



Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024

VULCAN MINERALS INC.

December 31, 2025

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To the Shareholders of Vulcan Minerals Inc.:

Opinion

We have audited the consolidated financial statements of Vulcan Minerals Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 audits 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 of the current period. 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.

Assessment of impairment indicators of mineral exploration and evaluation assets

Key Audit Matter Description

As described in Notes 4 and 7 to the consolidated financial statements, the total book value of mineral exploration and evaluation assets amounted to \$2.7 million as at December 31, 2025. At the end of each reporting period, management assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Where an indicator of impairment exists, an estimate of the recoverable amount is made to determine the extent of the impairment, if any. As described in Notes 4 and 7, for the year ended December 31, 2025, the Company wrote-off a total of \$40,398 in relation to exploration and evaluation expenditures capitalized in respect of certain areas of interest where the Company has determined that no further exploration activities will be undertaken.

We considered this to be a key audit matter due to the significance of the mineral exploration and evaluation assets and the level of judgment involved in management's assessment of indicators of impairment, which required significant auditor judgment in performing our audit procedures.

Audit Response

We responded to this matter by performing audit procedures relating to the assessment of impairment indicators of mineral exploration and evaluation assets. Our audit work in relation to this included, but was not restricted to, the following:

- Assessed the judgments made by management in determining the impairment indicators, which included the following:
 - Obtained and analyzed management's assessment of the indicators of impairment in accordance with IFRS 6 and discussed with management all facts and circumstances which could indicate an impairment of the asset balance. We also obtained a memo from management outlining the future plans for the properties and ensured that the memo addressed all properties and any potential impairment indicators in accordance with IFRS 6.
 - Obtained for all claims, by reference to a government registry, evidence to support the existence of the right to explore the area and the claim expirations.
 - Read minutes and resolutions of the board of directors and obtained approved budgets to evidence that continued and planned substantive expenditures on further exploration and evaluation of resource properties are budgeted and the to evidence expected renewals of exploration rights.
 - Assessed the results of exploration and evaluation activities on the mineral exploration and evaluation assets, and whether any facts and circumstances suggest that the carrying amount may exceed the recoverable amount based on evidence obtained in other areas of the audit.

Assessment of impairment indicators of investment in associate

Key Audit Matter Description

As described in Notes 4 and 6 to the consolidated financial statements, the total book value of the Company's investment in associate amounted to \$34.9 million as at December 31, 2025. At the end of each reporting period, management assesses each of its investments to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist in accordance with IAS 28.

Where an indicator of impairment exists, an estimate of the recoverable amount is made to determine the extent of the impairment, if any. No indicators of impairment were identified during the year.

We considered this a key audit matter due to the significance of the investment in associates, and the judgments by management in their assessment of indicators of impairment related to this investment.

Audit Response

We responded to this matter by performing audit procedures relating to the assessment of impairment indicators of the investment in associate. Our audit work in relation to this included, but was not restricted to, the following:

- Assessed the judgments made by management in determining the impairment indicators, which included the following:
 - Reviewed management's accounting position relating to the assessment of impairment indicators and performed audit procedures on the underlying accounting records of the associate in order to obtain sufficient and appropriate audit evidence over management's judgment

Other Information

Management is responsible for the other information. The other information comprises 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 audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits 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. We have nothing to report in this regard.

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

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

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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 Walter-Armando Gomez Figueroa.

Montréal, Québec

April 28, 2026

MNP¹ LLP

¹ By CPA auditor, public accountancy permit No. A142237

VULCAN MINERALS INC.
Consolidated Statements of Financial Position
As at

(in Canadian dollars)	December 31 2025	December 31 2024
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	4,504,648	5,620,024
Accounts receivable	25,988	66,323
Prepaid expenses	24,574	27,177
	4,555,210	5,713,524
Investments (Note 5)	411,066	181,895
Investment in associate (Note 6)	34,895,641	36,854,402
Exploration and evaluation assets (Note 7)	2,688,165	2,473,519
Capital assets (Note 8)	20,314	22,527
Total Assets	42,570,396	45,245,867
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	166,526	96,990
	166,526	96,990
Deferred income tax liability (Note 9)	2,663,414	3,227,329
Total Liabilities	2,829,940	3,324,319
Equity		
Shareholders' equity (Note 10)	39,740,456	41,921,548
Total Equity	39,740,456	41,921,548
Total Liabilities and Equity	42,570,396	45,245,867

Contingencies (Note 16)

Subsequent events (Note 17)

Approved on Behalf of the Board of Directors

Patrick J. Laracy _____ **Director**

Carson Noel _____ **Director**

VULCAN MINERALS INC.
Consolidated Statements of Loss
Years Ended December 31

(in Canadian dollars)	2025	2024
	\$	\$
Expenses		
General and administrative (Note 12)	(744,346)	(581,311)
Directors' fees	(47,000)	(20,000)
Depreciation (Note 8)	(7,457)	(9,324)
Share-based compensation (Note 11)	(179,745)	-
Loss from operations	(978,548)	(610,635)
Other income (expenses)		
Interest income	127,150	275,456
Income from option payments (Note 7)	-	64,762
Dilution loss (Note 6)	(1,287,274)	(190,827)
Write-down of mineral exploration and evaluation assets (Note 7)	(40,398)	(34,849)
Loss from equity accounted investments (Note 6)	(1,003,077)	(1,288,945)
	(2,203,599)	(1,174,403)
Loss before taxes	(3,182,147)	(1,785,038)
Deferred income tax (Note 9)	608,712	290,313
Net loss	(2,573,435)	(1,494,725)
Net loss per share - basic and diluted	(0.020)	(0.012)
Weighted-average number of common shares outstanding - basic and diluted	129,309,265	129,286,314

