Hercules Metals Corp.

Unaudited Condensed Interim Consolidated Financial Statements

For the Three Months ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

Notice to Reader

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management of Hercules Metals Corp.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Hercules Metals Corp.
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2026 and December 31, 2025
(Expressed in Canadian dollars)

	As at March 31, 2026	As at December 31, 2025
	$	$
Assets		
Current Assets		
Cash and cash equivalents (Note 4)	**8,092,724**	10,532,346
Sales tax recoverable (Note 6)	**35,903**	24,397
Prepaid expenses (Note 7)	**585,440**	166,073
Total Current Assets	**8,714,067**	10,722,816
Non-Current Assets		
Investment (Note 8)	**2,299,935**	2,261,490
Property and equipment (Note 9)	**795,856**	812,009
Total Assets	**11,809,858**	13,796,315
Liabilities		
Accounts payable and accrued liabilities (Notes 10 and 15)	**1,353,450**	1,179,510
Total Liabilities	**1,353,450**	1,179,510
Shareholders' Equity		
Share capital (Note 11)	**67,351,163**	67,289,063
Options reserve (Note 13)	**1,189,363**	1,034,322
RSU reserve (Note 14)	**1,889,766**	1,900,043
Accumulated other comprehensive loss	**(144,463)**	(147,914)
Accumulated deficit	**(59,829,421)**	(57,458,709)
Total Shareholders' Equity	**10,456,408**	12,616,805
Total Liabilities and Shareholders' Equity	**11,809,858**	13,796,315

Nature of operations and going concern (Note 1)
Commitments (Note 17)
Contingencies (Note 22)
Subsequent events (Note 24)

Approved on behalf of the Board of Directors:

"Christopher Paul"
Christopher Paul, Director

"Kelly Malcolm"
Kelly Malcolm, Director

Hercules Metals Corp.
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive loss
For the Three Months ended March 31, 2026 and 2025
(Expressed in Canadian dollars)

	2026	2025
	$	$
Expenses		
Exploration & evaluation expenditures (Notes 17 and 18)	1,987,981	263,928
General and administrative (Notes 15 and 16)	238,552	182,865
Share-based compensation (Notes 13, 14 and 15)	206,864	316,548
Professional fees (Note 15)	131,904	122,888
Depreciation expense (Note 9)	29,402	30,609
Dividend and interest income (Notes 4 and 5)	(70,205)	(79,338)
Foreign exchange (gain) loss	(115,341)	31,737
Total Expenses	2,409,157	869,237
Other Items		
Unrealized gain (loss) on investment (Note 8)	38,445	(1,430)
Total Other Income (Expenses)	38,445	(1,430)
Net Loss	(2,370,712)	(870,667)
Other Comprehensive Loss		
Exchange gain on translation of foreign operations	3,451	16,054
Comprehensive Loss	(2,367,261)	(854,613)
Net Loss per Share – Basic and diluted	(0.01)	(0.00)
Weighted Average Number of Outstanding Shares - Basic and diluted	289,480,921	256,160,401

The accompany notes are an integral part of these unaudited condensed interim consolidated financial statements

Hercules Metals Corp.
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Three Months ended March 31, 2026 and 2025
(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Warrants Reserve	Options Reserve	Restricted Share Units Reserve	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	#	$	$	$	$	$	$	$
Balance, December 31, 2024	**254,163,499**	**46,335,377**	**4,400,042**	**1,044,900**	**1,385,138**	**(226,228)**	**(41,558,930)**	**11,380,299**
Issuance of shares on exercises of warrants (Notes 11 and 12)	3,592,280	1,347,641	(316,685)	-	-	-	-	1,030,956
Issuance of shares on exercises of options (Notes 11 and 13)	757,500	236,563	-	(102,763)	-	-	-	133,800
Share-based compensation (Notes 13 and 14)	-	-	-	71,251	245,298	-	-	316,549
Cancellation of options (Note 13)	-	-	-	(39,730)	-	-	39,730	-
Exchange differences on translating foreign operations	-	-	-	-	-	16,054	-	16,054
Net loss for the period	-	-	-	-	-	-	(870,667)	(870,667)
Balance, March 31, 2025	**258,513,279**	**47,919,581**	**4,083,357**	**973,658**	**1,630,436**	**(210,174)**	**(42,389,867)**	**12,006,991**
Balance, December 31, 2025	**289,410,421**	**67,289,063**	**-**	**1,034,322**	**1,900,043**	**(147,914)**	**(57,458,709)**	**12,616,805**
Issuance of shares on exercises of RSUs (Notes 11 and 14)	135,000	62,100	-	-	(62,100)	-	-	-
Share-based compensation (Notes 13 and 14)	-	-	-	155,041	51,823	-	-	206,864
Exchange differences on translating foreign operations	-	-	-	-	-	3,451	-	3,451
Net loss for the period	-	-	-	-	-	-	(2,370,712)	(2,370,712)
Balance, March 31, 2026	**289,545,421**	**67,351,163**	**-**	**1,189,363**	**1,889,766**	**(144,463)**	**(59,829,421)**	**10,456,408**

