

VALKEA RESOURCES CORP.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

VALKEA RESOURCES CORP.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	March 31, 2026	June 30, 2025
		\$	\$
ASSETS			
Current			
Cash and cash equivalents		2,121,962	3,948,127
Amounts receivable	6	85,077	50,447
Prepaid expenses	7	118,095	81,993
		2,325,134	4,080,567
Deposits		64,288	64,120
Reclamation bond		22,231	20,745
Equipment		6,651	8,084
Exploration and evaluation assets	5, 8	11,626,921	9,488,042
Total assets		14,045,225	13,661,558
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9, 11	171,631	782,772
Total liabilities		171,631	782,772
SHAREHOLDERS' EQUITY			
Share capital	10(b)	47,857,945	45,454,243
Warrant reserve		335,382	278,336
Option reserve		4,485,719	3,695,235
Accumulated other comprehensive loss		69,875	82,295
Deficit		(38,875,327)	(36,631,323)
Total shareholders' equity		13,873,594	12,878,786
Total liabilities and shareholders' equity		14,045,225	13,661,558

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

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

/s/ "Thomas Credland"

Director

/s/ "Louis Archambeault"

Director

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

VALKEA RESOURCES CORP.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended March 31, 2026	March 31, 2025	Nine months ended March 31, 2026	March 31, 2025
		\$	\$	\$	\$
Operating expenses					
Accounting and legal		43,161	59,482	154,429	160,891
Corporate development, marketing, and investor services	11	150,049	214,518	646,268	482,970
Depreciation		642	-	1,867	-
Exploration expenses	8	7,135	743	11,509	1,405
Management and professional fees	11	175,624	127,768	468,165	326,824
Office and administrative	11	91,205	53,704	121,275	140,760
Share-based compensation	10, 11	307,325	331,331	790,484	1,075,929
Transfer agent, listing and filing fees		30,729	19,574	69,016	106,624
		(805,870)	(807,120)	(2,263,013)	(2,295,403)
Other income (expenses)					
Foreign exchange loss		(3,951)	-	(16,691)	-
Gain on sale of equipment		-	4,885	-	4,885
Interest income		6,920	8,207	35,700	43,196
Net loss		(802,901)	(794,028)	(2,244,004)	(2,247,322)
Gain (loss) on translation to presentation currency		9,140	52,774	(12,420)	64,677
Comprehensive loss		(793,761)	(741,254)	(2,256,424)	(2,182,645)
Net loss per share:					
Basic and diluted		(0.01)	(0.02)	(0.04)	(0.09)
Weighted average number of common shares:					
Basic and diluted		57,284,740	32,247,629	51,485,680	24,639,775

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

VALKEA RESOURCES CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine months ended	
	2026	March 31, 2025
	\$	\$
Operating activities		
Net loss	(2,244,004)	(2,247,322)
Adjustments for:		
Depreciation	1,867	-
Share-based compensation	790,484	1,075,929
Gain on sale of equipment	-	(4,885)
Changes in non-cash working capital:		
Amounts receivable	(34,630)	(111,368)
Prepaid expenses	(36,102)	(109,153)
Accounts payable and accrued liabilities	(476,416)	198,280
Cash used in operating activities	(1,998,801)	(1,198,519)
Investing activities		
Investments in exploration and evaluation assets	(2,285,129)	(1,103,457)
Cash acquired in the acquisition of Sakumpu Exploration Oy	-	17,936
Cash paid for the acquisition of Sakumpu Exploration Oy	-	(1,500,000)
Transaction costs paid for the acquisition of Sakumpu Exploration Oy	-	(1,012,904)
Proceeds from sale of equipment	-	6,816
Cash used in investing activities	(2,285,129)	(3,591,609)
Financing activities		
Proceeds from private placements	2,500,000	2,649,979
Unit issuance costs paid in cash	(74,252)	(214,592)
Restricted cash released	-	2,414,000
Proceeds from warrants exercised	35,000	875
Cash provided by financing activities	2,460,748	4,850,262
Effect of foreign exchange on cash and cash equivalents	(2,983)	(10,453)
Change in cash and cash equivalents	(1,823,182)	60,134
Cash and cash equivalents, beginning of period	3,948,127	83,684
Cash and cash equivalents, end of period	2,121,962	133,365
Supplemental cash flow disclosures:		
Cash interest earned on cash and cash equivalents	35,700	42,712
Exploration and evaluation assets in accounts payable and accrued liabilities	51,214	182,761
Shares issued for acquisition of exploration and evaluation assets	-	5,500,000