See accompanying notes to the consolidated financial statements

VULCAN MINERALS INC.
Consolidated Statements of Comprehensive Loss
Years Ended December 31

(in Canadian dollars)	2025	2024
	\$	\$
Net loss	(2,573,435)	(1,494,725)
Other comprehensive income (loss):		
Items that may subsequently be reclassified to profit or loss		
Change in fair value on investments classified as FVOCI, net of taxes (Note 5)	194,795	(297,440)
	194,795	(297,440)
Comprehensive loss	(2,378,640)	(1,792,165)

See accompanying notes to the consolidated financial statements

VULCAN MINERALS INC.
Consolidated Statements of Changes in Equity

(in Canadian dollars)	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Loss	Retained Earnings	Total Shareholders' Equity
	\$ (Note 10)	\$ (Note 10)	\$ (Note 10)	\$	\$	\$
Balance December 31, 2023	26,206,598	3,021	5,833,286	(1,407,273)	13,031,289	43,666,921
Net loss and comprehensive loss						
January 1, 2024 - December 31, 2024	-	-	-	(297,440)	(1,494,725)	(1,792,165)
Exercise of warrants	60,336	(2,736)	-	-	-	57,600
Share issuance costs, net of taxes	(10,808)	-	-	-	-	(10,808)
Expiry of warrants	-	(285)	285	-	-	-
Balance December 31, 2024	26,256,126	-	5,833,571	(1,704,713)	11,536,564	41,921,548
Net loss and comprehensive income (loss)						
January 1, 2025 - December 31, 2025	-	-	-	194,795	(2,573,435)	(2,378,640)
Share issuance costs, net of taxes	(10,421)	-	-	-	-	(10,421)
Share-based compensation capitalized to exploration and evaluation assets	-	-	28,224	-	-	28,224
Share-based compensation	-	-	179,745	-	-	179,745
Balance December 31, 2025	26,245,705	-	6,041,540	(1,509,918)	8,963,129	39,740,456

See accompanying notes to the consolidated financial statements

VULCAN MINERALS INC.
Consolidated Statements of Cash Flows
Years Ended December 31

(in Canadian dollars)	2025	2024
	\$	\$
Operating Activities		
Net loss	(2,573,435)	(1,494,725)
Adjustment for non cash items:		
Dilution loss (Note 6)	1,287,274	190,827
Loss from equity accounted investments (Note 6)	1,003,077	1,288,945
Deferred option payments and investment in unrelated companies (Note 7)	-	(75,000)
Write-down of mineral exploration and evaluation assets (Note 7)	40,398	34,849
Income from guaranteed investment certificates	-	(96,219)
Deferred income tax liability (Note 9)	(608,712)	(290,313)
Share-based compensation (Note 11)	179,745	-
Depreciation (Note 8)	7,457	9,324
	(664,196)	(432,312)
Changes in non-cash working capital		
Accounts receivable	40,335	(13,897)
Prepaid expenses	2,603	14,270
Accounts payable and accrued liabilities	69,536	(69,627)
Cash used in operating activities	(551,722)	(501,566)
Financing Activities		
Cash received upon exercise of warrants (Note 10)	-	57,600
Receipt of Government grant (Note 7)	137,481	150,000
Royalty income (Note 7)	3,203	-
Repayment of loan	-	(30,000)
Cash from financing activities	140,684	177,600
Investing Activities		
Exploration and evaluation expenditures (Note 7)	(367,504)	(603,154)
Purchase of guaranteed investment certificates	-	(7,090,247)
Purchase of shares in associate (Note 6)	(331,590)	-
Redemption of guaranteed investment certificates	-	5,890,565
Purchase of capital assets (Note 8)	(5,244)	(16,053)
Cash used in investing activities	(704,338)	(1,818,889)
Reconciliation of cash and cash equivalents:		
Net change in cash and cash equivalents for the year	(1,115,376)	(2,142,855)
Cash and cash equivalents, beginning of year ¹	5,620,024	4,453,493
Change due to reclassification of guaranteed investment certificates ²	-	3,309,386
Cash and cash equivalents, end of year	4,504,648	5,620,024

¹ - Cash and cash equivalents consist of cash and short-term deposits. Short-term deposits are cashable within a three-month or less period. In 2024 there were no guaranteed investment certificates that were not cashable or non-redeemable within a three-month period.

² - Guaranteed investment certificates are short-term investments held with a chartered bank and are non-redeemable until the maturity date within a twelve-month or less period.