The accompany notes are an integral part of these unaudited condensed interim consolidated financial statements

Hercules Metals Corp.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the Three Months ended March 31, 2026 and 2025
(Expressed in Canadian dollars)

	2026	2025
	$	$
Operating Activities		
Net loss for the period	**(2,370,712)**	(870,667)
Items not affecting cash:		
Interest earned on short-term investments (Note 5)	**-**	(79,338)
Unrealized (gain) loss on investment (Note 8)	**(38,445)**	1,430
Depreciation expense (Note 9)	**29,402**	30,609
Share-based compensation (Notes 13 and 14)	**206,864**	316,548
Foreign exchange loss	**-**	8,351
	(2,172,891)	(593,067)
Change in working capital items:		
Sales tax recoverable	**(11,506)**	4,747
Prepaid expenses	**(419,367)**	(268,682)
Accounts payable and accrued liabilities	**173,940**	(504,507)
Cash Flows (used in) Operating Activities	**(2,429,824)**	(1,361,509)
Financing Activities		
Proceeds from exercise of warrants (Notes 11 and 12)	**-**	985,956
Proceeds from exercise of stock options (Notes 11 and 13)	**-**	133,800
Cash Flows provided by Financing Activities	**-**	1,119,756
Investing Activities		
Redemption of short-term investments (Note 5)	**-**	357,380
Cash Flows provided by Investing Activities	**-**	357,380
(Decrease) increase in cash and cash equivalents	**(2,429,824)**	115,627
Effect of foreign exchange on cash and cash equivalents	**(9,798)**	14,024
Cash and cash equivalents, beginning of period	**10,532,346**	608,283
Cash and cash equivalents, end of period	**8,092,724**	737,934

The accompany notes are an integral part of these unaudited condensed interim consolidated financial statements

1. Nature of Operations and Going Concern

Hercules Metals Corp. ("Hercules Metals" or the "Company") is incorporated under the *Business Corporations Act (Ontario)* with its registered office located at 100 King Street West, Suite 1600, Toronto, Ontario, M5X 1G5, Canada. The Company is an exploration company focused on developing North America's newest porphyry copper district in Idaho, United States (the "U.S."). Its 100% owned Hercules Project (the "Hercules Property") located northwest of Cambridge, hosts the newly discovered Leviathan porphyry copper system, one of the most important new discoveries in the region to date. The Company's common shares are listed on the TSX Venture Exchange (the "TSXV") under the symbol "BIG", on the OTCQB Venture Market under the symbol "BADEF", and on the Frankfurt Stock Exchange under the symbol "C0X".

The business of exploring for minerals involves a high degree of risk, and there can be no assurance that the Company's current exploration programs will result in profitable mining operations. This is dependent upon the discovery of economically recoverable reserves, the ability of the Company to raise additional financing, the achievement of profitable operations or, alternatively, upon the Company's ability to dispose of its interests on an advantageous basis.

These unaudited condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of operations. The Company's viability depends upon the acquisition and financing of mineral exploration or other projects. If mineral projects are to be successful, additional funds will be required for development and, if warranted, to place them into commercial production. The sources of financing presently available to the Company are equity financing. The ability of the Company to raise new funds will depend, in part, on prevailing market conditions as well as the operating performance of the Company. There can be no assurance that the Company will be successful in securing the necessary financing, if needed, on terms satisfactory to the Company. If additional financing is arranged through the issuance of shares, control of the Company may change, and shareholders may suffer significant dilution.

