



Consolidated Financial Statements

For the years ended July 31, 2025 and 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Grizzly Discoveries Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Grizzly Discoveries Inc. (the "Company"), which comprise the consolidated statements of financial position as at July 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, including a summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company's ability to continue as a going concern is dependent upon its ability to obtain additional sources of financing. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of the Mineral property assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 3 – Management estimates and judgements, note 3 – Accounting policy for Mineral interests and note 6 Mineral properties</i>	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:
Management assesses at each reporting period whether there is an indication that the carrying value of the mineral property assets may not be recoverable. Management	<ul style="list-style-type: none"> • Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.

applies significant judgment in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the properties; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the mineral properties asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.

- Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.
- Confirmed that the Company's right to explore the properties had not expired.
- Obtained management's written representations regarding the Company's future plans for the mineral property assets.
- Assessed the reasonability of the Company's financial statement disclosure regarding their mineral property assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

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

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC, Canada
November 27, 2025

GRIZZLY DISCOVERIES INC.
Consolidated statements of financial position

As at	July 31, 2025	July 31, 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 72,297	\$ 213,550
Restricted cash (note 4)	5,000	5,000
Other current assets (note 5)	<u>74,019</u>	<u>145,940</u>
	151,316	364,490
Deposits	142,133	108,106
Mineral Properties (note 6)	<u>10,073,543</u>	<u>10,045,885</u>
TOTAL ASSETS	<u>\$ 10,366,992</u>	<u>\$ 10,518,481</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 13)	\$ 189,483	\$ 615,744
Deferred flow through share premium (notes 9 and 14)	<u>1,803</u>	<u>3,920</u>
	191,286	619,664
Note Payable (note 8)	250,000	-
Reclamation provision (note 6)	<u>25,000</u>	<u>15,000</u>
TOTAL LIABILITIES	<u>466,286</u>	<u>634,664</u>
EQUITY		
Share capital (note 9)	24,559,310	24,234,053
Warrant capital (note 9)	311,033	246,450
Contributed surplus (note 9)	4,542,961	4,512,961
Deficit	<u>(19,512,598)</u>	<u>(19,109,647)</u>
TOTAL EQUITY	<u>9,900,706</u>	<u>9,883,817</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 10,366,992</u>	<u>\$ 10,518,481</u>
Commitment (note 14)		
Subsequent Events (notes 9 and 15)		

Approved by the Board of Directors

Director (signed by) "Brian Testo"

Director (signed by) "Sam Pillersdorf"

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

GRIZZLY DISCOVERIES INC.
Consolidated statements of loss and comprehensive loss

For the year ended	July 31 2025	July 31 2024
EXPENSES		
General and administration (Note 10)	\$ (318,044)	\$ (503,461)
Share based compensation (note 9)	(30,000)	(115,000)
Impairment (note 6)	<u>(62,792)</u>	<u>(3,500)</u>
TOTAL EXPENSES	<u>(410,836)</u>	<u>(621,961)</u>
OTHER INCOME		
Flow through share premium (notes 9 and 14)	4,201	53,125
Interest income	2,868	9,393
Unrealized gain (loss) on marketable securities	<u>816</u>	<u>(22,620)</u>
TOTAL OTHER INCOME	<u>7,885</u>	<u>39,898</u>
NET LOSS AND COMPREHENSIVE LOSS	<u>\$ (402,951)</u>	<u>\$ (582,063)</u>
BASIC AND DILUTED LOSS PER COMMON SHARE	<u>\$ -</u>	<u>\$ -</u>
Weighted average number of common shares outstanding	<u>161,751,032</u>	<u>150,941,594</u>

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

GRIZZLY DISCOVERIES INC.

Consolidated statements of changes in equity

	Number of common shares	Share capital	Warrant capital	Unit Subscriptions Received	Contributed surplus	Deficit	Total equity
As at July 31, 2023	142,159,760	\$ 23,657,276	\$ 566,711	\$ 84,230	\$ 3,831,250	\$(18,527,584)	\$ 9,611,883
Net loss and comprehensive loss	-	-	-	-	-	(582,063)	(582,063)
Shares issued as consideration for mineral property	50,000	2,500	-	-	-	-	2,500
Private placement financing (note 9)	16,917,527	620,440	226,050	(84,230)	-	-	762,260
Warrants expired	-	-	(566,711)	-	566,711	-	-
Share based compensation (note 9)	-	-	-	-	115,000	-	115,000
Share issuance costs	400,000	(46,163)	20,400	-	-	-	(25,763)
As at July 31, 2024	159,527,287	\$ 24,234,053	\$ 246,450	\$ -	\$ 4,512,961	\$(19,109,647)	\$ 9,883,817
Net loss and comprehensive loss	-	-	-	-	-	(402,951)	(402,951)
Private placement financing (note 9)	5,000,001	125,000	22,916	-	-	-	147,916
Debt settlement (note 8)	8,333,334	208,333	41,667	-	-	-	250,000
Share based compensation (note 9)	-	-	-	-	30,000	-	30,000
Share issuance costs	-	(8,076)	-	-	-	-	(8,076)
As at July 31, 2025	172,860,622	\$ 24,559,310	\$ 311,033	\$ -	\$ 4,542,961	\$(19,512,598)	\$ 9,900,706