VULCAN MINERALS INC.
Notes to the Consolidated Financial Statements
December 31, 2025 and 2024

1. NATURE OF OPERATIONS

Vulcan Minerals Inc. (“Vulcan” or the “Company”) is engaged in the evaluation, acquisition and exploration of mineral properties in Newfoundland and Labrador. The Company plans to ultimately develop the properties as joint ventures, bring them into production, option or lease properties to third parties, or sell the properties outright. The Company is in the exploration stage on its projects. As of December 31, 2025, the Company also owns 27.02% (December 31, 2024 – 29.79%) of Atlas Salt Inc. Vulcan’s ownership interest in Atlas Salt Inc. is the key advanced asset for the Company. The Company is a publicly traded company, incorporated under the laws of the Province of Alberta, Canada. Its head office address is 333 Duckworth Street, St. John’s, NL, A1C 1G9.

2. BASIS OF PRESENTATION

The Company prepares its consolidated financial statements with Canadian generally accepted accounting principles (“GAAP”) as set out in the Canadian Professional Accountants of Canada Handbook – Accounting – Part I (“CPA Canada Handbook”) which incorporates IFRS[®] Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements have been prepared on a historical cost basis, except for investments which are measured at fair value and investment in associates which is measured using the equity method.

The Company’s presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which it operates. All the Company’s assets are located in Canada.

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations, over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Intercompany transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Company ceases. Any retained interest is measured to its fair value with the change in carrying amount recognized in income or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or joint venture. The Company has two wholly-owned subsidiaries which are both inactive.

Certain comparative figures on the consolidated statements of cash flows have been reclassified to conform to the current year presentation.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 28, 2026.

3. NEW AND AMENDED IFRS STANDARDS AND INTERPRETATIONS

Future applicable accounting standards

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which sets out the overall requirements for presentation and disclosures in the consolidated financial statements. The new standard replaces IAS 1 and although much of the substance of IAS 1 will carry over into the new standard, the new standard will require presentation of separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The new standard will also require disclosure and explanation of “management-defined performance measures” in a separate note within the consolidated financial statements.

The new standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim consolidated financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 - Financial Instrument Disclosures. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is assessing the potential impact but does not anticipate any material impact to the consolidated financial statements

4. MATERIAL ACCOUNTING POLICIES

Material management accounting estimates and judgments

The preparation of the consolidated financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. Material estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below:

Determination of significant influence of associates: At the end of each reporting period, the Company assesses whether significant influence exists over its investment in associates. Judgment was required in determining whether it exercised significant influence over Triple Point Resources Ltd. (“Triple Point”) due to its ownership being less

VULCAN MINERALS INC.
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than 20%. The Company considered the following factors: representation on the board of directors or equivalent governing body of the investee, participation in policy-making processes, material transactions between the entity and its investee, interchange of managerial personnel and provision of essential technical information. As of November 30, 2024, the Company determined that it no longer exercised significant influence over Triple Point Resources (note 5).

Fair value of investment in Triple Point: The determination of the fair value of financial instruments not quoted in an active market requires the use of valuation techniques. As at December 31, 2025, the Company holds an equity investment in Triple Point, a private company, for which there is no observable market price (Note 5). When determining fair value, the Company uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Company to determine fair value are considered to be market approaches which include valuation techniques that use prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. The Company generally uses the most recent capital increases, financing rounds or subscriptions/term sheets to value this investment. Accordingly, management has determined the fair value of this investment using the transaction price of a private placement Triple Point completed during 2025. There were no activities noted from the private placement to the end of the year that would have a change in the valuation.

Exploration and evaluation assets: At the end of each reporting period, the Company assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets. For the year ended December 31, 2025, the Company wrote-off a total of \$40,398 (2024 - \$34,849) (note 7).

Impairment in Investment in Associate: At the end of each reporting period, the Company considers whether there is any evidence of impairment in an associate. When there is evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount. If the recoverable amount of an investment in associate is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period of impairment. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in the consolidated statement of loss and comprehensive

VULCAN MINERALS INC.
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loss in the period the reversal occurs. No indications of impairment were identified at December 31, 2025.

Going concern: When preparing financial statements, management is required to make an assessment of the entity's ability to continue as a going concern. This assessment requires management to estimate the Company's ability to meet current obligations and commitments over the upcoming twelve months.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved by having each of: power over the investee via existing rights that give the Company the current ability to direct the relevant activities of the investee; exposure, or rights, to variable returns from involvement with the investee; and the ability of the Company to use its power over the investee to affect the amount of the Company's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. All intercompany transactions and balances have been eliminated.

Share-based compensation

The Company has equity settled share-based payment plans. The fair value of options is determined using the Black-Scholes option pricing model and is amortized to earnings or loss over the vesting period with a corresponding increase to contributed surplus. When options are exercised, the corresponding contributed surplus and the proceeds received by the Company are credited to share capital.

Forfeiture of stock options is estimated on issuance and the number of stock options expected to vest is reviewed at least annually with any adjustment being recognized immediately.

Income taxes

Income tax expense is comprised of current and deferred income tax. Current tax and deferred income tax are recognized in earnings or loss except to the extent that they relate to items recognized directly in the statement of changes in equity.

Current tax expense comprises the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on either the same taxable entity, or on different taxable

VULCAN MINERALS INC.
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entities, which intend to settle tax liabilities and assets on a net basis or realize their tax assets and liabilities simultaneously.