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

VALKEA RESOURCES CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Subscription receipts	Warrant reserve	Option reserve	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
	#	\$	\$	\$	\$	\$	\$	\$
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 from warrants exercised	2,187	1,497	-	(622)	-	-	-	875
Subscription receipts issued for cash	-	-	2,589,979	-	-	-	-	2,589,979
Units issued for cash	150,000	60,000	-	-	-	-	-	60,000
Conversion of subscription receipts to units	12,509,947	5,003,979	(5,003,979)	-	-	-	-	-
Unit issuance costs	-	(347,009)	-	79,033	-	-	-	(267,976)
Share-based compensation	-	-	-	-	1,075,929	-	-	1,075,929
Gain on translation to presentation currency	-	-	-	-	-	64,677	-	64,677
Net loss	-	-	-	-	-	-	(2,247,322)	(2,247,322)
Balance, March 31, 2025	32,249,184	41,477,670	-	233,466	3,191,041	64,677	(21,604,494)	23,362,360
Units issued for private placement	16,400,000	4,100,000	-	-	-	-	-	4,100,000
Unit issuance costs	-	(123,427)	-	44,870	-	-	-	(78,557)
Share-based compensation	-	-	-	-	504,194	-	-	504,194
Gain on translation to presentation currency	-	-	-	-	-	17,618	-	17,618
Net loss	-	-	-	-	-	-	(15,026,829)	(15,026,829)
Balance, June 30, 2025	48,649,184	45,454,243	-	278,336	3,695,235	82,295	(36,631,323)	12,878,786
Units issued for private placement	10,000,000	2,500,000	-	-	-	-	-	2,500,000
Unit issuance costs	-	(131,298)	-	57,046	-	-	-	(74,252)
Shares issued from warrants exercised	100,000	35,000	-	-	-	-	-	35,000
Share-based compensation	-	-	-	-	790,484	-	-	790,484
Loss on translation to presentation currency	-	-	-	-	-	(12,420)	-	(12,420)
Net loss	-	-	-	-	-	-	(2,244,004)	(2,244,004)
Balance, March 31, 2026	58,749,184	47,857,945	-	335,382	4,485,719	69,875	(38,875,327)	13,873,594

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

VALKEA RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Valkea Resources 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. The Company currently owns a highly prospective gold project portfolio in Finland and a legacy package of gold projects located proximate and adjacent to the Fosterville Gold Mine in Victoria, Australia ("Victorian Gold Projects").

The Company's common shares are publicly traded on the TSX Venture Exchange (the "TSXV") under the symbol "OZ", on the OTCQB Venture Market under the symbol "OZBKF" and the Frankfurt Stock Exchange under the symbol "4A7".

These unaudited condensed interim consolidated financial statements for the three and nine months ended March 31, 2026 and 2025 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is an exploration-stage company and to-date has not generated revenue nor positive operating cash flows. As at March 31, 2026, it has an accumulated deficit of \$38,875,327 (June 30, 2025 - \$36,631,323) and cash and cash equivalents of \$2,121,962 to settle current liabilities of \$171,631. While the Company has sufficient capital to continue as a going concern for the next twelve months, it expects to incur further losses in the development of its business. In order to execute its business strategy and continue as a going concern, the Company is dependent upon its ability to obtain additional financing in the form of equity or debt. There can be no assurance that additional financing will be available at terms advantageous to the Company or at all. These financial statements do not contain any adjustments that may be necessary in the event that the Company is unable to continue as a going concern. Adjustments arising from the non-continuation as a going concern would be material.

