
BLUE JAY GOLD CORP.

Consolidated Financial Statements

For the year ended September 30, 2025 and the period from incorporation to September 30, 2024
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Blue Jay Gold Corp.

Opinion

We have audited the accompanying consolidated financial statements of Blue Jay Gold Corp. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended September 30, 2025 and the period from incorporation on October 27, 2023 to September 30, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2025 and 2024, and its financial performance and its cash flows for the year ended September 30, 2025 and the period from incorporation on October 27, 2023 to September 30, 2024 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has an accumulated loss of \$1,426,581 and additional funds will be required to enable the Company to continue its operations. As stated in Note 1, these events and conditions 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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.



Assessment of Impairment Indicators of Exploration and Evaluation Assets (“E&E Assets”)

As described in Note 4 to the consolidated financial statements, the carrying amount of the Company’s E&E Assets was \$5,773,007 as of September 30, 2025. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets’ carrying amount which is impacted by the Company’s intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management’s assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company’s recent expenditure activity.
- Assessing compliance with agreements including reviewing option agreements.
- Evaluating title to ensure mineral rights underlying the E&E Assets are in good standing.

Accounting for the Acquisition of Whitehorse Gold (Yukon) Corp.

As described in Note 3 to the consolidated financial statements, during the year ended September 30, 2025, the Company completed the acquisition of Whitehorse Gold (Yukon) Corp. (the “Transaction”). As more fully described in Note 2 to the consolidated financial statements, judgment is required by management to assess whether the Transaction constituted a business combination or an asset acquisition, and included significant estimates on acquisition including but not limited to the valuation of the asset retirement obligation (“ARO”).

The principal considerations for our determination that the Transaction is a key audit matter is that there was judgment made by management in determining if the transaction constituted a business combination or asset acquisition, the related fair value of consideration, and the net assets acquired, including but not limited to the valuation of the asset retirement obligation. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of the completeness and accuracy of the Transaction including the basis of accounting.

Addressing this matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Examining and evaluating the contractual terms identified in the agreements associated with the Transaction.
- Evaluating management’s assessment of whether the Transaction constituted an asset acquisition or business combination.
- Evaluating the recognition of the acquisition, including estimates of net assets acquired, allocation of such assets and consideration provided in connection with the Transaction. In particular, in connection with the recognition and valuation of the asset retirement obligation, assessing the cost and completeness of the obligation with the assistance of an environmental remediation specialist.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management’s Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

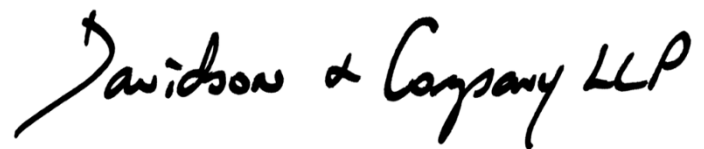
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of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

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

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 year 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 Michael MacLaren.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

January 28, 2026

BLUE JAY GOLD CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at:	Note	September 30, 2025	September 30, 2024
ASSETS			
Current			
Cash and cash equivalents		\$ 1,152,185	\$ 4,639
Taxes receivable		15,271	12,813
Prepaid expenses	6	120,419	-
		1,287,875	17,452
Non-current			
Exploration and evaluation assets	4	5,773,007	2,102,972
Deposits		15,075	-
Property, plant and equipment	5	504,199	-
Total assets		\$ 7,580,156	\$ 2,120,424
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 305,284	\$ 253,247
Due to Riverside	9	750,646	420,402
Due to Tincorp	3	275,000	-
Asset retirement obligation	7	213,448	-
Subscription received in advance	14	77,600	-
		1,621,978	673,649
Non-Current			
Asset retirement obligation	7	2,670,028	-
Total liabilities		4,292,006	673,649
SHAREHOLDERS' EQUITY			
Share capital	8	5,627,814	1,720,021
Subscription receivable	8	(1,336,000)	-
Reserves	8	422,917	-
Accumulated deficit		(1,426,581)	(273,246)
Total shareholders' equity		3,288,150	1,446,775
Total liabilities and shareholders' equity		\$ 7,580,156	\$ 2,120,424

Nature of operations and going concern (Note 1)

Subsequent events (Note 14)

Approved and authorized on behalf of the Board of Directors on January 28, 2026.