As at March 31, 2026, the Company had accumulated losses of $59,829,421 (December 31, 2025 – $57,458,709). As at March 31, 2026, the Company had available working capital of $7,360,617 (December 31, 2025 – $9,543,306), including a cash and cash equivalents balance of $8,092,724 (December 31, 2025 – $10,532,346), which it can deploy to fulfill financial requirements through May 2027. Nevertheless, it is not possible to predict whether financing efforts will continue to be successful in the future or if the Company will attain profitable levels of operations. These conditions, including the volatile and speculative nature of the mining business, represent material uncertainties which may cast significant doubt on the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such adjustments could be material.

2. Basis of Presentation

(a) Statement of Compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board ("IASB") and IFRIC® Interpretations of the IFRS Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34 – Interim Financial Reporting ("IAS 34").

These unaudited condensed interim consolidated financial statements were reviewed, approved, and authorized for issuance by the Board of Directors (the "Board") of the Company on May 28, 2026.

(b) Basis of Measurement

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards, based on the historical cost basis, modified by the measurement at fair value of certain financial instruments. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(Expressed in Canadian dollars)

2. Basis of Presentation (continued)

(c) Basis of Consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, as follows:

Name	Jurisdiction	Percentage Owned
Hercules Metals Corp.	Ontario, Canada	100%
1218530 B.C. Ltd.	British Columbia, Canada	100%
Anglo-Bomarc, U.S., Inc.	Idaho, U.S.	100%
Frontier Metals LLC [1]	Idaho, U.S.	100%

[1] Dissolved on August 13, 2025.

These unaudited condensed interim consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

(d) Functional Currency

The functional and presentation currency of the Company and its Canadian subsidiaries is the Canadian dollar ("$" or "CAD"). The functional currency of the Company's U.S. subsidiaries is the U.S. dollar ("USD"). The functional currency is the currency of the primary economic environment in which the Company operates.

(e) Use of Accounting Judgments and Estimates

The preparation of these unaudited condensed interim consolidated financial statements in conformity with IFRS® Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, and expenses. These are consistent with those disclosed in Note 2(e) of the Company's audited consolidated financial statements for the years ended December 31, 2025 and 2024, unless otherwise noted.

3. Summary of Material Accounting Policies

The material accounting policies applied by the Company in these unaudited condensed interim consolidated financial statements are the same as those disclosed in Note 3 of the Company's audited consolidated financial statements for the years ended December 31, 2025 and 2024, unless otherwise noted.

(a) Adoption of New Accounting Policies

The Company adopted the following amendments, effective January 1, 2026. The changes were made in accordance with the applicable transitional provisions. The Company had assessed that there was no material impact upon the adoption of these amendments on its consolidated financial statements:

IFRS 9 – Financial Instruments ("IFRS 9") and IFRS 7 – Financial Instruments: Disclosures ("IFRS 7")

In May 2024, the IASB issued narrow scope amendments to IFRS 9 and IFRS 7. The amendments were incorporated into Part I of the CPA Canada Handbook – Accounting in October 2024. The amendments provide clarification that a financial liability is derecognized on the 'settlement date', i.e., the date on which the liability is extinguished as the obligation specified in the contract is discharged or cancelled or expired and provide an accounting policy option to derecognize a financial liability that is settled in cash using an electronic payment system before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option shall apply it to all settlements made through the same electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets with contingent features, including environmental, social and corporate governance (ESG) linked features and clarify that, for a financial asset to have 'non-recourse' features, the entity's ultimate right to receive cash flows must be contractually limited to the cash flows generated by specified assets. The amendments also include factors that an entity should consider when assessing the cash flows underlying a financial asset with non-recourse features (the 'look through' test), clarify the characteristics of the contractually linked instruments that distinguish them from other transactions; and add new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and financial instruments that have certain contingent features. In applying the amendments, an entity is not required to restate comparative periods.

(Expressed in Canadian dollars)

3. Summary of Material Accounting Policies (continued)

(b) Recent Accounting Pronouncements

At the date of authorization of these unaudited condensed interim consolidated financial statements, the IASB and the IFRIC have issued the following amendments which are effective for annual periods beginning on or after January 1, 2027. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is assessing the impacts to ensure that all information complies with these standards.