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 May 29, 2026.

These financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These financial statements do not include all the information and disclosures required in annual financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited consolidated financial statements for the years ended June 30, 2025 and 2024 (the "Annual Financial Statements").

b) 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(c) below. References to "AUD" are to Australian dollars, references to "EUR" are to euros.

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.

c) 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.

VALKEA RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

A summary of the Company's subsidiaries included in these financial statements as at March 31, 2026 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
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 100% interest in Sakumpu Exploration Oy.

3. MATERIAL ACCOUNTING POLICIES AND RECENT PRONOUNCEMENTS

In the preparation of these financial statements, the Company used the same accounting policies as in the Annual Financial Statements.

On April 9, 2024, the International Accounting Standards Board ("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 also 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. The Company is currently assessing the effects of IFRS 18 on the financial statements.

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-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 adopted these amendments effective January 1, 2026 retrospectively with no restatement of comparative information, in accordance with the transition requirements on initial application of IFRS 9, and adoption did not have a material impact on the classification, measurement, or disclosure of its financial instruments.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates is pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed in its Annual Financial Statements.

VALKEA RESOURCES CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended March 31, 2026 and 2025**

(Unaudited - Expressed in Canadian dollars, except where noted)

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	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)).

6. AMOUNTS RECEIVABLE

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

	March 31, 2026	June 30, 2025
	\$	\$
Goods and services taxes receivable	85,077	28,355
Other receivable	-	22,092
	85,077	50,447

The Company's amounts receivable consists entirely of goods and services taxes receivable in Canada, Australia, and Finland.

VALKEA RESOURCES CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended March 31, 2026 and 2025**

(Unaudited - Expressed in Canadian dollars, except where noted)

7. PREPAID EXPENSES

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

	March 31, 2026	June 30, 2025
	\$	\$
Accounting and legal	2,709	-
Corporate development and marketing	73,316	34,733
Office and administrative	29,216	32,683
Transfer agent, listing, and filing fees	12,854	14,577
	118,095	81,993

8. EXPLORATION AND EVALUATION ASSETS

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

	Victorian Gold Projects	Finnish Properties	Total
	\$	\$	\$
Balance, June 30, 2024	13,900,025	-	13,900,025
Acquisition costs	-	8,041,728	8,041,728
Depreciation	3,780	-	3,780
Drilling and trenching	-	328,007	328,007
Geological services	35,392	728,756	764,148
Project management	24,120	-	24,120
Recording and filing	191	238,838	239,029
Travel	-	64,802	64,802
Impairment of exploration and evaluation assets	(13,971,506)	-	(13,971,506)
Currency translation	7,998	85,911	93,909
Balance, June 30, 2025	-	9,488,042	9,488,042
Drilling and trenching	-	429,018	429,018
Geological services	-	1,399,602	1,399,602
Recording and filing	-	268,820	268,820
Travel	-	52,964	52,964
Currency translation	-	(11,525)	(11,525)
Balance, March 31, 2026	-	11,626,921	11,626,921

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

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 nine months ended March 31, 2026, all exploration and evaluation expenditures of the Company were related to the Paana project. There are no minimum exploration expenditure requirements on the Finnish Properties but annual minimum landholder payments are required. The estimated total annual landholder payments required in fiscal year 2026 total 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 located in Australia.

VALKEA RESOURCES CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended March 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars, except where noted)

8. EXPLORATION AND EVALUATION ASSETS (continued)

The minimum expenditure commitments associated with granted exploration licenses at the Victorian Gold Projects are as follows. The Company has the flexibility to defer expenditures from one year to the next.

- \$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.

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 was recognized. Any future expenditures are expensed.

On March 4, 2025, the Company completed the grant of an option on its Yeungroon, Ballarat West, and Silver Spoon projects ("YBWSS Option") 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. 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. The Company also granted S2 an option on its Glenfine project (the "Glenfine Option"). During the nine months ended March 31, 2026, S2 has withdrawn from the Ballarat West and Glenfine joint venture options.