Director "Geordie Mark"

Director "Scott Hicks"

BLUE JAY GOLD CORP.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

		Year ended September 30, 2025	Period from Incorporation on October 27, 2023 to September 30, 2024
	Note		
Expenses			
Consulting fees	9	\$ 126,978	\$ 22,012
Foreign exchange loss (gain)		163	-
General and administrative		17,133	1,388
Insurance		4,000	-
Investor relations		74,585	-
Management fees	9	43,500	250,000
Professional fees		474,024	-
Property investigation		91,144	-
Share-based compensation	8, 9	330,305	-
		1,161,832	273,400
Other expenses (income)			
Interest income		(8,497)	(154)
		(8,497)	(154)
Loss and comprehensive loss for the period		\$ (1,153,335)	\$ (273,246)
Loss per common share, basic and diluted		\$ (0.06)	\$ (0.02)
Weighted average number of shares outstanding – basic and diluted		18,035,863	14,956,694

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

BLUE JAY GOLD CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

	Note	Shares	Share Capital	Reserves	Subscription Receivable	Accumulated Deficit	Total
Balance at Incorporation, October 27, 2023		1	\$ 1	\$ -	\$ -	\$ -	\$ 1
Shares issued to Riverside	8	14,956,693	1,720,020	-	-	-	1,720,020
Loss for the period		-	-	-	-	(273,246)	(273,246)
Balance at September 30, 2024		14,956,694	\$ 1,720,021	\$ -	\$ -	\$ (273,246)	\$ 1,446,775
Shares and units issued for private placements	8	8,721,994	3,678,196	-	(1,336,000)	-	2,342,196
Share issuance costs - cash	8	-	(61,572)	-	-	-	(61,572)
Share issuance costs - warrants	8	-	(30,606)	30,606	-	-	-
Units issued for property acquisition	3, 8	500,000	300,000	73,700	-	-	373,700
Options exercised	8	39,000	21,775	(11,695)	-	-	10,080
Share-based compensation	8	-	-	330,305	-	-	330,305
Loss for the year		-	-	-	-	(1,153,335)	(1,153,335)
Balance at September 30, 2025		24,217,688	\$ 5,627,814	\$ 422,917	\$ (1,336,000)	\$ (1,426,581)	\$ 3,288,150

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

BLUE JAY GOLD CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

		For the year ended September 30, 2025	Period from Incorporation on October 27, 2023, to September 30, 2024
Cash flows from operating activities:			
Loss for the period	\$	(1,153,335)	\$ (273,246)
Items not involving cash:			
Share-based compensation		330,305	-
Changes in non-cash working capital items:			
Accounts payable and accrued liabilities		(57,249)	253,247
Due to Riverside		330,244	2,140,423
Taxes receivable		(2,458)	(12,813)
Prepaid expenses		(120,419)	-
Net cash (used in) provided by operating activities		(672,912)	2,107,611
Cash flow from investing activities:			
Exploration and evaluation assets		(534,546)	(2,102,972)
Acquisition of Whitehorse Gold		(25,000)	-
Net cash used in investing activities		(559,546)	(2,102,972)
Cash flow from financing activities:			
Proceeds from private placement		2,342,196	-
Share issuance cost		(49,872)	-
Options exercised		10,080	-
Share subscription received in advance		77,600	-
Net cash provided by financing activities		2,380,004	-
Change in cash and cash equivalents during the period		1,147,546	4,639
Cash and cash equivalents, beginning of period		4,639	-
Cash and cash equivalents, end of period	\$	1,152,185	\$ 4,639
Non-Cash Investing and Financing Activities:			
Units issued for property acquisition	\$	373,700	\$ -
Fair value of finders warrants issued	\$	30,606	\$ -
Subscription receivable	\$	1,336,000	\$ -
Exploration and evaluation assets included in Accounts Payable	\$	38,962	\$ -
Share issuance costs in accounts payable	\$	11,700	\$ -

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended September 30, 2025 and period from incorporation to September 30, 2024
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Blue Jay Gold Corp. ("the Company") was incorporated on October 27, 2023, pursuant to the Business Corporations Act (the "BCBCA") of British Columbia, Canada. The Company change its name from Blue Jay Resources Corp. to Blue Jay Gold Corp. on December 23, 2024. The Company is engaged in the acquisition and exploration of mineral properties in Canada. The Company's head office and registered and records office is located at Suite 550 – 800 West Pender St., Vancouver, BC, V6C 2V6.

As of the year ended September 30, 2025, the Company held a 100% interest in the Pichette claims and an option to earn 100% interest in Clist subdomain that collectively is called "Pichette-Clist". In addition, the Company held a 100% interest in the Oakes and Duc Gold projects in northwestern Ontario, Canada. Furthermore, the Company's wholly owned subsidiary, Whitehorse Gold (Yukon) Corp., held a 100% interest in the Steller Gold Project ("Steller") located in Yukon, Canada. Steller is formerly referred in earlier files as the "Skukum" Project.

These consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

Prior to May 2025, the Company was a subsidiary of Riverside Resources Inc. ("Riverside") Subsequent to completion of the spin out arrangement, the Company became a non-listed reporting issuer.

At September 30, 2025, the Company had accumulated a loss of \$1,426,581. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational levels of corporate overhead. These factors indicate material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the normal course of business. Additional funds will be required to enable the Company to continue its operations and there can be no assurance that financing will be available on terms which are acceptable to the Company. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. MATERIAL ACCOUNTING POLICY INFORMATION**a) Basis of presentation, principles of consolidation and statement of compliance**

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board in effect at September 30, 2025.

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended September 30, 2025 and period from incorporation to September 30, 2024

(Expressed in Canadian Dollars)

These consolidated financial statements include the financial statements of Blue Jay Gold Corp. and its wholly owned subsidiary Whitehorse Gold (Yukon) Corp. incorporated in Canada. All intercompany transactions and balances have been eliminated upon consolidation.

b) Critical accounting judgements and estimates

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

Going concern

Going concern presentation of the consolidated financial statements as discussed in Note 1, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Share-based compensation

Charges for share-based compensation are based on the fair value on the date the awards are granted. Stock options are valued using the Black-Scholes option pricing model, and inputs to the model include assumptions on share price volatility, discount rates and expected life outstanding.

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management has determined that exploration, evaluation, and related costs incurred, which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessment of economic recoverability and probability of future economic recovery benefits, including geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended September 30, 2025 and period from incorporation to September 30, 2024
(Expressed in Canadian Dollars)

Provision for environmental rehabilitation

The Company assesses its provision for restoration, rehabilitation and environmental obligations on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning and restoration provisions requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation. Actual costs incurred may differ from those amounts estimated. In addition, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation and remediation. The provision represents management's best estimate of the present value of the future decommissioning and restoration provision. The actual future expenditure may differ from the amounts currently provided.

Acquisition of business vs. acquisition of assets

In determining whether an acquisition should be accounted for as a business combination or as an acquisition of assets, management applies significant judgment in assessing whether the acquired set of activities and assets constitutes a business as defined in IFRS 3 Business Combinations.

This assessment requires consideration of whether the acquired entity includes inputs, substantive processes, and the ability to produce outputs. For the acquisition completed during the year (Note 3), management concluded that the transaction represents an asset acquisition, as the acquired asset did not constitute a business under IFRS 3. In particular, the acquired entity did not include substantive processes necessary to generate outputs, and therefore the set of activities and assets does not meet the definition of a business.

c) Recent accounting pronouncements

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended September 30, 2025.

On April 9, 2024, the International Accounting Standards Board issued a new standard – IFRS 18, "Presentation and Disclosure in Financial Statements" with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended September 30, 2025 and period from incorporation to September 30, 2024

(Expressed in Canadian Dollars)

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. Adoption of IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. Management has not yet concluded on the impact of the new standard to these consolidated financial statements.

d) Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the functional currency for an entity are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

e) Exploration and evaluation assets

Pre-acquisition costs are expensed as incurred. The Company records exploration and evaluation asset interests, which consist of the right to explore for mineral deposits, at cost. The Company records deferred exploration costs, which consist of costs attributable to the exploration of exploration and evaluation asset interests, at cost. All costs relating to the acquisition and exploration of these exploration and evaluation asset interests are capitalized based on property by property basis until the exploration and evaluation asset interests to which they relate are placed into production, disposed of through sale, or where management has determined there to be an impairment. If an exploration and evaluation asset interest is abandoned, the exploration and evaluation asset interests and deferred exploration costs will be written off to operations in the period of abandonment.

On an on-going basis, the capitalized costs are reviewed on a property-by-property basis to consider if there is any impairment on the subject property. Management's determination for impairment indicators include but are not limited to is based on 1) whether the Company's exploration programs have significantly changed, such that previously identified resource targets are no longer being pursued; 2) whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; or 3) whether remaining lease terms are insufficient to conduct necessary studies or exploration work.

The recorded cost of exploration and evaluation asset interests is based on cash paid and the value of share consideration issued (where shares are issued) for exploration and evaluation asset interest acquisitions and exploration costs incurred. The recorded amount may not reflect the recoverable value, as this will be dependent on future development programs, the nature of the mineral deposit, commodity prices, adequate funding and the ability of the Company to bring its projects into production.