A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the unused tax losses, unused tax credits and temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Loss per share

Basic net loss per share is calculated by dividing net earnings (loss) by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per share is equivalent to basic earnings (loss) per share as the inclusion of outstanding options and warrants is anti-dilutive.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits with an original maturity of three months or less. Short-term deposits are cashable within a three-month or less period.

Guaranteed investment certificates

Guaranteed investment certificates are short-term investments held with a chartered bank and are non-redeemable until the maturity date within a twelve-month or less period.

Exploration and evaluation

All costs directly associated with the exploration and evaluation of mineral exploration and evaluation assets are initially capitalized. Exploration and evaluation costs are those expenditures for an area where technical feasibility and commercial viability has not yet been determined. These costs include unproved property acquisition costs, geological and geophysical costs, asset retirement costs, exploration and evaluation drilling, sampling and appraisals. Costs incurred prior to acquiring the legal rights to explore an area are charged directly to net loss as exploration and evaluation expense. The Company holds a database of geological and geophysical data which are reflected at the costs to acquire the data net of provision for loss.

When an area is determined to be technically feasible and commercially viable, the accumulated costs are transferred to property, plant and equipment. When an area is determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to net earnings or loss as exploration and evaluation expense.

The Company defines technical feasibility and commercial viability as an economic, commercial discovery wherein cash flows can be demonstrated and achieved.

VULCAN MINERALS INC.
Notes to the Consolidated Financial Statements
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Share-based compensation is capitalized to exploration and evaluation assets based on the percentage of time spent working on projects during each quarter when such time relates to performing the activities listed above.

Incidental revenue and cost recoveries relating to exploration and evaluation are recorded first as a reduction of the specific exploration and evaluation property to which the fees and payments relate, and any excess as other revenue on the consolidated statement of loss.

Government grants are recognized when there is reasonable assurance that (a) the Company will comply with the conditions attaching to the grants; and (b) the grants will be received. Since the government grants received are related to mineral exploration and evaluation assets, no amount is recorded in income at the time of recognition, but rather mineral exploration and evaluation assets are reduced by the amount of the grant. Grants received in advance of spending are recognized as a government grant advance payment liability which is reduced as the funds are spent.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Indicators of impairment include, but are not limited to:

- The right to explore in a specific area has expired or will expire in the near future without renewal;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the area have not led to the discovery of commercially viable quantities and the entity has decided to discontinue such activities in the area, and;
- Sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

Investments

Investments in equity instruments are subsequently measured at fair value with changes recorded in net income or loss. Equity instruments that are not held for trading can be irrevocably designated at fair value through other comprehensive loss on initial recognition without subsequent reclassification to net income or loss. All equity instruments held by the Company have been designated at fair value through other comprehensive loss on initial recognition. Cumulative gains and losses are transferred from accumulated other comprehensive loss to retained earnings upon derecognition of the investment. Dividend

VULCAN MINERALS INC.
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income on equity instruments measured at fair value through other comprehensive loss is recognized in the consolidated statement of loss on the ex-dividend date.

Investment in associate

An associate is an entity over which the Company has significant influence, and which is neither a subsidiary nor a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity, but can also arise where the Company holds less than 20% if it has the power to be actively involved and influential in policy decisions affecting the entity.

An investment in associate is accounted for using the equity method. Under this method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Company's share of net assets of the associate, less any impairment losses. Losses in an associate in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred a legal or constructive obligation to make payments on behalf of the associate. Unrealized profits or losses on transactions between the Company and an associate are eliminated to the extent of the Company's interest therein.

Impairment of long-lived assets

The carrying amount of the Company's long-lived assets is assessed at each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Assets are grouped at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (cash generating unit "CGU"). A CGU may include certain aggregated long-lived assets. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount, with the impairment loss recognized in net loss for the reporting period. Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but only to the extent that this amount does not exceed the carrying amount that would have been recognized, net of depletion, depreciation and amortization, had an impairment loss not been recognized in previous periods.

Financial instruments

The Company classifies its financial instruments in the following measurement categories: fair value through profit and loss (FVTPL); fair value through other comprehensive income (FVOCI); or amortized cost. Management determines the classification of its financial instruments at initial recognition.

The accounting policies related to these financial assets and liabilities are as follows:

Amortized cost and effective interest rate: The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Initial recognition and measurement: Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments, other than financial instruments at FVTPL are added to or deducted from the fair value of the financial instrument, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments at FVTPL are recognized immediately in net earnings.

Derecognition: Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Classification and subsequent measurement: A financial asset is subsequently measured at:

- amortized cost if it is held for the purposes of collecting contractual cash flows with such cash flows solely comprising payments of principal and interest on the principal amount outstanding;
- FVOCI if it is: held for the purposes of collecting contractual cash flows and selling financial assets with such cash flows solely comprising payments of principal and interest on the principal amount outstanding; or irrevocably designated as such upon initial recognition; and
- FVTPL if it is: neither classified as subsequently measured at amortized cost nor FVOCI; or irrevocably designated as such upon initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different basis.

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The Company classifies its financial assets using the following measurement categories:

- FVOCI; or
- Amortized cost

All financial assets are carried at amortized cost with the exception of investments carried at FVOCI.

