities is as follows:

	Years ended June 30,	
	2025	2024
	\$	\$
Share issuance costs and financing fees	74,851	-
Non-capital losses	6,532,433	2,606,100
Equipment	(1,617)	-
Exploration and evaluation assets	(253,802)	-
Unrecognized deferred tax asset	(6,351,865)	(2,606,100)
Net deferred tax asset	-	-

A summary of the significant components of the Company's temporary differences and unused tax losses that have not been included on the consolidated statement of financial position is as follows:

	June 30, 2025	Expiry date range	June 30, 2024	Expiry date range
Temporary differences	\$		\$	
Share issuance costs and financing fees	277,226	2026 to 2029	-	N/A
Non-capital losses by country				
Canada	18,809,976	2038 to 2045	5,391,230	2038 to 2045
Australia	4,762,031	No expiry date	5,039,833	No expiry date
Finland	39,060	2035	-	N/A

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15. SEGMENTED INFORMATION

The Chief Operating Decision Maker (“CODM”) of the Company has been identified as the Chief Financial Officer, who makes strategic decisions and allocates resources based on the information available by operating segment. The CODM determines the reportable segments of the Company based on the availability of discrete financial results and the nature of operations relating to each operating segment. The CODM identified three reportable segments being 1) Canada, 2) Australia, and 3) Finland.

A summary of the Company’s assets and liabilities by geographic segment as at June 30, 2025 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Current assets	3,782,527	17,617	280,423	4,080,567
Non-current assets	-	27,783	9,553,208	9,580,991
Total assets	3,782,527	45,400	9,833,631	13,661,558
Total liabilities	(616,610)	-	(166,162)	(782,772)

A summary of the Company’s assets and liabilities by geographic segment as at June 30, 2024 is as follows:

	Canada	Australia	Total
	\$	\$	\$
Current assets	2,565,337	33,817	2,599,154
Non-current assets	168,748	13,934,272	14,103,020
Total assets	2,734,085	13,968,089	16,702,174
Total liabilities	(100,180)	(15,796)	(115,976)

A summary of the Company’s net loss by geographic segment for the year ended June 30, 2025 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Operating expenses	3,277,173	40,058	35,364	3,352,595
Operating loss	(3,277,173)	(40,058)	(35,364)	(3,352,595)
Gain on sale of equipment	-	4,885	-	4,885
Impairment of exploration and evaluation assets	-	(13,971,506)	-	(13,971,506)
Interest income	44,927	2	136	45,065
Net loss	(3,232,246)	(14,006,677)	(35,228)	(17,274,151)

A summary of the Company’s net loss by geographic segment for the year ended June 30, 2024 is as follows:

	Canada	Australia	Total
	\$	\$	\$
Operating expenses	719,950	110,844	830,794
Operating loss	(719,950)	(110,844)	(830,794)
Foreign exchange loss	-	(13,425)	(13,425)
Interest income	36,667	1,741	38,408
Net loss	(683,283)	(122,528)	(805,811)