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended September 30, 2025 and period from incorporation to September 30, 2024

(Expressed in Canadian Dollars)

Property option payments received from its farm-out partners are recorded as a reduction to the capitalized cost of exploration and evaluation assets. Once the capitalized cost is recovered, they are recorded as property income.

f) Financial instruments**Financial assets**

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed as incurred. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are recognized in profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

The following table shows the classification of the Company's financial instruments under IFRS 9:

Financial instrument	Classification
Cash and cash equivalents	Amortized cost
Deposits	Amortized cost
Subscription received in advance	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended September 30, 2025 and period from incorporation to September 30, 2024
(Expressed in Canadian Dollars)

Due to Riverside
Due to Tincorp

Amortized cost
FVTPL

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.

Amortized cost - This category comprises liabilities initially recognized at fair value less directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method.

g) Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

h) Share capital

Common shares are classified as shareholder's equity. Incremental costs directly attributable to the issuance of common shares and stock options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their fair value at the date the shares are issued if the good or service received cannot be reliably measured.

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The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The Company considers the fair value of common shares issued in the private placements to be the more easily measurable component and the common shares are valued at their fair value. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

i) Loss per share

Basic loss per common share is calculated by dividing the net loss available to common shareholders by the weighted-average number of shares outstanding during the year. The effect of dilutive stock options warrants and similar instruments on loss per share is recognized on the use of the proceeds that could be obtained upon these and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Diluted loss per share value excludes all dilutive potential common shares if their effect is anti-dilutive.

j) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, adjusted for amendments to tax payable with regards to 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 taxes are measured at the tax rates that are expected to be applied to temporary differences when they revert, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority for the same taxable entity. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they 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 the related income tax benefit will be realized.

k) Asset Retirement Obligation

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at the net present value of estimated future cash flows and the resulting costs are expensed to the statement of loss and comprehensive loss. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows.

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

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l) Property, plant and equipment

Property and equipment are initially recorded at cost, including all directly attributable costs to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Property and equipment are subsequently measured at cost less accumulated depreciation and applicable impairment losses. Depreciation is computed using the straight-line method and estimated useful lives as follows:

Buildings	20 years
Machinery	20 years
Furniture and fixtures	5 years
Software	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3. ACQUISITION OF WHITEHORSE GOLD

On September 29, 2025, the Company closed a transaction, whereby the Company acquired a 100% interest in Whitehorse Gold (Yukon) Corp. ("Whitehorse Gold") from Tincorp Metals Inc. ("Tincorp") that holds the rights to Steller. The acquisition has been accounted for as an acquisition of assets as it did not meet the definition of a business.

Under the terms of the share purchase agreement between the parties, the total consideration payable by the Company for the acquisition of Whitehorse Gold was structured in two payments (i) at closing, the Company issued 500,000 common shares and 250,000 common share purchase warrants to Tincorp, having an aggregate value of \$300,000 and \$73,700 respectively; and (ii) \$275,000 payable in cash or shares of the Company at Blue Jay's election, to be paid to Tincorp on the first anniversary of the closing date. Each warrant entitles Tincorp to acquire one additional common share at an exercise price of \$0.90 per share for a period of two years from the date of issuance, subject to certain acceleration provisions.

The \$73,700 fair value of warrants issued was estimated at the grant date based on the Black-Scholes valuation model with the following weighted average assumptions:

	September 30, 2025
Risk-free interest rate	2.74%
Expected dividend yield	Nil
Exercise price	\$0.90
Fair value per warrant	\$0.29
Share price	\$0.60
Expected stock price volatility	111%
Average expected warrant life	2 years

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The purchase price allocation is as follows:

Shares	\$ 300,000	[i]
Cash deposit	25,000	
Due to Tincorp	275,000	
Fair value of warrants issued	73,700	
Transaction costs	56,000	
Total consideration	\$ 729,700	

Cash and other receivable	\$ 106	
Deposits	15,075	
Property, plant and equipment	504,199	
Exploration and evaluation assets	3,096,527	
Accounts payable	(2,731)	
Asset retirement obligation	(2,883,476)	
Net assets acquired	\$ 729,700	

[i] The Company issued 500,000 shares on September 29, 2025 as per share purchase agreement.

4. EVALUATION AND EXPLORATION ASSETS

On November 1, 2023, the Company issued 14,956,693 common shares at \$0.115 to Riverside to acquire the Pichette-Clist Gold Project, Oakes Gold Project and the Duc Gold Project (the "Ontario Properties").

As part of the consideration for the Ontario Properties to Riverside, on November 1, 2023, Blue Jay executed a royalty agreement (the "Royalty Agreement") with Riverside and granted it a 2.0% net smelter return ("NSR") royalty. The NSR will be payable based on the potential future mineral production at the Ontario Properties, as determined in accordance with the provisions set forth in the Royalty Agreement. Under IFRS Accounting Standards, the grant of the NSR royalty by Blue Jay to Riverside is a transaction between parties under common control and accordingly the value of the NSR royalty has been recorded for accounting purposes at its historical cost of nil.