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

GRIZZLY DISCOVERIES INC.
Consolidated statements of cash flows

For the year ended July 31	2025	2024
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Net loss	\$ (402,951)	\$ (582,063)
Items not affecting cash and cash equivalents:		
Share based compensation	30,000	115,000
Unrealized (gain)/loss on marketable securities	(816)	22,620
Flow through share premium	(4,201)	(53,125)
Impairment	62,792	3,500
Changes in non-cash working capital:		
Other current assets	305	76,886
Accounts payable and accrued liabilities	63,934	(28,946)
Cash and cash equivalents used in operating activities	<u>(250,937)</u>	<u>(449,128)</u>
INVESTING ACTIVITIES:		
Deposit	(34,027)	(1,798)
Mineral property expenditures	11,648	(319,890)
Cash and cash equivalents used in investing activities	<u>(22,379)</u>	<u>(321,688)</u>
FINANCING ACTIVITIES:		
Proceeds from private placements	150,000	819,305
Costs of share issuance	(17,937)	(16,568)
Cash and cash equivalents provided by financing activities	<u>132,063</u>	<u>802,737</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(141,253)	31,921
Cash and cash equivalents – beginning of year	<u>213,550</u>	<u>181,629</u>
CASH AND CASH EQUIVALENTS – END OF YEAR	\$ 72,297	\$ 213,550

See Note 11 for supplemental cash flow information.

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

1. Nature of operations and going concern

Grizzly Discoveries Inc. (the “Company” or “Grizzly”) was incorporated on May 31, 2002 in Alberta and is in the business of acquiring and exploring mineral properties located in Canada. The Company has not yet determined whether these properties contain mineral reserves that are economically recoverable. The Company’s registered office is Suite 3400, 350 7 Avenue SW, Calgary, Alberta, T2P 3N9. The Company’s head office is at Suite 363 – 9768 170 Street NW, Edmonton, Alberta, T5T 5L4.

Long-term continuance of the Company’s operations is dependent upon achieving profitable operations and obtaining additional equity or debt financing. The recoverability of the carrying values of the Company’s mineral properties is dependent upon the existence and discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production from or proceeds from the disposition of mineral properties.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. As at July 31, 2025, the Company has a deficit of \$19,512,598 (2024 - \$19,109,647) and the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable. These material uncertainties may cast significant doubt regarding the Company’s ability to continue as a going concern. At the current stage of the Company’s development, the ability of the Company to continue as a going concern is dependent upon its ability to obtain additional sources of financing. Management’s intentions are to continue to pursue additional financing. If the Company is unsuccessful in obtaining additional financing to fund operations and the exploration and development of its mineral properties, the going concern assumption may not be appropriate and adjustments would be necessary to the carrying value of assets and liabilities and reported revenues and expenses. Such adjustments may be material.

2. Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”) and include the accounts of the Company and its wholly owned subsidiary Alberta Potash Corp. (incorporated in Alberta). All intercompany balances and transactions have been eliminated on consolidation.

These consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian Dollars, the Company’s functional currency and that of its subsidiary, unless otherwise noted.

These consolidated financial statements were approved by the Board of Directors of the Company on November 27, 2025.

3. Material accounting policy information

The accounting policies set out below have been applied consistently to both years presented in these consolidated financial statements.

a) Management estimates and judgements

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its consolidated financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values include, but are not limited to:

i) Share-based compensation and payments

The fair value of equity-settled share-based compensation to employees, consultants, directors, officers, and others providing similar services are measured at the fair value of equity instruments at the grant date.

Share based payments to parties other than those described above are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Fair value of options granted as share based compensation is determined using the Black-Scholes Option Pricing Model based on estimates at the date of grant. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the award. Changes in these assumptions can significantly affect the fair value estimate.

ii) Deferred taxes

The Company recognizes the deferred tax benefit related to deferred tax assets to the amount that is probable to be realized. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets.

iii) Impairment of assets

Mineral property expenditures: Recognition of mineral property expenditures requires judgment from management in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Management is required to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established, and takes into consideration variables such as long-term commodity prices, exploration potential and extraction costs. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amounts capitalized are written off in profit or loss in the period when the new information becomes available.

iv) Reclamation provisions

When providing for rehabilitation, the Company uses assumptions based on the current economic environment which management believes are reasonable upon which to estimate the future liability. These estimates consider any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates will result in changes to the liability from year to year. Actual costs to settle the future liability will ultimately depend on the market condition at the time the costs are actually incurred.

v) Flow-through share premium

Management may estimate a premium associated with the sale of flow through shares by comparing the sale price of the flow through shares to their fair value on the date the flow through shares are sold, with reference to the quoted closing market price of the Company's common shares. If a premium is determined, the Company records an increase to share capital equal to the fair value of the common shares on the date of sale, and a deferred flow through share liability equal to any such premium.

b) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, cash on deposit with the Company's financial institution, and highly liquid investments with maturity dates of three months or less. Restricted cash, when applicable, is presented separately from cash and cash equivalents as a current or non-current asset depending on the nature of the restrictions.

c) Farm-outs in the exploration and evaluation phase

The Company does not record any expenditure made by the farmee on its account. It also does not recognize any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalized in relation to the whole interest with any excess accounted for by the farmer as a gain on disposal.

d) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost,
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented, the Company does not have any financial assets categorized as FVOCI. Certain marketable securities are categorized as FVTPL with unrealized gains and losses recognized as a component of net income (loss).

All income and expenses relating to financial assets that are recognized in profit or loss are presented within interest expense, or interest income, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, restricted cash and accounts receivable fall into this category of financial instruments.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss (ECL) model'.