Liabilities carried at amortized cost will continue to be measured as outlined in measurement methods above.

Impairment of financial assets: Financial assets which are measured subsequent to initial recognition at amortized cost are assessed for indicators of impairment at the end of each reporting period. The amount of the impairment loss, if any, is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The Company's financial assets carried at amortized cost consist only of cash and cash equivalents, accounts receivable and due from related company.

The Company's exposure to credit risk on its cash balance is mitigated as cash deposits are held with major financial institutions with strong credit ratings.

A loss allowance provision, which reflects the Company's estimate of credit losses, is applied to reduce the carrying amount of trade receivables and due from related parties. Subsequent recoveries of amounts previously provided for are credited against the allowance.

5. INVESTMENTS

	December 31 2025	December 31 2024
	\$	\$
Investments in public companies	19,448	100,438
Investment in Triple Point (private company)	391,618	81,457
	411,066	181,895

Investments classified as fair value through other comprehensive income consist of shares in public companies received as consideration for option payments on mineral claims and shares received as consideration for the sale of mineral claims. At December 31, 2025, the fair value of these shares is \$19,448 (December 31, 2024 – \$100,438).

As of November 30, 2024, the Company concluded that it no longer exercised significant influence over Triple Point, primarily due to the absence of common directors and other indicators of significant influence as of that date. Accordingly, the Company reclassified its

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investment in the common shares of Triple Point from an investment in an associate to an investment measured at fair value through other comprehensive income, in accordance with IFRS 9. At December 31, 2025, the estimated fair value of these shares is \$391,618 (December 31, 2024 - \$81,457).

6. INVESTMENT IN ASSOCIATE

	December 31 2025	December 31 2024
	\$	\$
Investment in Atlas Salt Inc.	34,895,641	36,854,402

Atlas Salt Inc.

Atlas Salt is incorporated under the laws of the Province of British Columbia. Atlas Salt's head office is in St. George's, Newfoundland and Labrador. Atlas Salt is a mineral exploration company engaged in the evaluation and exploration of mineral properties in Newfoundland and Labrador. The Company's principal asset is the Great Atlantic salt deposit located in the St. George's Bay basin of western Newfoundland.

Management has determined that its investment in the common shares of Atlas Salt gives it significant influence over Atlas Salt. As a result, the Company applied the equity method of accounting for its investment in Atlas Salt.

The continuity of the Company's investment in Atlas Salt common shares is as follows:

	December 31 2025	December 31 2024
	\$	\$
Balance, beginning of year	36,854,402	38,169,833
Addition of Atlas Salt shares during the year	331,590	-
Share of loss and comprehensive loss	(1,003,077)	(1,095,228)
Dilution loss	(1,287,274)	(220,203)
Investment in Atlas Salt	34,895,641	36,854,402

The following summarizes financial information of Atlas Salt as at December 31, 2025 and December 31, 2024 and for the years then ended, including fair value adjustments made at the time of recognition of the interest:

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	December 31 2025	December 31 2024
	\$	\$
Statement of Financial Position		
Cash and cash equivalents and short term investment	6,141,516	8,032,910
Other current assets	1,211,630	579,925
Non-current assets	57,897,348	52,296,131
Current liabilities	722,085	1,483,229
Non-current liabilities	1,091,524	216,550
Equity	63,436,885	59,209,187
<hr/>		
	Year Ended December 31 2025	Year Ended December 31 2024
	\$	\$
Net loss and comprehensive loss	\$	\$
Interest income	47,287	400,161
Net loss and comprehensive loss	(3,712,414)	(3,675,923)

Atlas Salt recorded depreciation of \$35,952 in 2025 (2024 – \$42,450). Interest expense was \$11,312 in 2025 (2024 - \$1,881). No income tax expense was recognized in either year.

As of the years ended December 31, 2025 and 2024, the Company did not identify any indications of impairment on this investment.

7. EXPLORATION AND EVALUATION ASSETS

The Company has 25 mineral licences (December 31, 2024 - 28) which consist of 991 claims (December 31, 2024 – 1,199), which are active and in good standing with the Department of Energy and Mines in the Province of Newfoundland and Labrador. These licences are in the exploration and evaluation stage. As of December 31, 2025, 5 of these licences (December 31, 2024 – 7 of these licences) consisting of 183 claims (December 31, 2024 – 377 claims) were optioned to Sassy Resources Corporation (these have since been assigned to Gander Gold Corporation).

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

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	December 31, 2025			
	Balance, Beginning of Year	Additions	Write-down	Balance, End of Year
	\$	\$	\$	\$
Mineral properties property acquisition costs	158,775	2,500	(1,358)	159,917
Exploration costs	2,457,624	252,544	(39,040)	2,671,128
Deferred option payments	(142,880)	-	-	(142,880)
	2,473,519	255,044	(40,398)	2,688,165

	December 31, 2024			
	Balance, Beginning of Year	Additions	Write-down	Balance, End of Year
	\$	\$	\$	\$
Mineral properties property acquisition costs	127,339	31,436	-	158,775
Exploration costs	2,062,767	429,706	(34,849)	2,457,624
Deferred option payments	(134,892)	(7,988)	-	(142,880)
	2,055,214	453,154	(34,849)	2,473,519

Current year additions to mineral exploration costs include share-based compensation of \$28,224 (December 31, 2024 - \$nil). During the year ended December 31, 2025, the Company received a grant of \$137,481 for one of its projects from the Government of Newfoundland and Labrador's Junior Exploration Assistance ("JEA") Program (2024 - \$150,000). The Company deducts the grant from the carrying value of the respective project.