Pichette-Clist Gold Project, Oakes Gold Project, Duc Gold Project

The Company holds a 100% interest in the Pichette and option to acquire 100% interest of the Clist Gold Project (together known as the "Pichette – Clist Gold Project " as explained below), Oakes Gold Project and Duc Gold Project located in Ontario, Canada.

Pichette-Clist Gold Project

The Pichette-Clist Gold Project (known as the Pichette-Clist Project) is situated in the Geraldton-Beardmore Greenstone Belt of Northwestern Ontario. The Pichette-Clist Gold Project consists of mining claims in Northwestern Ontario, which were transferred to Blue Jay by Riverside on November 1, 2023 (the "**Pichette**

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Claims”) and mining claims (the “**Clist Claims**”) that Blue Jay holds an option to acquire 100% of the legal and beneficial interest pursuant to the terms of an option agreement dated August 29, 2024.

Under the option agreement, the Company is granted a sole and exclusive right and option to acquire up to 100% interest in the said property by making the following cash payments and incurring the following exploration expenditures as follows:

Due date	Cash	Exploration expenditures
Upon signing of Agreement (August 29, 2024)	\$25,000 (paid)	-
On or before the 1st anniversary (August 29, 2025)	\$25,000 (paid)	\$50,000 (incurred)
On or before the 2nd anniversary (August 29, 2026)	\$25,000	\$50,000
On or before the 3rd anniversary (August 29, 2027)	\$50,000	\$150,000
On or before the 4th anniversary (August 29, 2028)	\$75,000	\$150,000
On or before the final anniversary (August 29, 2029)	\$300,000	-

Except for the first payment upon signing of the agreement, the above cash payments are optional, and the Company maintains the right to accelerate payments at any time.

Oakes Gold Project

The Company has a 100% interest in the Oakes Gold Project located in Northwestern Ontario.

Duc Gold Project

The Company has a 100% interest in the Duc Gold Project located in the Porcupine Mining Division, approximately 50 km southwest of Kapuskasing, Ontario.

	Pichette-Clist	Duc	Oakes	Total
Balance, October 27, 2023	\$nil	\$nil	\$nil	\$nil
Transfer from RRI				
Acquisition Costs	\$ 26,550	\$ -	\$ 19,235	\$ 45,785
Exploration Costs				
Assays	4,926	-	40,142	45,068
Drilling	-	-	442,803	442,803
Field & camp costs	18,175	625	74,149	92,949
Geological consulting	293,904	48,325	388,914	731,143
Surveys & geophysics	70,782	62,620	127,928	261,330
Transport & support	116,338	11,277	139,591	267,206
Professional consulting	66,479	2,500	109,124	178,103
Others	12,221	1,772	24,592	38,585
Balance, September 30, 2024	\$ 609,375	\$ 127,119	\$ 1,366,478	\$ 2,102,972

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	Pichette- Clist	Duc	Oakes	Steller	Total
Balance, September 30, 2024	\$ 609,375	\$ 127,119	\$ 1,366,478	\$ -	\$ 2,102,972
Acquisition Costs	30,370	-	-	3,096,527	3,126,897
Exploration Costs					
Assays	8,532	-	-	-	8,532
Field & camp costs	124,315	-	-	-	124,315
Geological consulting	351,820	10,800	10,080	-	372,700
Surveys & geophysics	950	9,776	-	-	10,726
Transport & support	78,311	2,454	-	-	80,765
Professional consulting	15,406	-	-	-	15,406
Others	8,795	-	132	-	8,927
Total additions	618,499	23,030	10,212	3,096,527	3,748,268
Project recovery	(78,233)	-	-	-	(78,233)
Balance, September 30, 2025	\$ 1,149,641	\$ 150,149	\$ 1,376,690	\$ 3,096,527	\$ 5,773,007

5. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery	Furniture and fixtures	Software	Total
Cost					
Balance, September 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition of Whitehorse Gold	478,452	19,632	4,160	1,955	504,199
Balance, September 30, 2025	\$ 478,452	\$ 19,632	\$ 4,160	\$ 1,955	\$ 504,199
Accumulated depreciation					
Balance, September 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation	-	-	-	-	-
Balance, September 30, 2025	\$ -	\$ -	\$ -	\$ -	\$ -
Net book value					
Balance, September 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -
Balance, September 30, 2025	\$ 478,452	\$ 19,632	\$ 4,160	\$ 1,955	\$ 504,199