During the three and nine months ended March 31, 2026, the Company incurred exploration expenses of \$7,135 and \$11,509, respectively (2025 - \$743 and \$1,405, respectively) on previously impaired properties.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	March 31, 2026	June 30, 2025
	\$	\$
Trade payables	138,019	531,861
Accrued liabilities	33,612	250,911
	171,631	782,772

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

The Company's Omnibus Equity Incentive Compensation Plan permits the issuance of equity-based awards representing up to 10% of the Company's outstanding common shares on a rolling basis. The Plan authorizes the grant of stock options, restricted share units, deferred share units ("DSUs"), and performance share units to officers and employees.

VALKEA RESOURCES CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended March 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

10. SHARE CAPITAL (continued)

b) Issued share capital

During the nine months ended March 31, 2026, the Company had the following share capital transactions:

- On January 14, 2026, the Company closed a private placement for gross proceeds of \$2,500,000 by issuing 10,000,000 units at a price of \$0.25 per unit. Each unit consists of one common share of the Company and one-half of one 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 January 14, 2029. 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 \$131,298. Unit issuance costs were comprised of cash finders' fees of \$49,500, cash issuance costs of \$24,752 and the issuance of 198,000 finders' warrants with an aggregate fair value of \$57,046. Each finders' warrant entitles the holder to purchase one common share at an exercise price of \$0.35 until January 14, 2029. The finders' warrants were valued using the Black-Scholes option pricing model with a corresponding amount added to warrant reserve.
- On January 19, 2026, the Company issued 100,000 common shares upon the exercise of 100,000 warrants at an exercise price of \$0.35 for gross proceeds of \$35,000. As no fair value was previously assigned to these warrants in the warrant reserve, there was no reallocation of reserve to share capital upon exercise.

c) Warrants

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

	Number of warrants #	Weighted average exercise price \$
Balance, June 30, 2024	-	-
Issued	21,419,747	0.50
Exercised	(2,187)	0.40
Balance, June 30, 2025	21,417,560	0.50
Issued	5,198,000	0.35
Exercised	(100,000)	0.35
Balance, March 31, 2026	26,515,560	0.47

A summary of the Company's warrants outstanding as at March 31, 2026 is as follows:

Date of expiry	Number of warrants #	Weighted average exercise price \$	Weighted average remaining life Years
December 24, 2026	8,100,000	0.35	0.73
December 24, 2026	282,000	0.25	0.73
September 5, 2027	9,000	0.40	1.43
September 5, 2027	150,000	0.60	1.43
September 18, 2027	266,613	0.40	1.47
September 18, 2027	12,509,947	0.60	1.47
January 14, 2029	5,198,000	0.35	2.79
	26,515,560	0.47	1.50

During the nine months ended March 31, 2026, the Company had the following warrant transactions:

- In connection with the January 14, 2026 private placement, the Company issued 5,000,000 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 January 14, 2029.

VALKEA RESOURCES CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended March 31, 2026 and 2025**

(Unaudited - Expressed in Canadian dollars, except where noted)

10. SHARE CAPITAL (continued)

- In connection with the January 14, 2026 private placement, the Company issued 198,000 finders' warrants with an aggregate fair value of \$57,046, 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 \$0.35 per share until January 14, 2029.
- On January 19, 2026, the Company issued 100,000 common shares pursuant to the exercise of 100,000 warrants at an exercise price of \$0.35 for gross proceeds of \$35,000.