During the year, the Company recognized write-downs totaling \$40,398 (December 31, 2024 - \$34,849) related to exploration and evaluation expenditures capitalized in respect of certain areas of interest where the Company has determined that no further exploration activities will be undertaken.

In February 2021, the Company entered into an option agreement with Sassy Gold Corp. (previously Sassy Resources Corporation) ("Sassy") in relation to the Company's Gander Belt Gold mineral property. Subsequent to the date of this agreement, Sassy assigned the option to Gander Gold Corporation ("Gander Gold"). The first anniversary and subsequent option payments were paid by Gander Gold including the issuance of Gander Gold shares. Sassy has an option to earn a 100% interest in the property over a four-year period by incurring exploration expenditures of \$2,000,000 and by making option cash payments of \$200,000 (2021 - \$100,000, 2022 - \$50,000, 2023 - \$50,000) and by issuing 3,600,000 common shares of the Company (2021 - 1,000,000, 2022 - 300,000, 2023 - 300,000, 2024 - 1,000,000, 2025 - 1,000,000). These terms are based on the amended option agreement dated May 20, 2025. The Company and Gander Gold amended the 2024 anniversary payment to be 1,000,000

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shares of Gander Gold instead of 400,000 common shares and voided the cash payment of \$100,000 originally due in 2024. On May 20, 2025, the 2025 option payment was amended to be 1,000,000 shares of Gander Gold instead of 500,000 common shares and voided the cash payment of \$100,000 originally due in 2025. All other terms of the original agreement remain the same. The Company has not yet received the 2025 shares of Gander Gold as of the date of these financial statements.

As at December 31, 2025, 200,000 common shares of Sassy and 177,240 common shares of Gander Gold (December 31, 2024 - 200,000 common shares of Sassy and 177,240 common shares of Gander Gold) having a fair value of \$999,291 (December 31, 2024 - \$999,291) at the time of their issuance and \$200,000 cash (December 31, 2024 - \$200,000) have been received. On August 23, 2024, Sassy completed a consolidation of its common shares on the basis of a one new share for every five old shares. Vulcan held 1,000,000 old shares of Sassy related to this option agreement at that date which were consolidated to 200,000 new shares of Sassy. In addition, Gander Gold completed a consolidation of its common shares on August 23, 2024, on the basis of one new share for every ten old shares. Vulcan held 1,772,408 common shares of Gander Gold at that date which were consolidated to 177,240 new shares of Gander Gold. Security deposits of \$6,900 (December 31, 2024 - \$6,900) paid on the claims have been reimbursed to the Company. As of December 31, 2025, \$130,614 (December 31, 2024 - \$130,614) has been recorded as cost recoveries to the Gander properties and \$nil (December 31, 2024 - \$64,762) recorded as income during year. After Sassy earns its 100% interest, the Company retains a 3% net smelter royalty (NSR) covering the claims. Sassy has the right to repurchase one-half of that NSR (1.5%) for \$2,000,000 in cash and 500,000 common shares within one year following delivery to Vulcan of a Feasibility Report on any deposit advanced on the properties.

8. CAPITAL ASSETS

	December 31, 2025			
	Furniture and Fixtures	Vehicle	Computer Equipment	Total
	\$	\$	\$	\$
Opening Balance	12,296	14,298	107,008	133,602
Additions	1,750	-	3,494	5,244
Sub-total	14,046	14,298	110,502	138,846
Accumulated				
Depreciation Opening	(12,296)	(2,144)	(96,635)	(111,075)
Depreciation	(175)	(3,646)	(3,636)	(7,457)
Sub-total	(12,471)	(5,790)	(100,271)	(118,532)
Net book value	1,575	8,508	10,231	20,314

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	December 31, 2024				
	Drilling Rig	Furniture and Fixtures	Vehicle	Computer Equipment	Total
	\$	\$	\$	\$	\$
Opening Balance	798,368	12,296	-	105,253	915,917
Additions	-	-	14,298	1,755	16,053
Sub-total	798,368	12,296	14,298	107,008	931,970
Accumulated					
Depreciation Opening	(795,589)	(11,964)	-	(92,566)	(900,119)
Depreciation	(2,779)	(332)	(2,144)	(4,069)	(9,324)
Sub-total	(798,368)	(12,296)	(2,144)	(96,635)	(909,443)
Net book value	-	-	12,154	10,373	22,527

During 2025, the Drilling Rig was scrapped for \$nil proceeds and written off as it was no longer held by the Company.

