



**STRATEGIC RESOURCES INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED DECEMBER 31, 2025  
AND 2024**

**TSX-V: SR**



**[www.strategic-res.com](http://www.strategic-res.com)**

**Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

**Strategic Resources Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**As at December 31, 2025 and June 30, 2025**  
(Unaudited)  
*(expressed in thousands of Canadian dollars)*

	Notes	December 31, 2025	June 30, 2025
<b>ASSETS</b>			
<b>Current</b>			
Cash		230	314
Short-term investments	6	2,880	4,270
Receivables	8	159	132
Prepaid expenses and advances		198	343
		<b>3,467</b>	5,059
<b>Non-current</b>			
Restricted investments	7	1,289	1,289
Exploration and evaluation assets	9	6,790	6,744
Property, plant, and equipment	10	47,920	47,640
		<b>55,999</b>	55,673
		<b>59,466</b>	60,732
<b>LIABILITIES</b>			
<b>Current</b>			
Payables and accrued liabilities	11	1,263	1,082
Lease obligation	12	1,022	1,038
Restricted share unit liability	13c	188	289
		<b>2,473</b>	2,409
<b>Non-current</b>			
Lease obligation	12	17,481	17,053
Asset retirement obligations		1,053	1,035
		<b>18,534</b>	18,088
		<b>21,007</b>	20,497
<b>EQUITY (DEFICIENCY)</b>			
Share capital	13a	231,908	231,908
Contributed surplus		21,016	20,974
Accumulated other comprehensive income		20	19
Deficit		(214,485)	(212,666)
		<b>38,459</b>	40,235
		<b>59,466</b>	60,732

**Nature of operations** (Note 1)

**Going concern** (Note 2)

**Commitments** (Note 16)

**Contingencies** (Note 20)

ON BEHALF OF THE BOARD:

“Sean Cleary”, Director & Chief Executive  
Officer

“Amyot Choquette”, Director

## Strategic Resources Inc.

### Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three-month and six-month periods ended December 31, 2025 and 2024

(Unaudited)

*(expressed in thousands of Canadian dollars, except for loss per share and weighted average number of shares outstanding)*

	Notes	For the three-month periods ended December 31		For the six-month periods ended December 31	
		2025	2024	2025	2024
<b>Expenses</b>					
General and administrative		171	220	341	403
Salaries, benefits, and directors' fees		187	242	406	460
Professional fees		327	355	635	688
Depreciation and amortization		–	1	–	1
Share-based compensation	13d	–	129	42	342
<b>Loss before other income (expenses)</b>		<b>(685)</b>	<b>(947)</b>	<b>(1,424)</b>	<b>(1,894)</b>
<b>Other income (expenses)</b>					
Finance expenses, net	15	(237)	(228)	(492)	(436)
Change in fair value of restricted share unit liability	13c	32	–	101	13
Reversal of contribution agreement expenses		–	–	–	52
Other (expense) income		–	–	(4)	6
		<b>(205)</b>	<b>(228)</b>	<b>(395)</b>	<b>(365)</b>
<b>Loss before taxes</b>		<b>(890)</b>	<b>(1,175)</b>	<b>(1,819)</b>	<b>(2,259)</b>
Income and mining tax		–	(3)	–	(3)
		<b>(890)</b>	<b>(1,178)</b>	<b>(1,819)</b>	<b>(2,262)</b>
<b>Net loss for the period</b>		<b>(890)</b>	<b>(1,178)</b>	<b>(1,819)</b>	<b>(2,262)</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation adjustments		(4)	(3)	1	3
<b>Comprehensive loss for the period</b>		<b>(894)</b>	<b>(1,181)</b>	<b>(1,818)</b>	<b>(2,259)</b>
Basic and diluted loss per share		<b>(0.01)</b>	<b>(0.02)</b>	<b>(0.03)</b>	<b>(0.04)</b>
Weighted average number of common shares outstanding		<b>59,027,995</b>	59,027,995	<b>59,027,995</b>	59,027,995