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

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6. PREPAID EXPENSES

The breakdown of prepaid expenses is as follows:

	September 30, 2025	September 30, 2024
Investor relations and marketing	\$ 112,419	\$ -
Insurance	8,000	-
Total	\$ 120,419	\$ -

7. ASSET RETIREMENT OBLIGATION

The Company's asset retirement obligation is based on management's estimate of costs to abandon and reclaim the project as well as an estimate of the future timing of these costs:

	September 30, 2025	September 30, 2024
Opening balance	\$ -	\$ -
Addition	2,883,476	-
Total	\$ 2,883,476	\$ -

Certain reclamation activities are expected to be incurred between 2026 to 2028 with the majority of costs to occur in 2035 and 2036. The undiscounted amount required to settle the asset retirement obligation at September 30, 2025 is estimated to be \$3,401,278. The liability for the expected cash flows, as reflected in the consolidated financial statements, has been inflated at 2% and discounted using a risk-free rate of 4.19%. The breakdown between current and non-current balances is as follows: Current: \$213,448; Non-current: \$2,670,028.

In connection with the reclamation provision, the Company has committed to providing cash security to the Yukon Ministry of \$2,046,333 on or before February 6, 2026.

8. SHARE CAPITAL

a) Authorized share capital

The common shares have no par value and the number of authorized shares is unlimited.

Shares issued for the year ended September 30, 2025

On December 18, 2024, the Company completed a non-brokered private placement and issued 2,735,000 common shares at a price of \$0.20 per share for gross proceeds of \$547,000. During the year ended September 30, 2025, \$25,000 of the total proceeds were included as part of the subscription receivable.

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On May 7, 2025, the Company completed a non-brokered private placement by issuing 2,305,000 common shares at an issue price of \$0.40 per share for total gross proceeds of \$922,000. During the year ended September 30, 2025, \$65,000 of the total proceeds were included as part of the subscription receivable.

On September 29, 2025, the Company completed a non-brokered private placement by issuing 3,681,994 common shares at \$0.60 per unit, for gross proceeds of \$2,209,196. Each unit comprised one common share and one half common share purchase warrant each exercisable at \$0.90 per common share until September 29, 2027. During the year ended, \$1,246,000 of the total proceeds were included as part of the subscription receivable, which were collected subsequent to the year end. In connection with the closing of the private placement, the Company paid finder's fees totaling \$61,572 and issued a total of 103,820 finder's warrants with a fair value of \$30,606.

On September 29, 2025, the Company issued 500,000 common shares with a fair value of \$300,000 pursuant to the share purchase agreement (Note 3).

During the year ended, 39,000 stock options were exercised for proceeds of \$10,080.

Shares issued from incorporation on October 27, 2023 to September 30, 2024

The Company issued one share upon incorporation.

On November 1, 2023, the Company issued 14,956,693 common shares at \$0.115 to Riverside for the Ontario Properties (Note 4).

b) Warrants

The warrant activity and weighted average prices of warrants are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at September 30, 2024 and October 27, 2023	-	\$ -
Issued	2,194,816	\$ 0.90
Outstanding as at September 30, 2025	2,194,816	\$ 0.90

As at September 30, 2025, the outstanding share purchase warrants were as follows:

Number of warrants	Exercise price	Expiry date	Weighted average remaining life in years
2,194,816	\$ 0.90	September 29, 2027	2.00

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The fair value of finder's warrants issued was \$30,606 (2024 - \$Nil) estimated at the grant date based on the Black-Scholes valuation model with the following weighted average assumptions:

	September 30, 2025	September 30, 2024
Risk-free interest rate	2.74%	N/A
Expected dividend yield	Nil	N/A
Share price	\$0.60	N/A
Exercise price	\$0.90	N/A
Fair value per warrant	\$0.29	N/A
Expected stock price volatility	111%	N/A
Average expected warrant life	2 years	N/A

c) Stock options

Blue Jay has adopted an Omnibus Incentive Plan and was approved by shareholders on February 18, 2025. Under this plan, the Company may issue Options, to eligible employees, directors, officers and consultants. The Omnibus plan includes an option portion that will be a "rolling" up to 10% of the issued shares of Blue Jay as at the date of any Blue Jay Option grant, and a "fixed" 10% plan under which the number of shares of Blue Jay that are issuable pursuant to all other awards other than Blue Jay Options. All Blue Jay Options granted can be exercisable for a maximum of 10 years from the date of grant, subject to extension where the expiry date falls within a Blackout Period. The exercise price for each grant of an option under the Blue Jay Omnibus Incentive Plan shall be determined by the Committee and shall be specified in the Option Agreement.