9. INCOME TAXES

Deferred Income Taxes

	2025	2024
	\$	\$
Temporary differences related to exploration and evaluation assets	(800,746)	(808,456)
Tax effect on investments classified as FVOCI	(314,828)	(349,204)
Share issuance costs	-	(10,421)
Non-capital loss carryforwards	(1,193,371)	(920,137)
Investment in associate	5,048,437	5,391,989
Capital assets	(410)	(774)
Capital loss carryforwards	(75,668)	(75,668)
Deferred income tax liability	2,663,414	3,227,329

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Income Tax Rates

Income taxes differ from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 30% (2024 – 30%) to loss before income taxes as follows:

	2025	2024
	\$	\$
Expected income tax	(954,644)	(535,511)
Permanent differences	345,960	245,198
Other	(28)	-
Provision for income tax recovery	(608,712)	(290,313)

Non-Capital Losses

The Company has non-capital losses at December 31, 2025 amounting to \$3,977,903 (December 31, 2024 - \$3,067,127) which are available to reduce future taxable income. These non-capital losses expire as follows:

	\$
2034	330,657
2035	296,526
2036	300,424
2037	339,852
2038	303,487
2039	136,263
2040	91,634
2041	-
2042	561,375
2043	371,596
2044	332,779
2045	913,310
	3,977,903

The Company also has Canadian exploration expenses of \$5,357,317 which may be deducted in determining taxable income of future years.

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10. SHARE CAPITAL

Authorized:

Unlimited number of voting common shares
Unlimited number of preferred shares, issuable in series

Issued and outstanding:

	December 31, 2025		December 31, 2024	
	Number	Share Capital	Number	Share Capital
		\$		\$
Balance, beginning of year	129,309,265	26,256,126	128,829,265	26,206,598
Exercise of share warrants	-	-	480,000	57,600
Transfer to share capital on exercise of warrants	-	-	-	2,736
Share issuance cost, net of taxes	-	(10,421)	-	(10,808)
Balance, end of year	129,309,265	26,245,705	129,309,265	26,256,126

Contributed surplus:

A summary of contributed surplus is as follows:

	December 31 2025	December 31 2024
	\$	\$
Balance, beginning of year	5,833,571	5,833,286
Share-based compensation (Note 11)	207,969	-
Expiry of warrants	-	285
Balance, end of year	6,041,540	5,833,571

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Warrants:

A summary of warrants issued and exercisable and changes during the years then ended is as follows:

	December 31, 2025		December 31, 2024	
	Number of Warrants	Weighted-Average Exercise Price	Number of Warrants	Weighted-Average Exercise Price
		\$		\$
Balance, beginning of year	-	-	530,000	0.12
Exercised	-	-	(480,000)	0.12
Expired	-	-	(50,000)	0.12
Balance, end of year	-	-	-	-

11. SHARE-BASED COMPENSATION

The Company has a stock option plan under which directors, officers, management, consultants and employees of the Company and its subsidiary are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of the outstanding common shares of the Company. Options granted under the plan generally have a term of five years but may not exceed ten years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option is determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Company's common shares are then listed.

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

	December 31, 2025		December 31, 2024	
	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
		\$		\$
Outstanding, beginning of year	6,550,000	0.18	7,375,000	0.17
Granted	3,750,000	0.15	-	-
Expired	(700,000)	0.10	(825,000)	0.13
Outstanding, end of year	9,600,000	0.17	6,550,000	0.18
Exercisable, end of year	7,725,000	0.17	6,550,000	0.18

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The weighted average remaining contractual life of outstanding options is 1.65 years (December 31, 2024 – 2.74 years). The weighted average remaining contractual life of exercisable options is 1.73 years (December 31, 2024 – 2.74 years).

The Company granted 3,750,000 stock options to directors and employees with each option entitling the holder to purchase one common share at \$0.15 per share for a period of two years. 1,875,000 options vested on March 14, 2025 and the remaining 1,875,000 options vest on March 14, 2026.

Fair value assumptions:

The weighted average fair value of stock options granted in the year ended December 31, 2025 was estimated to be \$0.0605 (December 31, 2024 - \$nil) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	December 31 2025	December 31 2024
Expected volatility (%)	82	-
Risk free interest rate (%)	2.73	-
Weighted-average expected life (years)	2.00	-
Dividend yield (%)	-	-
Vulcan Share Price on February 14, 2025	0.14	-

Consolidated share-based compensation expense:

The Company recognized share-based compensation costs in the amount of \$207,969 in the year ended December 31, 2025 (December 31, 2024 - \$nil). Share-based compensation in the amount of \$179,745 was expensed for the year ended December 31, 2025 (December 31, 2024 - \$nil) and \$28,224 (December 31, 2024 - \$nil) was capitalized to mineral exploration and evaluation assets.

12. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31 2025	December 31 2024
	\$	\$
Salaries and benefits and cost recoveries	207,023	142,231
Office and administrative	171,073	161,055
Management and sub-contractor fees	167,506	167,406
Transfer agent and professional fees	139,123	102,712
Conferences, travel, and accommodation	28,271	7,907
Marketing and communications	31,350	-
	744,346	581,311

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13. RELATED PARTY TRANSACTIONS

Compensation for key management personnel, which includes the President and Chief Executive Officer, Chief Financial Officer and Directors, is as follows:

	December 31	December 31
	2025	2024
	\$	\$
Management fees, salaries and benefits for key management personnel:		
General and administrative	324,013	296,155
Capitalized as exploration and evaluation assets	12,797	30,766
Directors' fees	47,000	20,000
Share-based compensation for key management personnel:		
General and administrative	175,461	-
Capitalized as exploration and evaluation assets	6,782	-
	566,053	346,921
Rent paid to a corporation which is controlled by the President and CEO of the Company	48,000	36,000

14. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard its accumulated capital in order to maintain its ability to continue as a going concern, to fund its exploration activities and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of capital and equity comprised of share capital, contributed surplus, and deficit.