**Strategic Resources Inc.**

**Condensed Interim Consolidated Statements of Changes in Equity (Deficiency)**

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

*(expressed in thousands of Canadian dollars, except for number of shares)*

	Share capital		Contributed surplus	Other comprehensive income (loss)	Deficit	Total
	Number of shares	Amount				
Balance at June 30, 2024	59,027,995	231,908	20,380	(4)	(179,770)	72,514
Share-based compensation	–	–	342	–	–	342
Net loss for the period	–	–	–	–	(2,262)	(2,262)
Foreign currency translation adjustments	–	–	–	3	–	3
<b>Balance at December 31, 2024</b>	<b>59,027,995</b>	<b>231,908</b>	<b>20,722</b>	<b>(1)</b>	<b>(182,032)</b>	<b>70,597</b>
Balance at June 30, 2025	59,027,995	231,908	20,974	19	(212,666)	40,235
Share-based compensation (Note 13d)	–	–	42	–	–	42
Net loss for the period	–	–	–	–	(1,819)	(1,819)
Foreign currency translation adjustments	–	–	–	1	–	1
<b>Balance at December 31, 2025</b>	<b>59,027,995</b>	<b>231,908</b>	<b>21,016</b>	<b>20</b>	<b>(214,485)</b>	<b>38,459</b>

– See accompanying notes –

**Strategic Resources Inc.****Condensed Interim Consolidated Statements of Cash Flows**

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

*(expressed in thousands of Canadian dollars)*

<b>Cash flow provided by (used in)</b>	<b>Notes</b>	<b>For the six-month periods ended</b>	
		<b>December 31, 2025</b>	<b>December 31, 2024</b>
<b>Operating activities</b>			
Net loss for the period		<b>(1,819)</b>	(2,262)
Items not affecting cash			
Change in fair value of restricted share unit liability	13c	<b>(101)</b>	(13)
Interest expense	15	<b>590</b>	583
Finance income	15	<b>(107)</b>	(181)
Share-based compensation	13d	<b>42</b>	342
Depreciation and amortisation		-	1
Changes in non-cash working capital			
Decrease in receivables		<b>13</b>	469
Decrease in prepaid expenses and advances		<b>144</b>	161
Increase in payables and accrued liabilities		<b>182</b>	116
Settlement of restricted share unit liability		-	(350)
<b>Cash used in operating activities</b>		<b>(1,056)</b>	<b>(1,134)</b>
Interest received		<b>67</b>	148
<b>Net cash used in operating activities</b>		<b>(989)</b>	<b>(986)</b>
<b>Investing activities</b>			
Acquisition of property, plant, and equipment	10	<b>(327)</b>	(245)
Additions to exploration and evaluation assets	9	<b>(45)</b>	-
Redemption of short-term investments		<b>1,390</b>	850
<b>Net cash provided by investing activities</b>		<b>1,018</b>	605
<b>Financing activities</b>			
Repayment of lease obligation		<b>(113)</b>	(111)
<b>Net cash used in financing activities</b>		<b>(113)</b>	<b>(111)</b>
<b>Net decrease in cash</b>		<b>(84)</b>	(492)
Cash – beginning of period		<b>314</b>	560
<b>Cash – end of period</b>		<b>230</b>	68

– See accompanying notes –

## **Strategic Resources Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

*(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)*

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#### **1. Nature of operations**

Strategic Resources Inc. (“Strategic” or the “Company”) is a publicly listed company incorporated under the Ontario Business Corporations Act on October 25, 2004 and continued under the British Columbia Business Corporations Act on June 7, 2016. The Company is listed on the TSX-Venture Exchange (“TSXV”), having the symbol SR.V.

Strategic is a high purity metallic iron and critical minerals company with assets in two world class mining jurisdictions. The Company is in the development stage of its mining property located in Chibougamau, Québec (“BlackRock property”) and its metallurgical plant located in Saguenay, Québec. The Company also holds a vanadium project in Finland. The Company is focused on providing the highest purity metallic iron on the market to be utilized in the decarbonizing efforts of the foundry and steel producers in North America and Europe. The Company’s headquarters are located at 1155 Metcalfe Street, Suite 1539, Montréal, Québec, Canada and its activities are conducted in Canada and Finland.