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the changes in the amount of the expected credit losses. To make that assessment, the Company compares the risk of a default occurring on a financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. Under IFRS 9, cash and cash equivalents, restricted cash, and receivables are subject to impairment testing unless their ECL is immaterial.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category while 'lifetime expected credit losses' are recognized for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Accounts receivable

The Company makes use of a simplified approach in accounting for accounts receivable and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses. The Company assesses impairment of accounts receivable on a collective basis as they possess shared credit risk characteristics and they have been grouped based on the days past due.

Classification and measurement of financial liabilities

A financial liability is initially classified as measured at amortized cost or fair value through profit or loss (FVTPL). A financial liability is classified as FVTPL if it is held for trading, a derivative, or has been designated as FVTPL on initial recognition. Financial liabilities at FVTPL are measured at fair value with changes in fair value, along with any interest expense, recognized in profit or loss. All other financial liabilities are initially recognized at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method.

The Company's financial liabilities are accounts payable and accrued liabilities and note payable which have been classified as amortized cost.

e) Foreign currency

The Canadian dollar is the functional and presentation currency of the Company and the Company's subsidiary. Transactions in foreign currencies are translated into the functional currency at exchange rates in effect on the transaction date. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at exchange rates in effect on the reporting date. Non-monetary items are translated at historical exchange rates, except where such items are carried at fair value, in which case they are translated at the exchange rate in effect at the reporting date. The resulting foreign exchange gains or losses are recognized in profit or loss in the periods in which they occur.

f) Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss.

Current taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit and loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to the instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

g) Government grants

Under certain circumstances the Company receives a benefit from government incentive programs such as investment tax credits. Government incentives are accrued when there is reasonable assurance of realization and reflected as a reduction of the related asset or expense. If the government incentive benefits received are less than the amount accrued and claimed, the difference will be reflected in the measurement of the related asset or in profit and loss in the year in which it is determined.

h) Mineral interests

Mineral property acquisition costs and exploration costs directly related to specific properties are deferred, commencing on the date that the Company acquires legal rights to explore a mineral property, until technical and economic feasibility of extracting a mineral resource is demonstrable, or until the properties are sold or abandoned. All other costs, including administrative overhead are expensed as incurred. If the properties are put into commercial production, the acquisition and exploration expenditures will be depleted using the units of production basis based upon the proven reserves available. If the properties are sold or abandoned, these expenditures will be written off.

Mineral interests are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed their recoverable amount, which is the higher of the asset's fair value less costs to sell and its value in use. Where there is evidence of impairment, the net carrying amount of the asset will be written down to its recoverable amount. Impairment losses are reversed if circumstances change and the net recoverable amount subsequently increases.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties. The Company has investigated title to all its mineral properties and, to the best of its knowledge, title to all its properties are in good standing.

i) Income (loss) per share

Income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. Diluted per share amounts reflect the potential dilution that could occur if stock options or warrants to purchase common shares were exercised and converted to common shares. The treasury stock method of calculating diluted per share amounts is used whereby any proceeds from the exercise of stock options or warrants that are in the money are assumed to be used to purchase common shares of the Company at the average market price during the year. When the Company is in a net loss position, the exercise of options and warrants is anti-dilutive.

j) Provisions

A provision is recognized when; the Company has a present legal or constructive obligation because of a past event, it is probable that a future outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

k) Share based payments

Share-based compensation related to the issuance of stock options to employees, consultants, directors, and officers pursuant to the Company's stock option plan, is accounted for using the fair value method whereby compensation expense related to these programs is recorded in profit or loss with a corresponding increase to contributed surplus in equity. The fair value of options or compensation warrants issued to agents is recorded as share issue costs with a corresponding increase to contributed surplus.

The fair value of options granted to employees (as defined in IFRS 2) is determined at the grant date using the Black Scholes option pricing model and expensed over the vesting period. The fair value of options and compensation warrants granted to non-employees are valued at the estimated value of the goods or services provided by the non-employee. In the case that the value of goods or services received is not determinable, the Company values these options using the Black Scholes option pricing model.

Consideration paid on the exercise of stock options and warrants is credited to share capital. Upon the exercise of the stock options or compensation warrants, consideration received together with the amount previously recognized in contributed surplus is recorded as an increase to share capital. The Company incorporates an estimated forfeiture rate for stock options and agent's warrants that may not vest.

l) Shares and warrants – measurement

The Company records the value of shares and warrants separately upon the issuance of units consisting of common shares and warrants. The fair value of the shares included in each unit is determined with reference to their market value on the unit issue date, and the residual amount, calculated by subtracting the fair value of the common shares included in the unit from the total consideration received for the unit, is allocated to the warrants. When the market value of the shares is equal to or greater than the consideration received for the unit, the consideration for the unit is allocated on a proportionate fair value basis with the fair value of the shares based on the market price, and the fair value of the warrants based on the Black Scholes pricing model.

Flow-through shares

The Company may finance exploration of its Canadian mineral interests partially through proceeds raised upon the issuance of flow-through shares pursuant to the Income Tax Act (Canada). The sale of flow through shares allows the Company to transfer deductibility of qualifying exploration costs to purchasers of flow-through shares.