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for finders' warrants issued on January 14, 2026 is as follows:

Share price	\$0.41
Exercise price	\$0.35
Expected life	3.00 years
Risk-free interest rate	2.50%
Expected volatility	111.27%
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, 2024	58,500	2.55
Granted	4,915,000	0.36
Expired	(33,333)	0.40
Balance, June 30, 2025	4,940,167	0.39
Granted	1,000,000	0.40
Forfeited	(166,667)	0.40
Balance, March 31, 2026	5,773,500	0.39

A summary of the Company's stock options outstanding as at March 31, 2026 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	14,000	1.10	1.90
July 9, 2028	5,833	5,833	3.00	2.28
October 21, 2028	38,667	38,667	3.00	2.56
September 16, 2029	2,950,000	1,966,667	0.40	3.47
June 23, 2030	1,765,000	588,333	0.30	4.23
January 13, 2031	1,000,000	333,334	0.40	4.79
	5,773,500	2,946,834	0.39	3.92

During the nine months ended March 31, 2026, the Company had the following stock option transactions:

- On January 14, 2026, the Company granted 1,000,000 stock options to certain directors and officers of the Company. These stock options have an exercise price of \$0.40, expire on January 13, 2031, 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.

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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 on January 14, 2026 is as follows:

Share price	\$0.41
Exercise price	\$0.40
Expected life	5.00 years
Risk-free interest rate	2.90%
Expected volatility	113.42%
Expected annual dividend yield	0.00%

During the three and nine months ended March 31, 2026, the Company recognized share-based compensation of \$246,518 and \$480,441, respectively (2025 - \$137,822 and \$667,072, respectively), 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	-
Granted	2,208,750
Outstanding, June 30, 2025	2,208,750
Granted	467,271
Outstanding, March 31, 2026	2,676,021

During the nine months ended March 31, 2026, the Company had the following DSU transactions:

- On September 30, 2025, the Company granted 80,000 DSUs to certain directors of the Company. These DSUs will vest on September 30, 2026. The fair value of each DSU was determined by reference to the closing price of the Company's common shares on the grant date, resulting in total fair value of \$38,400 which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On October 7, 2025, the Company granted 180,292 DSUs to certain officers of the Company. These DSUs will vest on October 7, 2026. The fair value of each DSU was determined by reference to the closing price of the Company's common shares on the grant date, resulting in total fair value of \$95,555 which will be recognized as share-based compensation on a straight-line basis over the vesting period.
- On December 31, 2025, the Company granted 103,948 DSUs to certain directors of the Company. These DSUs will vest on December 31, 2026. The fair value of each DSU was determined by reference to the closing price of the Company's common shares on the 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 March 31, 2026, the Company granted 103,031 DSUs to certain directors of the Company. These DSUs will vest on March 31, 2027. The fair value of each DSU was determined by reference to the closing price of the Company's common shares on the grant date, resulting in total fair value of \$45,333 which will be recognized as share-based compensation on a straight-line basis over the vesting period.

During the three and nine months ended March 31, 2026, the Company recognized \$60,807 and \$310,043, respectively (2025 - \$193,509 and \$408,857, respectively), in share-based compensation related to the vesting of DSUs.

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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's 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 with key management personnel is as follows:

	Three months ended		Nine months ended	
	March 31,		March 31,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Corporate development, marketing, and investor services	37,000	100,000	92,000	134,903
Management and professional fees	175,624	103,000	468,165	299,569
Office and administrative	-	-	-	12,500
Share-based compensation	235,290	300,337	664,652	884,551
	447,914	503,337	1,224,817	1,331,523

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

As at March 31, 2026, accounts payable and accrued liabilities included amounts due to related parties of \$51,887 (June 30, 2025 - \$32,541). The amounts due are unsecured, non-interest bearing, and due on demand.

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 ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at March 31, 2026, financial instruments included cash and cash equivalents, reclamation bond, accounts payable, and accrued liabilities. All of the Company's financial instruments are classified as and measured at amortized cost.

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.

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13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**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 March 31, 2026, the Company had cash of \$2,121,962 (June 30, 2025 - \$3,948,127) and working capital (current assets less current liabilities) of \$2,153,503 (June 30, 2025 - \$3,297,795). As at March 31, 2026, the Company had accounts payable and accrued liabilities of \$171,631 (June 30, 2025 - \$782,772), which have contractual maturities of 90 days or less. As at March 31, 2026, 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 net loss and comprehensive loss by approximately \$329; and a 1% change in the Canadian dollar exchange rate relative to the euro would change the Company's net loss and comprehensive loss by approximately \$320.