Based on discussions and feedback with industry participants, the Company has prioritized the construction of a four million tonne per annum iron ore pellet plant at Port Saguenay.

#### **2. Going concern**

The accompanying condensed interim consolidated financial statements have been prepared using accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to 12 months from the end of the reporting period.

The Company does not derive any revenue from the development and exploration of its mining properties. The development of mineral deposits involves significant financial risks. The success of the Company will depend on a number of factors including development, construction, extraction risks and regulatory issues, environmental and other regulations and generating sufficient financing to finalize plant and mine under construction.

The Company's ability to continue as a going concern is dependent upon the confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of the plant and mine, and future profitable production.

As at December 31, 2025, the Company had working capital (current assets less current liabilities) of \$994 (June 30, 2025 - \$2,650), and a shareholders' equity of \$38,459 (June 30, 2025 - \$40,235) and had generated a net loss and negative cash flows from operations of \$1,819 and \$989, respectively for the six-month period then ended. Management estimates that the current funds will not be sufficient to meet the Company's obligations and commitments and to complete the development of its project.

## **Strategic Resources Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

*(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)*

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#### **2. Going concern (continued)**

The Company's business plan is dependent on raising additional funds to finance operations within and beyond the next 12 months. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company. If management is unable to obtain new funding, the Company may be unable to continue its operations, project development, and amounts realized for assets might be less than amounts reflected in these condensed interim consolidated financial statements.

To date, the Company has been able to finance its operations through proceeds from the issuance of long-term debt and equity financing.

The conditions and uncertainties described above indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and asset and liability classifications that would be necessary were the going concern assumption not appropriate. These adjustments could be material.

#### **3. Material accounting policy information**

##### **a) Basis of preparation**

The Company prepares its condensed Interim consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2025, prepared in accordance with International Financial Reporting Standards ("IFRS"). The accounting policies adopted in these condensed interim consolidated financial statements are consistent with those disclosed in the Company's audited financial statements for the year ended June 30, 2025.

The Board of Directors approved these condensed interim consolidated financial statements and authorized their publication on February 24, 2026.

##### **b) Basis of consolidation**

###### **Subsidiaries**

Subsidiaries are entities controlled by the Company. Control exists when the Company has the existing rights that give it the current ability to direct the activities that significantly affect the entities' returns. The Company reassesses control on an ongoing basis. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. These condensed interim consolidated financial statements include the accounts of the Company and of its wholly-owned subsidiaries (the "Group") as follows:

## Strategic Resources Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)

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### 3. Material accounting policy information (continued)

#### b) Basis of consolidation (continued)

Subsidiary	Domicile and country of incorporation
BlackRock Metals Inc. ("BlackRock")	Canada
BlackRock Mining Inc.	Canada
BRM Metals GP Inc.	Canada
BlackRock Metals L.P.	Canada
Strategic Resources (Finland) Inc.	Canada
Strategic Explorations Oy	Finland

#### Transactions eliminated between the Company and its subsidiaries

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, have been eliminated in preparing these condensed interim consolidated financial statements.

#### c) Basis of measurement

The condensed interim consolidated financial statements have been prepared on the historical cost basis, except for:

- lease liabilities, which are initially measured at the present value of lease payments not paid at the commencement date in accordance with IFRS 16, Leases;
- asset retirement obligations which are measured at the present value of the expected expenditures to settle the obligation; and
- liabilities for cash-settled share-based payment arrangements and restricted share units which are measured at fair value, and equity-classified share-based payment arrangements which are measured at fair value at grant date pursuant to IFRS 2, Share-based Payment.

#### d) Presentation currency and foreign currencies translation

Management determined that the functional currency for all companies of the Group is the Canadian dollar except for the functional currency for its Finnish subsidiary which is the Euro. The Company's condensed interim consolidated financial statements are presented in Canadian dollars. Functional currencies of the Company's individual entities represent the currency of the primary economic environment in which the entity operates.