Upon the issuance of flow through shares, the Company estimates the premium ("Premium") associated with the flow through feature of flow through shares by analyzing the flow through share issue price against other variables such as the market price or issue price of the Company's shares without the flow through attribute. Provided a premium exists upon such comparison, upon sale of the flow through shares, the Company records an increase to share capital equal to the share capital portion of the gross proceeds, and a deferred flow through share liability equal to the Premium, if any. The deferred flow through share premium is classified as current or non-current depending on the Company's expectations of timing of incurring qualifying exploration expenditures, which underlying tax deductions are to be renounced to the purchasers of flow through shares.

As the Company incurs qualifying exploration expenditures to be renounced to purchasers, the Company recognizes an associated deferred tax liability and expense, representing the deferred tax effect on the Company of forfeiting the deductibility of costs incurred, and the associated deferred flow through share

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premium is recognized in profit or loss in the period that qualifying exploration expenditures have been incurred.

m) Related party transactions

The Company recognizes related party transactions at their exchange amount, being the amount of consideration paid for received for goods, services, assets or liabilities, provided that the related party transaction is i) in the normal course of business, and ii) has economic substance. For related party transactions which are not in the normal course of business and have no economic substance, the Company records the transaction at the carrying amount.

4. Restricted cash

The Company has restricted cash in the amount of \$5,000 (July 31, 2024 - \$5,000) as security for corporate credit card liabilities.

5. Other current assets

As at July 31	2025	2024
Accounts receivable	\$ 499	\$ 1,139
Goods and services tax receivable	17,443	17,009
Mineral exploration tax credits receivable	16,398	88,830
Prepayments and deposits	28,329	28,428
Marketable securities	11,350	10,534
Total other current assets	\$ 74,019	\$ 145,940

The Company holds securities of publicly traded companies which it has classified as FVTPL, carried at fair value, with unrealized gains and losses held as a component of net loss.

6. Mineral properties

	Alberta Diamond Properties	Alberta Potash Properties	BC Precious Metals Properties	Total
Balance, July 31, 2023	\$ 1	\$ 1	\$ 9,345,254	\$ 9,345,256
Acquisition costs	-	3,499	60,315	63,814
Exploration and evaluation costs	-	-	640,315	640,315
Impairment	(1)	(3,499)	-	(3,500)
Balance, July 31, 2024	\$ -	\$ 1	\$ 10,045,884	\$ 10,045,885
Acquisition costs	-	3,487	13,571	17,058
Exploration and evaluation costs	-	-	63,392	63,392
Reclamation	-	10,000	-	10,000
Impairment	-	(13,488)	(49,304)	(62,792)
Balance, July 31, 2025	\$ -	\$ -	\$ 10,073,543	\$ 10,073,543

BC Precious Metals Properties

Greenwood

During the year ended July 31, 2008, Grizzly signed two option agreements to acquire a 100% interest in the Greenwood property. The vendor retains a combined 2.5% net smelter return royalty ("NSR") on the property which Grizzly can reduce by up to 1.5% for a price of \$1,500,000. All of the expenditure requirements under the option agreements have been met and the Company is now the 100% owner of the underlying mineral claims subject to the NSR.

During the year ended July 31, 2009, Grizzly signed an option agreement to acquire a 100% interest in the Sidley Gold-Dayton Copper property, contiguous with Grizzly's other Greenwood claims. The vendor will retain a 2.5% NSR which Grizzly can reduce by up to 1.5% for a price of \$1,500,000. The Company is the 100% owner of the underlying mineral claims subject to the NSR described above.

Prior to August 1, 2010, the Company had acquired several mineral claims which form part of the Company's Greenwood Gold project. Certain of these properties are subject to a 3% NSR.

Certain mineral claims underlying the Greenwood property (the "Rock Creek claims"), covering approximately 5% of the Greenwood claim surface area, are owned by an unrelated third party and are subject to a 3% NSR royalty.

During the year ended July 31, 2025, the Company recorded an impairment of \$49,304 (2024 - \$nil) related to costs to acquire several Crown Grants pursuant to an agreement entered into in the prior year, which was unsuccessful.

Midway-Picurestone Option Agreement

On October 9, 2022, the Company entered into an option agreement with an arm's length individual to acquire mineral rights over 317 hectares in the Greenwood area of British Columbia. Under the terms of the option, the Company made an initial cash payment of \$5,000 and issued 50,000 common shares, with a fair value of \$6,000, to the optionor. To complete the option, the Company must pay an additional \$10,000 in cash and issue an additional 100,000 common shares of the Company to the optionor by November 3, 2025, and the optionor would retain a 1% NSR royalty. Subsequent to July 31, 2025, the Company completed the option (Note 15).

Midway-Beaverdell Option Agreement

On October 10, 2023, the Company entered into an option agreement with an arm's length individual to purchase the mineral rights to 761.25 hectares (1,881 acres) in six (6) mineral claims in the Greenwood Mining District ("Midway-Beaverdell Option Agreement").

Under the terms of the Midway-Beaverdell Option Agreement, the Company may earn a 100% interest in the Midway-Beaverdell claims by paying \$7,500 in cash and issuing 150,000 common shares of Grizzly by the third anniversary date of the agreement (October 2026). The optionor retains a 1% NSR royalty and the right to any quarriable rocks. The Company paid the first option payment of \$2,500 in cash and issued 50,000 common shares, recorded at a value of \$2,500, in the year ended July 31, 2024.