On May 22, 2025, the Company granted 882,000 spin-out options. Share-based compensation relating to options from spin-out during the year ended September 30, 2025, using the Black-Scholes option pricing model was \$219,529.

On August 19, 2025, the Company granted 1,120,000 incentive stock options to certain directors, officers, and consultants of the Company. The Options are exercisable at \$0.40 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a director, officers and consultants vest in four equal instalments over 24 months.

Share-based compensation relating to options vested during the year ended September 30, 2025, using the Black-Scholes option pricing model was \$259,870 (September 30, 2024 – \$Nil). The associated share-based compensation expense for the options granted was calculated based on the following weighted average assumptions:

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For the year ended September 30, 2025 and period from incorporation to September 30, 2024

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	September 30, 2025	September 30, 2024
Forfeiture rate	0.00%	N/A
Estimated risk-free rate	2.88%	N/A
Exercise price	\$0.35	N/A
Share price	\$0.40	N/A
Fair value per option	\$0.29	N/A
Expected volatility	99.07%	N/A
Estimated annual dividend yield	0.00%	N/A
Expected life of options	2.55 years	N/A

The number and weighted average exercise prices of stock options are as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as at September 30, 2024 and October 27, 2023	-	\$ -
Issued (spin-out)	882,000	\$ 0.27
Granted	1,120,000	\$ 0.40
Exercised	(39,000)	\$ 0.26
Cancelled	(254,000)	\$ 0.33
Outstanding as at September 30, 2025	1,709,000	\$ 0.35

During the year ended September 30, 2025, 254,000 stock options were cancelled.

As at September 30, 2025, the outstanding stock options exercisable were as follows:

Expiry date	Number of options outstanding	Weighted average remaining life in years	Exercise price	Number of options exercisable
October 19, 2025	10,000	0.05	\$ 0.60	10,000
November 17, 2026	74,000	1.13	\$ 0.32	74,000
September 2, 2027	96,000	1.92	\$ 0.26	96,000
January 17, 2029	205,000	3.30	\$ 0.24	205,000
February 4, 2030	204,000	4.35	\$ 0.26	204,000
August 19, 2030	1,120,000	4.89	\$ 0.40	-
	1,709,000			589,000

d) Restricted Share Units

On August 19, 2025, the Company granted 1,195,000 Restricted Share Units ("RSUs") to certain directors, officers, and consultants of the Company. The RSUs are redeemable for a period of three years from the

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

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date of grant. RSUs granted to individuals in their capacity as a director, officers and consultants vest in three equal instalments of 33.33% over 36 months. As at September 30, 2025, the Company recognized a share-based compensation of \$33,613 relating to RSUs.

e) Deferred Share Units

On August 19, 2025, the Company granted 800,000 Deferred Share Units ("DSUs") to certain directors, officers, and consultants of the Company. The DSUs are redeemable after a minimum one-year service period to vest. DSUs granted to individuals in their capacity as a director, officers and consultants can only vest when the director, officer or consultant leave the Company either by resignation, termination or retirement. As at September 30, 2025, the Company recognized a share-based compensation of \$36,822 relating to DSUs.

9. RELATED PARTY TRANSACTIONS

Key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's board of directors (the "Board of Directors") and corporate officers and/or individuals operating in such capacity, and/or companies controlled by those individuals.

	Year ended September 30, 2025	Period from Incorporation October 27, 2023 to September 30, 2024
Management fees	\$ 43,500	\$ 250,000
Consulting fees	126,000	-
Geological consulting	313,800	-
Share-based compensation	133,037	-
Total remuneration	\$ 616,337	\$ 250,000

The balance payable to related parties at September 30, 2025 was \$36,413 (September 30, 2024 - \$250,000). Subscription receivable amount due from related parties of \$85,000 (September 30, 2024 - \$Nil).

Due to Riverside

As at September 30, 2025, the Company owed \$750,646 (September 30, 2024 - \$420,402) to Riverside, which was settled subsequently (Note 14).

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

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During the period ended September 30, 2024, the Company settled \$1,720,020 of the amount due to Riverside from the transfer of the Pichette-Clist Gold Project, Oakes Gold Project and the Duc Gold Project through the issuance of 14,956,693 common shares and the granting of 2% net smelter royalty to Riverside in such pursuant to the terms and conditions of a certain mining claim transfer agreement dated effective November 1, 2023 and a net smelter return royalty agreement dated effective November 1, 2023. The remaining balance will remain outstanding as a non-interest-bearing loan from Riverside to Blue Jay with no specific terms of repayment.