Transactions in foreign currencies are translated to the functional currency of each individual entity at exchange rates at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate at that date.

## Strategic Resources Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)

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#### 3. Material accounting policy information (continued)

##### d) Presentation currency and foreign currencies translation (continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

In preparing the Company's condensed interim consolidated financial statements, the financial statements of each entity for which the functional currency is not the Canadian dollar are translated into Canadian dollars. The assets and liabilities of foreign operations are translated into Canadian dollars at exchange rates at the statement of financial position date. Revenues and expenses of foreign operations are translated into Canadian dollars using foreign exchange rates that approximate those on the date of the underlying transaction. Foreign currency translation adjustments are recognized in other comprehensive income (loss).

If the Company or any of its subsidiaries dispose of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the accumulated foreign currency translation gains or losses related to the foreign operation are recognized in net loss.

#### 4. New accounting policies

##### New accounting standard not yet adopted by the Company:

The following new standard and interpretation is not yet effective and has not been applied in preparing these condensed interim consolidated financial statements. Management believes that other new IFRS accounting standards not yet effective do not have a material impact on the Company's present or near future consolidated financial statements.

##### **IFRS 18, *Presentation and Disclosure in the Financial Statements***

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in the Financial Statements* ("IFRS 18") to replace IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 *Statement of Cash Flows* were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 *Earnings Per Share* were issued to permit disclosures of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements and will apply it from the effective date.

## Strategic Resources Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)

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#### 4. New accounting policies (continued)

##### **Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures***

On May 30, 2024, the IASB issued narrow scope amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments include the clarification of the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system. The amendments also introduce additional disclosure requirements to enhance transparency regarding investments in equity instruments designed at FVOCI and financial instruments with contingent features.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of the amendments on its consolidated financial statements and will apply the amendments from the effective date.

#### 5. Use of critical accounting estimates and judgments

##### **a) Use of judgments**

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about additional critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements includes:

Exploration and evaluation assets: The application of the accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that such acquisition costs incurred will be recovered through successful exploration and development or sale of the asset under review. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off to profit or loss in the period when the new information becomes available.

##### **b) Significant accounting estimates**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are disclosed in the Company's audited financial statements for the year ended June 30, 2025.

#### 6. Short-term investments

As at December 31, 2025, short-term investments consisted of Guaranteed Investment Certificates ("GICs") issued by a Canadian bank, with interest rates of between 2.45% and 2.95% and maturity date of May 2026, which were all redeemable without penalty after 30 days.

## Strategic Resources Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)

#### 7. Restricted investments

	<b>December 31, 2025</b>	June 30, 2025
Guaranteed Investment Certificates	<b>1,289</b>	1,289
Non-current portion of restricted investments	<b>1,289</b>	1,289

As at December 31, 2025, restricted investments consist of GICs issued by Canadian banks, with an average interest rate of 2.59% (June 30, 2025 – 3.53%) with maturity dates ranging between July and December 2026. These investments are held as collateral for letters of credit issued in favor of provincial authorities.

The letters of credits issued to provincial authorities amounting to \$1,289 will be used to cover the asset retirement obligations that are recorded as non-current liabilities, accordingly the related collaterals have been presented as non-current assets on December 31, 2025.

#### 8. Receivables

	<b>December 31, 2025</b>	June 30, 2025
Sales tax receivable	<b>64</b>	78
Interest receivable	<b>95</b>	54
	<b>159</b>	132

#### 9. Exploration and evaluation assets and expenditures

Strategic holds one vanadium project in Finland. The carrying value of the project is summarized below:

	Mustavaara
Balance at June 30, 2025	6,744
Additions	45
Foreign exchange adjustments	1
Balance at December 31, 2025	<b>6,790</b>

##### Mustavaara Project ("Mustavaara")

In February 2020, Strategic acquired all of the intellectual property, core samples and storage facilities associated with Mustavaara mine area in Finland.