Alberta Potash Properties

The Company has an outstanding environmental reclamation provision related to the reclamation of an exploratory potash test well in Southern Alberta, recorded in the consolidated statement of financial position

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as a reclamation provision. The Company recorded a reclamation provision in the amount of \$25,000 (2024 - \$15,000), being the present value of management's current estimate of the remaining well site surface reclamation.

The Company has a security deposit outstanding related to the well in the amount of \$36,658 (2024 - \$35,306), including accumulated interest, pursuant to government regulation. The security deposit and accumulated interest is refundable to the Company upon successful reclamation of the wells and has therefore been classified as non-current on the consolidated statement of financial position.

Certain mineral claims underlying the Alberta Potash properties expired prior to 2020, and the Company has re-acquired the claims assessed to be most prospective for potash through non-competitive bids with the Government of Alberta. The Company does not currently have plans or the financial resources to explore the Alberta Potash Properties. As at July 31, 2025, the carrying value of the Alberta Potash Properties has been reduced to nil.

Alberta Diamond Properties

In the year ended July 31, 2024, the Company de-recognized the Alberta Diamonds properties as it no longer holds an interest in the underlying mineral claims.

7. Income taxes

Income tax expense

For the years ended July 31	2025	2024
Current tax expense	\$ -	\$ -
Deferred tax expense:		
Origination and reversal of temporary differences	82,825	44,707
Tax rate changes and tax rate differences	-	-
Change in unrecognized deductible temporary differences	(82,825)	(44,707)
Total income tax expense	\$ -	\$ -

The actual income tax provision differs from the expected amount calculated by applying the Canadian combined federal and provincial corporate tax rates to income before tax as follows:

For the years ended July 31	2025	2024
Loss before tax	\$ (402,951)	\$ (582,063)
Statutory combined income tax rate	23.00%	23.00%
Expected income tax	\$ (92,679)	\$ (133,874)
Increase (decrease) resulting from:		
Non-deductible expenses	7,759	106,651
Change in unrecognized assets	82,825	44,707
True up of prior year amounts	(2,095)	(17,484)
Income tax expense	\$ -	\$ -

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Recognized deferred tax assets and liabilities

Deferred tax assets are attributable to the following:

As at July 31	2025	2024
Non-capital losses	\$ 640,826	\$ 629,100
Deferred tax assets	\$ 640,826	\$ 629,100
Set off of tax	<u>(640,826)</u>	<u>(629,100)</u>
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Deferred tax liabilities are attributable to the following:

As at July 31	2025	2024
Mineral properties	\$ (640,826)	\$ (629,100)
Deferred tax liabilities	(640,826)	(629,100)
Set off of tax	<u>640,826</u>	<u>629,100</u>
Net deferred tax liability	<u>\$ -</u>	<u>\$ -</u>

Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

As at July 31	2025	2024
Deductible temporary differences	\$ 257,902	\$ 285,700
Tax losses	<u>6,575,041</u>	<u>6,267,418</u>
	<u>\$ 6,832,943</u>	<u>\$ 6,553,118</u>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom. The Company has \$9,361,000 (2024 - \$9,002,000) of Canadian non-capital loss carry-forwards, of which \$6,575,041 have not been recognized, which are estimated to expire between 2026 and 2045.

8. Debt Settlement Agreement

On May 16, 2025, the Company closed on an agreement to settle \$500,000 in outstanding accounts payable debt to APEX Geoscience Ltd. ("APEX"), the Company's primary geological contractor, originally announced on April 29, 2025. Upon closing, the Corporation issued 8,333,334 Units of the Company to APEX (the "APEX Units") and a promissory note to a private corporation controlled by a principal of APEX with a principal amount of \$250,000 bearing simple interest at 5% per annum, payable semi-annually, and maturing on May 15, 2027 (the "Note").

Each APEX Unit was issued at a deemed price of \$0.03 per APEX Unit and consisted of one common share of the Company ("Common Share") and one Common Share purchase warrant entitling the warrant holder to

purchase an additional Common Share for \$0.05 and expiring on May 15, 2027. The 8,333,334 common shares were recorded at a value of \$208,333, or \$0.025 per common share, as an increase to Share Capital, and the 8,333,334 warrants were recorded at a value of \$41,667, or \$0.005 per warrant, as an increase to Warrant Capital on the consolidated statement of financial position.

The interest on the Note shall be calculated on the principal amount only (simple interest) and, under the terms of the Agreement, may be paid by the Company, at the Company's option, in Common Shares to the Holder at the Discounted Market Price (as defined by the policies of the TSX Venture Exchange) on the interest payment date. Any interest payments to be made in Common Shares are subject to acceptance of the TSX Venture Exchange. Subsequent to July 31, 2025, the company issued 208,333 Common Shares to settle the interest payment of \$6,250.

9. Share capital

Private placement (June 2025)

On June 27, 2025, the Company closed on a private placement (the "Offering") of Units and FT Units for gross proceeds of \$150,000.

At closing, the Company issued 4,166,666 Units and 833,335 FT Units, with the Units and FT Units each priced at \$0.03 per Unit and FT Unit. Each Unit consisted of one common share of the Company ("Common Share") and one Common Share purchase warrant entitling the warrant holder to purchase an additional Common Share for \$0.05 and expiring on the earlier of a) 30 days following written notice by the Company to the warrant holder that the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange is at or greater than CA\$0.10 per Common Share for 10 consecutive trading days; and (b) 24 months from the date of issuance ("Warrant"). Each FT Unit consisted of one Common Share and one half of one Warrant, each of which have been issued as a "flow through share" for the purposes of the Income Tax Act (Canada).