10. FINANCIAL INSTRUMENTS*Fair value*

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Cash and cash equivalents is carried at amortised cost and approximates fair value. The recorded values of receivables, due to Riverside, subscription received in advance, and accounts payable and accrued liabilities, approximate their carrying values due to their short-term to maturities which is the amount presented on the consolidated statement of financial position. Due to Tincorp is measured at level 3. Based on the time of settlement and settlement options the fair value does not significantly differ from the cash settlement price.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables due from the Government of Canada. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to receivable is minimal. The Company's maximum exposure to credit risk is limited to the recorded value of cash and cash equivalents and receivables. The credit risk is not considered significant.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2025, the Company had cash of \$1,152,185 to settle current liabilities of \$1,621,978. Subsequent to year-end, the Company was able to raise a capital (see Note 14).

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Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold, silver and copper, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

11. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, to support the acquisition and exploration of exploration and evaluation assets. In the management of capital, the Company includes components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage as such the Company is dependent on external financing to fund activities. To carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential, fits with the existing asset portfolio, and has sufficient financial resources to do so. The Company is not currently subject to externally imposed capital requirements.

The Company is not currently subject to externally imposed capital requirements. There were no changes to the Company's capital management during the year.

12. SEGMENT INFORMATION

The Company operates in one reportable segment, being funding of companies operating in the junior mining sector located in Ontario and Yukon, Canada. All the Company's exploration and evaluation assets are located in Canada.

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

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13. INCOME TAXES

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

	September 30, 2025	Period ended September 30, 2024
Loss for the year	\$ (1,153,335)	\$ (273,246)
Statutory Canadian federal and provincial tax rates	27%	27%
Total income tax expense (recovery)	(311,000)	(74,000)
Change in unrecognized deductible temporary differences	(20,000)	74,000
Permanent differences	89,000	-
Impact of Acquisition of Whitehorse Gold	(5,086,000)	-
Share issuance costs	(17,000)	-
Change in unrecognized deductible temporary differences	5,345,000	-
Current income taxes	\$ -	\$ -

The significant components of the Company's deferred tax assets and liabilities are as follows:

	September 30, 2025	Period ended September 30, 2024
Deferred tax assets (liabilities)		
Non-capital losses	\$ 417,000	\$ 74,000
Property and equipment	861,000	-
Exploration and evaluation assets	3,349,000	-
	5,419,000	74,000
Unrecognized deferred tax assets	(5,419,000)	(74,000)
	\$ -	\$ -

The significant components of deductible temporary differences, unused tax losses and unused tax credits that have not been included on the consolidated statements of financial position are as follows:

	September 30, 2025	Expiry dates	Period ended September 30, 2024	Expiry dates
Property and equipment	\$ 3,189,000	No expiry date	\$ -	No expiry date
Non-capital losses	\$ 1,547,000	2037-2045	\$ 273,000	2044

Tax attributes are subject to review, and potential adjustment, by tax authorities.

BLUE JAY GOLD CORP.**NOTES TO THE FINANCIAL STATEMENTS**

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(Expressed in Canadian Dollars)

14. SUBSEQUENT EVENTS

On October 31, 2025, the Company completed a non-brokered private placement by issuing 4,562,448 common shares at \$0.60 per share, for gross proceeds of \$2,737,469. Each unit comprised one common share and half common share purchase warrant each exercisable at \$0.90 per common share until October 31, 2027. In connection with this financing, the Company incurred cash finders' fees of \$24,700 and 28,081 finders' warrants each exercisable at \$0.90 per common share until October 31, 2027, recorded as share issue costs. During the year ended September 30, 2025, \$77,600 of the total proceeds were included as part of subscription received in advance.

On October 31, 2025, the Company and Riverside signed a debt settlement agreement, whereby the aggregate amount of \$750,646 arising from the advances made by Riverside to the Company will be fully settled by debt forgiveness of \$600,646 and the remaining \$150,000 by subscribing for units to the October 31, 2025 non-brokered private placement.

On January 2, 2026, the Company granted 355,000 RSU to certain directors, officers, and consultants of the Company. The RSUs are redeemable for a period of three years from the date of grant. RSUs granted to individuals in their capacity as a director, officers and consultants vest in three equal instalments of 33.33% over 36 months.

On January 2, 2026, the Company granted 400,000 DSU to certain directors, officers, and consultants of the Company. The DSUs are redeemable after a minimum one-year service period to vest.

On January 2, 2026, the Company granted 1,070,000 incentive stock options to certain directors, officers, and consultants of the Company. The Options are exercisable at \$0.60 per share for a period of five years from the date of grant. Options granted to individuals in their capacity as a director, officers and consultants vest in four equal instalments over 24 months.