Strategic's exploration and evaluation expenditures on the project for the period ended December 31, 2025 are detailed in the table below, all of which relate to the Mustavaara Project:

Sample and analysis	44
Environmental	1
Costs incurred during the period	<b>45</b>

**Strategic Resources Inc.**

**Notes to the Condensed Interim Consolidated Financial Statements**

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)

**10. Property, plant and equipment**

	Office equipment	Right-of-use assets	Pellet plant under construction	Mine under construction	Mineral property in development	Total
<b>Cost as of June 30, 2025</b>	677	13,226	68,482	40,873	29,394	152,652
Additions	-	-	273	54		327
Lease modification	-	(47)	-	-		(47)
Capitalized amortization	-	-	166	-	-	166
<b>Cost as of December 31, 2025</b>	<u>677</u>	<u>13,179</u>	<u>68,921</u>	<u>40,927</u>	<u>29,394</u>	<u>153,098</u>
<b>Accumulated amortization and impairment as of June 30, 2025</b>	676	8,926	40,239	32,085	23,086	105,012
Depreciation and amortization	-	166	-	-	-	166
<b>Accumulated amortization and impairment as of December 31, 2025</b>	<u>676</u>	<u>9,092</u>	<u>40,239</u>	<u>32,085</u>	<u>23,086</u>	<u>105,178</u>
<b>Net book value as of December 31, 2025</b>	<u>1</u>	<u>4,087</u>	<u>28,682</u>	<u>8,842</u>	<u>6,308</u>	<u>47,920</u>

## Strategic Resources Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)

#### 11. Payables and accrued liabilities

	<b>December 31, 2025</b>	June 30, 2025
Payables	<b>421</b>	228
Accrued liabilities	<b>842</b>	854
	<b>1,263</b>	1,082

#### 12. Lease obligation

	<b>Six months ended December 31, 2025</b>	Year ended June 30, 2025
Balance, beginning of period	<b>18,091</b>	17,628
Adjustment on lease modifications	<b>(47)</b>	(451)
Interest on lease obligation at the effective interest rate of 6.25%	<b>572</b>	1,136
Repayments	<b>(113)</b>	(222)
	<b>18,503</b>	18,091
Current portion of lease obligation	<b>1,022</b>	1,038
Lease obligation	<b>17,481</b>	17,053

The lease obligation relates to a lease agreement signed on October 19, 2018 with Développements Port Saguenay Inc., a subsidiary of the Saguenay Port Authority, for the lease of industrial land in view of the construction of the metallurgical complex to be built.

The lease contract, for a total area of 182,000 square meters, has a duration of 39 years and 11 months. The Company paid a reduced rent during the construction period, which ended on March 31, 2024 as per the lease contract, unless it is renewed by the lessor. The reduced rent was extended by Développements Port Saguenay Inc. in October 2025 for a period of six months.

The following table presents the contractual undiscounted cash flows from lease obligation:

	<b>December 31, 2025</b>
Less than one year	<b>1,069</b>
One to five years	<b>4,495</b>
More than five years	<b>42,719</b>
Total undiscounted lease obligation	<b>48,283</b>

## Strategic Resources Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)

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#### 13. Share capital

##### a) Authorized and issued share capital

The authorized share capital is an unlimited number of common shares without par value.

Issued shares are as follows and are fully paid:

	Number of shares	Amount
Balance, June 30, 2025	59,027,995	231,908
Balance, December 31, 2025	<u>59,027,995</u>	<u>231,908</u>

There was no share issuance during the six months ended December 31, 2025.

##### b) Share Option, Deferred share units (“DSU”) and Restricted share units (“RSU”) Plans

The Company’s Board adopted a 10% rolling share option plan (“SO Plan”) to comply with the TSXV’s updated policy regarding equity compensation plans. In addition, the Company’s Board concurrently adopted a RSU/DSU Plan to allow for the issuance of restricted share units (“RSUs”) and deferred share units (“DSUs”).

The Board of the Company intends to grant share purchase options under the SO Plan, and to grant RSU or DSU awards under the RSU/DSU Plan to provide incentives to directors, officers, employees and consultants of the Company and its subsidiaries. In determining the number of incentives to be granted to each person, the Company will take into account (i) the level of responsibility of the person, (ii) his or her impact or contribution to the longer-term operating performance of the Company, (iii) the number of incentives if any, previously granted to each person, and (iv) the exercise price or vesting criteria of any outstanding incentives to ensure that the interests of the individuals are closely aligned with the interests of shareholders.