The Common Shares and any Common Shares issued on exercise of the Warrants are subject to restrictions on trading until October 28, 2025 in accordance with the policies of the TSX Venture Exchange.

The Company has allocated the proceeds of the private placement using the differential method. The proceeds to the common shares was \$125,000, to the warrants was \$22,916, and to the deferred flow through liability was \$2,084.

Private Placement (August 2023)

On August 15, 2023, the Company closed on a private placement by the issuance of 1,771,859 Units (as defined below) at a price of \$0.07 per Unit and 5,312,500 FT Units at a price of \$0.08 per FT Unit for gross proceeds of \$549,030.

Each Unit consisted of one common share of the Company ("Common Share") and one half of one non-transferrable warrant ("Warrant") and each FT Unit consisted of one Common Share issued as a flow through share for the purposes of the Income Tax Act (Canada) and one half of one Warrant. Each whole Warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.10 per Common Share until the earlier of: (a) 30 days following written notice by the Issuer to the Subscriber that the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange is at or greater than CA\$0.12 per Common Share for 10 consecutive trading days; and (b) August 15, 2025.

In connection with the Offering, the Company issued 400,000 Units and 400,000 Finder Warrants (non-transferrable, with the same terms and expiry date as the Warrants) to agents.

The Company has allocated the proceeds of the private placement using the relative fair value method. The proceeds to the common shares was \$375,471, to the warrants was \$120,434, and to the deferred flow through liability was \$53,125. The 400,000 commission Units have been allocated as \$21,200 to the common shares and \$6,800 to the Warrants. The 400,000 Finder Warrants were recorded at an estimated fair value of \$13,600.

Private Placement (January 2024)

On January 19, 2024, the Company closed on a private placement by the issuance of 2,975,500 Units at a price of \$0.05 per Unit for gross proceeds of \$148,775.

Under the terms of the offering, each Unit consisted of one common share of the Company ("Common Share") and one half of one warrant ("Warrant"). Each whole Warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.07 per Common Share and shall expire on the earlier of: (a) 30 days following written notice by the Issuer to the Subscriber that the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange is at or greater than CA\$0.10 per Common Share for 10 consecutive trading days; and (b) January 19, 2026.

The Company has allocated the proceeds of the private placement using the relative fair value method. The proceeds to the common shares was \$116,045, and \$32,730 to the warrants.

Private Placement (July 2024)

On July 31, 2024, the Company closed on a private placement by the issuance of 6,157,668 Units and 700,000 FT Units, each at a price of \$0.03, for gross aggregate proceeds of \$205,730.

Under the terms of the offering, each Unit consisted of one common share of the Company ("Common Share") and one full warrant ("Warrant"), and each FT Unit consisted of one Common Share issued as a flow through share pursuant to the *Income Tax Act* (Canada) and one half of one warrant ("Warrant"). Each whole Warrant entitles the holder to acquire one additional Common Share at an exercise price of \$0.05 per Common Share and shall expire on the earlier of: (a) 30 days following written notice by the Issuer to the Subscriber that the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange is at or greater than CA\$0.10 per Common Share for 10 consecutive trading days; and (b) July 31, 2026.

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The Company has allocated the proceeds of the private placement using the relative fair value method. The proceeds to the Common Shares was \$128,924, to the Warrants was \$72,886, and to the deferred flow through liability was \$3,920.

Common shares

The Company's articles authorize an unlimited number of common shares with no par value and an unlimited number of preferred shares. The Company has not issued any preferred shares. A summary of changes in common share capital is as follows:

	Number of Shares	Weighted average issue price	Amount
Balance, July 31, 2023	142,159,760		\$ 23,657,276
Shares issued in private placement financings	16,917,527	\$ 0.037	620,440
Shares issued as commissions	400,000	\$ 0.053	21,200
Shares issued as consideration for mineral property	50,000	\$ 0.050	2,500
Costs of share issuance	-		(67,363)
Balance, July 31, 2024	159,527,287		24,234,053
Shares issued in private placement financings	5,000,001	\$ 0.025	125,000
Shares issued in Debt Settlement	8,333,334	\$ 0.025	208,333
Costs of share issuance	-		(8,076)
Balance, July 31, 2025	172,860,622		\$ 24,559,310

Common share purchase warrants

A summary of changes in common share purchase warrant capital is as follows:

	Number of Warrants	Weighted average issue price	Amount
Balance, July 31, 2023	22,426,692		\$ 566,711
Warrants issued in private placement financings	11,537,597	\$ 0.020	226,050
Warrants issued as commissions	600,000	\$ 0.034	20,400
Warrants expired	(22,426,692)	\$ 0.024	(566,711)
Balance, July 31, 2024	12,137,597		246,450
Warrants issued in private placement financings	4,583,334	\$ 0.005	22,916
Warrants issued in Debt Settlement	8,333,334	\$ 0.005	41,667
Balance, July 31, 2025	25,054,265		\$ 311,033

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A summary of share purchase warrants outstanding is as follows:

As at July 31, 2025				As at July 31, 2024			
Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry	Exercise price	Warrants outstanding	Warrants exercisable	Years to expiry
\$ 0.10	4,142,179	4,142,179	0.0	\$ 0.10	4,142,179	4,142,179	1.0
\$ 0.07	1,487,750	1,487,750	0.5	\$ 0.07	1,487,750	1,487,750	1.5
\$ 0.05	6,507,668	6,507,668	1.0	\$ 0.05	6,507,668	6,507,668	2.0
\$ 0.05	8,333,334	8,333,334	1.8	\$ -	-	-	-
\$ 0.05	4,583,334	4,583,334	1.9	\$ -	-	-	-
\$ 0.06	25,054,265	25,054,265	1.2	\$ 0.070	12,137,597	12,137,597	1.6

Subsequent to July 31, 2025, 4,142,179 warrants with an exercise price of \$0.10 expired without exercise.