A summary of the Company's financial assets and liabilities as at March 31, 2026 that are denominated in the Australian dollar and the euro is as follows:

	AUD	EUR
	\$	\$
Financial assets		
Cash	9,315	39,982
Amounts receivable	1,356	59,806
Reclamation bond	22,231	-
	32,902	99,788
Financial liabilities		
Accounts payable and accrued liabilities	-	67,797
	-	67,797
Net financial assets	32,902	31,991

14. 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 March 31, 2026 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Current assets	2,213,582	11,764	99,788	2,325,134
Non-current assets	-	27,833	11,692,258	11,720,091
Total assets	2,213,582	39,597	11,792,046	14,045,225
Total liabilities	(103,824)	(10)	(67,797)	(171,631)

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14. SEGMENTED INFORMATION (continued)

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 net loss by geographic segment for the three months ended March 31, 2026 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Operating expenses	769,375	18,019	18,476	805,870
Operating loss	(769,375)	(18,019)	(18,476)	(805,870)
Foreign exchange gain (loss)	(3,980)	29	-	(3,951)
Interest income	6,920	-	-	6,920
Net loss	(766,435)	(17,990)	(18,476)	(802,901)

A summary of the Company's net loss by geographic segment for the three months ended March 31, 2025 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Operating expenses	771,736	10,038	25,346	807,120
Operating loss	(771,736)	(10,038)	(25,346)	(807,120)
Gain on sale of equipment	-	4,885	-	4,885
Interest income	8,087	-	120	8,207
Net loss	(763,649)	(5,153)	(25,226)	(794,028)

A summary of the Company's net loss by geographic segment for the nine months ended March 31, 2026 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Operating expenses	2,200,495	34,046	28,472	2,263,013
Operating loss	(2,200,495)	(34,046)	(28,472)	(2,263,013)
Foreign exchange loss	(16,691)	-	-	(16,691)
Interest income	35,700	-	-	35,700
Net loss	(2,181,486)	(34,046)	(28,472)	(2,244,004)

A summary of the Company's net loss by geographic segment for the nine months ended March 31, 2025 is as follows:

	Canada	Australia	Finland	Total
	\$	\$	\$	\$
Operating expenses	2,227,215	31,836	36,352	2,295,403
Operating loss	(2,227,215)	(31,836)	(36,352)	(2,295,403)
Gain on sale of equipment	-	4,885	-	4,885
Interest income	43,072	2	122	43,196
Net loss	(2,184,143)	(26,949)	(36,230)	(2,247,322)

15. SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the Company issued common shares as follows:

DSU settlements

- On April 13, 2026, the Company issued 1,729,745 common shares for the settlement of 1,729,745 DSUs.
- On April 24, 2026, the Company issued 37,261 common shares for the settlement of 37,261 DSUs.
- On April 26, 2026, the Company issued 46,299 common shares for the settlement of 46,299 DSUs.

Warrant exercises

- On April 21, 2026, the Company issued 100,000 common shares pursuant to the exercise of 100,000 warrants at an exercise price of \$0.35 for gross proceeds of \$35,000.
- On April 22, 2026, the Company issued 200,000 common shares pursuant to the exercise of 200,000 warrants at an exercise price of \$0.35 for gross proceeds of \$70,000.
- On April 28, 2026, the Company issued 1,650,000 common shares pursuant to the exercise of 1,650,000 warrants at an exercise price of \$0.35 for gross proceeds of \$577,500.
- On April 29, 2026, the Company issued 1,000,000 common shares pursuant to the exercise of 1,000,000 warrants at an exercise price of \$0.35 for gross proceeds of \$350,000.
- On May 4, 2026, the Company issued 1,650,000 common shares pursuant to the exercise of 1,650,000 warrants at an exercise price of \$0.35 for gross proceeds of \$577,500.
- On May 8, 2026, the Company issued 30,000 common shares pursuant to the exercise of 30,000 warrants at an exercise price of \$0.35 for gross proceeds of \$10,500.