The maximum number of shares which may be reserved for issuance of all shares options under the SO Plan and all awards under the RSU/DSU Plan, collectively, will be 10% of the issued and outstanding shares of the Company, from time to time. The SO Plan and the RSU/DSU Plan also provide that the maximum number of common shares which may be reserved for issuance to any individual may not exceed 5% of the outstanding common shares at the time of vesting.

The term and exercise price of the options will be determined by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years and the exercise price shall not be less than the minimum price of options permitted by the TSXV.

Unless otherwise indicated upon grant, DSUs and RSUs shall not vest within the first anniversary of the grant date. Upon vesting, DSUs shall be settled as soon as reasonably practicable following retirement, death or the participant ceasing to be employed, and in any event within 30 days.

## Strategic Resources Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

For the six-month periods ended December 31, 2025 and 2024

(Unaudited)

(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)

#### 13. Share capital (continued)

##### b) Share Option, Deferred share units (“DSU”) and Restricted share units (“RSU”) Plans (continued)

For RSUs/DSUs issued before October 2024, in order to settle a vested unit, the Company shall, at the discretion of the holder, (i) issue one common share of the Company or (ii) pay an amount in cash equal to the fair value of one common share of the Company or (iii) perform a combination of (i) and (ii). For RSUs/DSUs issued after October 2024, in order to settle a vested unit, the Company shall, at its own discretion, (i) issue one common share of the Company or (ii) pay an amount in cash equal to the fair value of one common share of the Company or (iii) perform a combination of (i) and (ii).

##### c) DSU and RSU

The following table summarizes the information related to the RSUs granted by the Company:

	<u>Number of RSUs</u>	Carrying value of RSU liability	Intrinsic value of RSU liability for vested benefits
As at June 30, 2025	628,304	\$ 289	\$289
Change in fair value		(101)	
<b>As at December 31, 2025</b>	<b>628,304</b>	<b>\$ 188</b>	<b>\$188</b>
<b>Exercisable</b>	<b>628,304</b>		

As at December 31, 2025, the Company had the following RSUs outstanding:

Number of RSUs	<u>Vesting date</u>
<u>628,304</u>	July 1, 2024
<b>628,304</b>	

On December 31, 2025, the Company had 628,304 RSUs (June 30, 2025 – 628,304 RSUs) outstanding to employees and directors. As at December 31, 2025, the fair value of the RSUs are classified as liabilities as they can be settled either in cash or shares at the option of the holder and have been revalued at \$188, with a gain on fair value of \$101 recognized in the condensed interim consolidated statement of loss for the six-month ended December 31, 2025.

##### d) Share options

Share options and weighted average exercise prices are as follows for the period ended December 31, 2025:

## Strategic Resources Inc.

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(expressed in thousands of Canadian dollars or other currencies, except for number of equity instruments and per share amounts)

#### 13. Share capital (continued)

##### d) Share options (continued)

	Period ended December 31, 2025	
	Number of options	Weighted average exercise price
Outstanding, beginning of period	3,225,000	1.50
Options granted	-	-
Options exercised	-	-
Options expired	(117,500)	-
Outstanding, end of period	3,107,500	1.50

As at December 31, 2025, the number of the share options outstanding for key management was 2,105,000 (June 30, 2025 – 2,375,000).

The Company has the following outstanding share options as at December 31, 2025:

Number of options	Options outstanding			Options exercisable	
	Expiry date	Weighted average life (years)	Exercise price	Number of options	Exercise price
3,000,000	August 4, 2028	2.59	\$ 1.45	3,000,000	\$ 1.45
16,667	April 14, 2026	0.28	\$ 1.80	16,667	\$ 1.80
90,833	November 16, 2026	0.88	\$ 2.10	90,833	\$ 2.10
3,107,500		2.53	\$ 1.50	3,107,500	\$ 1.50

On August 4, 2023, the Company granted 3,000,000 share options under the Company's share option plan to directors, officers, employees and consultants. Each option entitles the holder to purchase one common share of the Company at a price of \$1.45. The options expire on August 4, 2028 and vest over two years.