Common share purchase options

A summary of stock option activity is as follows:

	Number of options	Weighted average exercise price
Balance, July 31, 2023	9,850,000	\$ 0.09
Issued	3,500,000	\$ 0.06
Expired	(1,550,000)	\$ 0.09
Balance, July 31, 2024	11,800,000	\$ 0.08
Issued	1,000,000	\$ 0.05
Expired	(250,000)	\$ 0.05
Balance, July 31, 2025	12,550,000	\$ 0.07

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A summary of stock options outstanding is as follows:

As at July 31, 2025				As at July 31, 2024			
Exercise price	Options outstanding	Options exercisable	Years to expiry	Exercise price	Options outstanding	Options exercisable	Years to expiry
\$ -	-	-	-	\$ 0.050	250,000	250,000	0.3
\$ 0.080	250,000	250,000	<0.1	\$ 0.080	250,000	250,000	1.0
\$ 0.060	1,250,000	1,250,000	0.5	\$ 0.060	1,250,000	1,250,000	1.5
\$ 0.090	3,000,000	3,000,000	1.9	\$ 0.090	3,000,000	3,000,000	2.9
\$ 0.110	300,000	300,000	2.5	\$ 0.110	300,000	300,000	3.5
\$ 0.090	3,250,000	3,250,000	2.7	\$ 0.090	3,250,000	3,250,000	3.7
\$ 0.090	250,000	250,000	3.1	\$ 0.090	250,000	250,000	4.1
\$ 0.090	250,000	250,000	3.2	\$ 0.090	250,000	250,000	4.2
\$ 0.050	3,000,000	3,000,000	3.7	\$ 0.050	3,000,000	3,000,000	4.7
\$ 0.050	1,000,000	1,000,000	4.1	\$ -	-	-	-
\$ 0.075	12,550,000	12,550,000	2.6	\$ 0.076	11,800,000	11,800,000	3.4

During the year ended July 31, 2025, the Company issued an aggregate of 1,000,000 (2024 – 3,500,000) stock options to directors, officers, and consultants at a weighted average exercise price of \$0.05 (2024 - \$0.06) per common share and expiring no later than 5 years from the issue date. These options all vested upon issuance.

The total estimated fair value of the 1,000,000 (2024 – 3,500,000) common share purchase options vested during the year of \$30,000 (2024 - \$115,000) was recorded as share based compensation expense and an increase to contributed surplus. The weighted average grant date fair value of \$0.03 (2024 - \$0.03) per option granted was estimated using the Black Scholes option pricing model using the following weighted average grant date assumptions: grant date stock price \$0.03 (2024 - \$0.03); risk-free rate 2.77% (2024 – 3.73%); expected volatility 155% (2024 - 150%); annual dividend yield 0%, and; expected life of option 5 years. The expected volatility is based on historic volatility (based on the remaining life of the options) adjusted for any expected changes to future volatility due to publicly available information.

Subsequent to July 31, 2025, 250,000 stock options with an exercise price of \$0.08 expired without exercise.

10. General and administrative expenses

For the years ended July 31	2025	2024
Advertising and promotion	\$ 57,642	\$ 155,690
Conferences and corporate travel	12,464	29,258
Consulting fees (note 13)	131,000	206,220
Office and administration	46,796	49,796
Regulatory and transfer fees	39,660	38,874
Professional fees	30,482	23,623
	\$ 318,044	\$ 503,461

11. Supplemental cash flow information

Interest and dividends received and paid

During the year ended July 31, 2025, the Company received interest of \$2,868 (2024 - \$9,393) from deposits with its financial institution. The Company accrued interest on the Note Payable of \$2,637 (2024 - \$Nil) in the year.

Non-cash transactions eliminated from the consolidated statements of cash flows

The following table lists non-cash transactions which were recorded in the years ended July 31, 2025 and 2024 and have been eliminated from the consolidated statements of cash flows.

For the year ended July 31	2025	2024
Mineral exploration tax credits accrued as a reduction of mineral properties	\$ 16,398	\$ 88,411
Mineral exploration tax credits received	\$ 88,830	\$ 84,485
Deposits reclassified to non-current assets	\$ -	\$ 72,800
(Decrease)/Increase in accounts payable related to investing activities	\$ (19,666)	\$ 385,665
(Decrease)/Increase in accounts payable related to financing activities	\$ (9,861)	\$ 9,195
Shares and warrants issued in Debt Settlement	\$ 250,000	\$ -
Shares and warrants issued as share issue costs	\$ -	\$ 41,600
Shares issued as consideration for mineral properties	\$ -	\$ 2,500

12. Financial instruments and risk management

General objectives, policies and processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board and the Company's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

The Company's financial instruments consist of cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities, and note payable.