The Company manages its capital structure and adjusts it in light of economic conditions. The Company will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

To maintain or adjust the capital structure, the Company may issue new equity if available on favorable terms, option its exploration and evaluation assets for cash and/or expenditure commitments from optionees and enter into joint venture arrangements or dispose of its exploration and evaluation assets.

The Company is not subject to externally imposed capital requirements.

15. FINANCIAL INSTRUMENTS

Fair Values:

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets and liabilities;

Level 2 – valuation techniques based on inputs that are quoted process of similar instruments in active markets; inputs other than quoted process used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means; and

Level 3 – valuation techniques with significant unobservable market inputs.

The carrying amount of cash and cash equivalents, guaranteed investment certificate, accounts receivable and accounts payable and accrued liabilities, approximate their fair value due to their short-term nature.

The investments in public companies disclosed in Note 5 are Level 1 measurements. The fair value of Triple Point Resources, Sassy Gold Corp. and Gander Gold Corporation (Note 5) are considered Level 2 measurements.

Financial Risk Management:

The Company has exposure to credit risk, liquidity risk, market risk and commodity price risk. The source of risk exposure and how each is managed is outlined below:

Credit Risk:

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligation. The Company is exposed to credit risk on its cash and cash equivalents, guaranteed investment certificate, and accounts receivable. The credit risk on cash and cash equivalents and guaranteed investment certificates is limited because the counterparty is a chartered bank with a high credit rating. The Company assesses its credit risk with respect to cash and cash equivalents, guaranteed investment certificate, and accounts receivable as not significant.

Liquidity Risk:

The Company's approach to managing liquidity risk is to ensure it will have sufficient liquidity to meet liabilities when due. To the extent that the Company does not believe it has sufficient liquidity to meet these obligations, management will consider securing additional funds through debt or equity transactions. The Company manages its liquidity risk by continuously monitoring its forecast and actual cash flow from operations. These funds are unrestricted

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and are intended to be used as working capital and to increase the Company's ability to fund future exploration projects. As of December 31, 2025 the Company had a cash and cash equivalents balance of \$4,504,648 (December 31, 2024 - \$5,620,024), and a positive working capital of \$4,388,684 (December 31, 2024 - \$5,616,534).

Accounts payable and accrued liabilities at December 31, 2025 is \$166,526 (December 31, 2024 - \$96,990).

Market Risk:

Market risk relates to changes in economic conditions, changes in market prices, interest rates, foreign exchange rates, and commodity prices which will affect the Company's net loss or the value of its financial instruments.

Commodity Price Risk:

The value of the Company's exploration and evaluation assets is partially related to the market price of metals and minerals. The Company does not hedge this exposure to fluctuations in commodity prices. The Company's ability to continue with its exploration programs is also indirectly subject to commodity prices.

16. CONTINGENCIES

The Company was added as a co-defendant in a legal action Geophysical Service Incorporated (GSI) had with NWest Energy Corp. (now Ceylon Graphite Corp. by way of name change) regarding an alleged breach of an agreement between those parties. GSI submitted a Statement of Claim and the Company filed a Statement of Defence.

The Company advises that the legal action by GSI against the Company has been discontinued by GSI in 2025. It has been the Company's position since the start of litigation that this case had no basis or merit and the dropping of the case by GSI confirms this and puts an end to this legal claim.

17. SUBSEQUENT EVENTS

Subsequent to December 31, 2025 options exercised, options expired and options granted were as follows:

Stock options Exercised on February 17, 2026 (\$0.10)	700,000
Stock options Expired on February 17, 2026 (\$0.10)	500,000
Stock options Expired on March 5, 2026 (\$0.15)	900,000
Stock options Expired on March 5, 2026 (\$0.30)	300,000
Stock options Expired on March 9, 2026 (\$0.15)	2,300,000
Stock options Granted on April 16, 2026 (\$0.23)	2,550,000

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On April 16, 2026, the Company granted 2,550,000 stock options to directors and employees with each option entitling the holder to purchase one common share at \$0.23 per share for a period of ten years. 1,275,000 options vested on April 16, 2026 and the remaining 1,275,000 options vest on April 16, 2027.

CORPORATE INFORMATION

OFFICERS AND MANAGEMENT

Patrick J. Laracy
CEO, President and Chairman

Gillian Russell
Chief Financial Officer and Corporate
Secretary

BOARD OF DIRECTORS

Patrick J. Laracy

Carson Noel

Fraser Edison

Peter Mercer

EXCHANGE LISTING

TSX Venture – “VUL”

LEGAL COUNSEL

Osler, Hoskin & Harcourt LLP,
Calgary, AB
Cox & Palmer, St. John’s, NL

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of
Canada

AUDITORS

MNP LLP

BANKERS

Scotiabank

ADDITIONAL INFORMATION

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