The Company used the Black-Scholes Option Pricing Model to estimate a fair value of \$3,031 for these grants, with the following weighted average assumptions:

Share price	\$1.42
Exercise price	\$1.45
Weighted average risk-free interest rate	3.87%
Weighted average expected dividend yield	nil
Weighted average expected share price volatility	90%
Weighted average expected option life in years	5.0 years

For the six-month ended December 31, 2025, the Company recorded a share-based payment expense of \$42 (December 31, 2024: \$342).

## Strategic Resources Inc.

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#### 14. Related party transactions

Key management includes the Company's directors and all executive officers. Compensation awarded to key management includes:

	Three-month period ended		Six-month period ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Management salaries, bonuses and benefits (including capitalized portion)	201	201	435	460
Share-based compensation	–	100	33	267
Consulting fees	141	156	297	312
	<b>342</b>	<b>457</b>	<b>765</b>	<b>1,039</b>

#### 15. Finance expenses, net

	Three-month period ended		Six-month period ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Finance income:				
Interest income from cash and investments	64	83	107	181
Finance expenses:				
Financial costs	5	16	9	34
Interest expense	287	286	572	565
Accretion interest	9	9	18	18
	<b>(301)</b>	<b>(311)</b>	<b>(599)</b>	<b>(617)</b>
<b>Finance expenses, net</b>	<b>(237)</b>	<b>(228)</b>	<b>(492)</b>	<b>(436)</b>

#### 16. Commitments

In the normal course of business, the Company enters into contracts that give rise to commitments. The following table summarizes the Company's contractual obligations:

Year ending June 30:	2026	2027	Total
Operating lease payments	15	–	15
	<b>15</b>	<b>–</b>	<b>15</b>

#### Other commitments

The Company's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to identify, and their impact and duration are difficult to determine. At the date of approval of these condensed interim consolidated financial statements and to the best knowledge of management, the Company is in conformity with the laws and regulations.

## **Strategic Resources Inc.**

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#### **17. Financial instruments and financial risk management objectives and policies**

The Company is exposed to a variety of financial risks by virtue of its activities, including credit risk, interest rate risk, liquidity risk, and foreign currency risk. The Company's objective with respect to risk management is to minimize potential adverse effects on the Company's financial performance. The Company's Board of Directors provides direction and guidance to management with respect to risk management. Management is responsible for establishing controls and procedures to ensure that financial risks are mitigated to acceptable levels.

##### **Fair value**

The carrying values of cash, short-term investments, receivables, restricted investments and payables and accrued liabilities approximate their fair values as at December 31, 2025 and June 30, 2025 due to their immediate or short-term maturity.

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an arm's length transaction between market participants at the measurement date. When appropriate, the Company adjusts the valuation models to incorporate a measure of credit risk.

##### **Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: based on quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: based on inputs which have a significant effect on fair value that are observable, either directly or indirectly from market data; and
- Level 3: based on inputs which have a significant effect on fair value that are not observable from market data.

Fair value information disclosures are not required for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

##### **Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by investing its excess cash in short-term investments with a Canadian chartered bank. The maximum exposure to credit risk at the reporting date is the carrying value of the Company's financial assets.

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#### **17. Financial instruments and financial risk management objectives and policies (continued)**

##### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flows. The risk that the Company will realize a loss as a result of a decline in the fair value of any short-term investments and restricted investments is limited because these investments, although readily convertible into cash, are generally held to maturity. As of December 31, 2025, management estimates that if interest rates had changed by 25 basis point for those funds invested in GICs, assuming all other variables remained constant, the impact on the Company's loss for the six-month period ended December 31, 2025 would have been negligible.

##### **Liquidity risk**

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company is not presently generating any cash inflows from its operating activities. The Company manages its liquidity risk by forecasting cash flow requirements for its planned operating activities as well as its investing and financing activities.