The Company is exposed to the following financial risks:

- i) Market risk
- ii) Credit risk
- iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: currency risk, interest rate risk, other price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company maintains a negligible United States of America Dollar ("USD") cash balance for incidental USD expenses, therefore is not exposed to a material amount of currency risk.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds an interest-bearing financial liability (note payable), however the Company has assessed the related interest rate risk to be minimal. Other interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with its financial institution. The Company considers this risk to be minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Further, the Company utilizes authorizations for expenditure on exploration projects to further manage expenditures. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review.

As at July 31, 2025, Grizzly's working capital deficit was \$39,970 (2024 -\$255,174). The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future. Grizzly may have to seek additional debt or equity financing, and there can be no assurance that such financing will be available on terms acceptable to the Company.

Credit risk

Credit risk is the risk of potential loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents.

The Company has assessed its exposure to credit risk on its cash and cash equivalents and has determined that such risk is minimal. The majority of the Company's cash and cash equivalents are held with reputable financial institutions in Canada.

Fair values

The consolidated statement of financial position carrying amounts for cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities, and note payable approximate fair value due to their short-term nature. Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

Financial assets and liabilities that are recognized on the consolidated statement of financial position at fair value are classified in a hierarchy that is based on significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can assess at the measurement date;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly as prices or indirectly derived from prices; and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

As at July 31, 2025, the Company has no recognized financial assets or liabilities carried at fair value other than marketable securities carried at their fair value of \$11,350 (2024 - \$10,534), classified as Level 1.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve investors' confidence and retain the ability to seek out and acquire new projects of merit.

There were no changes since the prior year in the Company's capital management. The Company is not exposed to any externally imposed capital requirements.

13. Related party transactions

Key management compensation

Key management personnel are persons responsible for planning, directing, and controlling the activities of an entity, and include officers and executive and non-executive directors. Key management personnel compensation is summarized below:

For the years ended July 31	2025	2024
Management consulting fees paid or accrued to officers	\$ 96,000	\$ 144,000
Share based compensation	\$ -	75,000
Total Key management compensation	\$ 96,000	\$ 219,000

At July 31, 2025, the Company had outstanding accounts payable to an officer of the Company in the amount of \$31,429 (2024 - \$Nil) for unpaid management fees, out of pocket expenses, and GST. These amounts are non-interest bearing, unsecured, and due on demand.

In the year ended July 31, 2024, the Company paid or accrued \$12,000 (2025 - \$Nil) to a corporation in which an officer and director of the Company has a significant interest for the use of facilities and storage related to the Company's exploration program. These costs are included in the additions to mineral properties on the consolidated statement of financial position.

The Company's related party transactions are in the normal course of operations and are measured at the amount of consideration agreed to by the related parties, with the exception of the fair value of share-based compensation which is measured at its estimated fair value as determined using the Black Scholes option valuation model.

14. Commitment

Pursuant to the sale of flow-through shares, the Company has an outstanding contractual obligation at July 31, 2025 to incur qualified exploration expenditures on its mineral properties totalling \$21,619 (2024 - \$21,000) no later than December 31, 2026.

15. Subsequent Events

Private placement

On November 7, 2025, the Company closed on a private placement for gross proceeds of \$153,000 (the "Offering") by the issuance of 3,400,000 Units and 1,700,000 FT Units each priced at \$0.03 per Unit or FT Unit. Each Unit consisted on one common share of the Company and one non-transferrable common share purchase warrant ("Warrant") with each Warrant entitling the holder to purchase an additional common share of the Company at \$0.05 and expiring on the earlier of a) 30 days following written notice by the Company to the warrant holder that the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange is at or greater than CA\$0.10 per Common Share for 10 consecutive trading days; and (b) November 7, 2027. Each FT Unit consisted of one Common Share and one half of one Warrant, each of which was issued as a "flow through share" for the purposes of the Income Tax Act (Canada). The Company did not pay any commissions or finders fees in connection with the private placement. The common shares and any common shares issued on exercise of the Warrants issued in the private placement are subject to restrictions on trading until March 8, 2026.

Midway-Picturestone Option Payment Settlement

On October 11, 2022, the Company entered into an option agreement with an arm's length individual (the "Optionor") to purchase the mineral rights to 317 hectares in seven mineral claims in the Greenwood, BC area (the "Midway Mine Claims"). Completion of the Midway Mine Option pursuant to the 2022 option agreement requires the payment of \$10,000 and the issuance of 100,000 common shares of the Company on the third anniversary of regulatory acceptance of the Midway Mine Option.

The Optionor agreed to accept additional common shares of the Company in lieu of the cash payment of \$10,000 at a deemed price of \$0.03 per common share (the "Cash Option Payment Shares"), for a total payment of 433,334 common shares to complete the third anniversary payment under the Midway Mine Option Agreement, and thereby complete the option. Pursuant to the third anniversary payment, the Company now has a 100% interest in the Midway Mine Claims, subject to a 1% NSR royalty in favour of the Optionor, and the Optionor retaining the rights to quarriable industrial rocks.

Interest on Note Payable

On May 15, 2025, the Company, among other things, issued a promissory note (the "Note") to an arm's length corporation in partial settlement of outstanding debt to a creditor of the Company (Note 8).

On November 19, 2025, the Company settled the semi-annual interest payment due November 2025 in common shares, at a deemed price of \$0.03 per Common Share, for a total of 208,333 common shares of the Company (the "Note Interest Shares") representing the interest payment of \$6,250.

The Cash Option Payment Shares and the Note Interest Shares are subject to restrictions on trading until March 20, 2026.