As at December 31, 2025, the Company had current assets of \$3,467 to settle current liabilities of \$2,473, which include payables and accrued liabilities and other short-term obligations. The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation of capital and liquidity (Note 2).

##### **Foreign exchange risk**

The functional currency of the Company and its subsidiaries is the Canadian dollar or Euro. The Company's reporting currency is the Canadian dollar. The carrying amounts of financial assets and financial liabilities denominated in currencies other than the functional currency for each subsidiary are subject to fluctuations in the underlying foreign currency exchange rates. Gains and losses on such items are included as a component of net loss for the period.

The Company is exposed to currency risks arising from fluctuations in foreign exchange rates primarily among the U.S. dollar and Euro and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign exchange and currency risks. The Company's exposure to foreign currency risks on cash balances held in foreign currencies is not expected to be significant.

As at December 31, 2025, the Company had cash denominated in US dollars of US\$1 (June 30, 2025 – US\$106) and in Euro of €21 (June 30, 2025 - €43) and accounts payable denominated in US dollars of US\$1 (June 30, 2025 – US\$115), in Australian dollars of AU\$13 (June 30, 2025 – AU\$Nil) and in Euro of €1 (June 30, 2025 - €9). The impact of any fluctuations in the above foreign currencies is not expected to have a significant effect on results of operations of the Company.

## Strategic Resources Inc.

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#### 18. Policies and processes for managing capital

As at December 31, 2025, the capital of the Company consists of shareholders' equity amounting to \$38,459. The Company's capital management objectives are (a) to ensure it can continue as a going concern and (b) to maximize the value of its assets and returns to its shareholders. These objectives can be achieved by obtaining sufficient capital to execute its development plan and take the projects to production or obtaining sufficient proceeds from their disposal.

The Company expects that its current capital resources will support its activities for the next 12 months and the Company intends to raise such funds as required in order to advance its projects. There is no assurance that the Company will be able to raise additional funds on reasonable terms. The ability of the Company to arrange such financing in the future will depend on the prevailing capital market conditions and its business performance.

The Company is not subject to any external imposed requirements regarding its capital and there were no changes in its approach to capital management during the period ended December 31, 2025.

#### 19. Segment information

##### *Operating segments*

The Company determined that it had one operating segment for all its properties.

##### *Geographical segments*

The Company's non-current assets by geographical area as at December 31 and June 30, 2025 are as follows:

<b>December 31, 2025</b>	Canada	Finland	Total
Exploration and evaluation assets	–	6,790	6,790
Property, plant and equipment	47,920	–	47,920
<b>Total</b>	<b>47,920</b>	<b>6,790</b>	<b>54,710</b>

  

<b>June 30, 2025</b>	Canada	Finland	Total
Exploration and evaluation assets	–	6,744	6,744
Property, plant and equipment	47,640	–	47,640
<b>Total</b>	<b>47,640</b>	<b>6,744</b>	<b>54,384</b>

## **Strategic Resources Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

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#### **20. Contingencies**

##### **Claim by terminated former employees**

On the completion of the restructuring of BlackRock some employees were terminated on June 2, 2022. Following their termination certain employees filed complaints with the Commission des normes, de l'équité, de la santé et de la sécurité du travail ("CNESST") for dismissals made without good and sufficient cause and have requested unspecified compensation. The CNESST complaints have now been withdrawn or settled. In January and July 2025, two former employees filed a claim in small claims court for \$15 each. The claims filed in small claims court have been settled. In March 2025, two former employees filed a claim in superior court for \$506. One of the superior court claims has been settled, while the other claim remains outstanding. Some of the claims were settled after quarter end. The Company is working with its counsel to defend the outstanding application filed in superior court. The Company does not expect the resolution of the remaining claim to have a material adverse effect on the financial position or results of operations of the Company.

#### **21. Subsequent event**

##### **Share option grant**

On January 7, 2026, the Company granted 500,000 share options under the Company's share option plan to a director. Each option entitles the holder to purchase one common share of the Company at a price of \$0.29. The options expire on January 7, 2031 and vest in three tranches over the next three years.