IFRS 18 – Presentation and Disclosure of Financial Statement ("IFRS 18")

In April 2024, the IASB issued the new standard of IFRS 18. The standard aims to bring more transparency and comparability to the financial performance of companies, enabling investors to make better investment decisions. IFRS 18 introduces three sets of new requirements: improved comparability of the profit or loss statement (statement of income), improved transparency of management-defined performance measures, and more useful grouping of information in financial statements. IFRS 18 will replace IAS 1 – Presentation of Financial Statements.

4. Cash and Cash Equivalents

As at March 31, 2026, the Company had total cash and cash equivalents of $8,092,724, including a balance of $5,998,723 invested in high interest savings funds (the "High Interest Savings Funds") (December 31, 2025 – $10,532,346, including a balance of $6,875,335 invested in the High Interest Savings Funds, and a balance of $2,664,318 invested in certain guaranteed investment certificates ("GICs") with a maturity of less than three months).

During the three months ended March 31, 2026, dividend income of $54,722 (2025 – $nil) was received and reinvested into the High Interest Savings Funds, and interest income of $15,483 (2025 – $nil) was received on the GICs, respectively

5. Short-Term Investments

As at March 31, 2025, the Company had invested in various GICs with maturity ranging between six months to one year valued at $8,422,979, which were measured at amortized cost. During the three months ended March 31, 2025, interest income of $79,338 was received on these short-term GICs, and the Company also redeemed these short-term GICs for total proceeds of $375,380.

6. Sales Tax Recoverable

As at March 31, 2026, the Company's sales tax recoverable balance comprises amounts in respect of Harmonized Sales Tax refunds. Subsequent to period-end, the Company received these amounts in full.

7. Prepaid Expenses

As at March 31, 2026 and December 31, 2025, the Company's prepaid expenses are comprised of the following items:

	March 31, 2026	December 31, 2025
	$	$
Prepaid insurance	**20,499**	29,143
Advances made to suppliers	**27,358**	11,128
Advances made to suppliers related to E&E activities	**537,583**	125,802
	585,440	166,073

8. Investment

On July 28, 2023, the Company participated in a private placement investment (the "Investment") and acquired a minority interest in Scout Discoveries Corp. ("Scout Discoveries"), a mineral exploration company with a 100% interest in four precious and base metals projects based in Idaho, U.S. The Company subscribed for 500,000 shares of Scout Discoveries for a sum of $340,425 (USD $250,000). On November 14, 2023, the Company participated in a second round of the Investment and subscribed for an additional 600,000 shares of Scout Discoveries for a sum of $426,990 (USD $300,000). These Investments were recorded at fair value at initial recognition.

(Expressed in Canadian dollars)

8. Investment (continued)

As at March 31, 2026, the Company holds 1.1 million shares of Scout Discoveries, representing approximately 2.7% of Scout Discoveries (December 31, 2025 – approximately 2.7%).

As at March 31, 2026, the Investment in Scout Discoveries was recorded at a fair value of $2.299.935 based on the subscription price of a private placement financing which closed on December 31, 2025 (December 31, 2025 – $2,261,490). As a result of the fluctuation of the USD currency versus the CAD at period-end, an unrealized gain of $38,445 was recorded on the unaudited condensed interim consolidated statements of loss and comprehensive loss during the three months ended March 31, 2026 (2025 – unrealized loss of $1,430 due to changes in foreign exchange).

Subsequent to period-end, the Company entered into a share purchase agreement (the “SPA”) with an arms’ length third-party (the “Purchaser”) to sell the Investment in Scout Discoveries (see Note 24 for more details).

9. Property and Equipment

	Building	Leasehold improvements	Drilling Equipment	Trailer Equipment	Vehicle	**Total**
	$	$	$	$	$	**$**
Cost						
December 31, 2024	1,030,524	24,529	35,438	7,542	7,195	1,105,228
Effect of FX on translation	(931)	(22)	-	-	(7)	(960)
March 31, 2025	**1,029,593**	**24,507**	**35,438**	**7,542**	**7,188**	**1,104,268**
Accumulated depreciation						
December 31, 2024	103,053	4,230	19,688	2,137	1,319	130,427
Depreciation expense	25,697	1,223	2,953	377	359	30,609
Effect of FX on translation	(50)	(2)	-	-	(1)	(53)
March 31, 2025	**128,700**	**5,451**	**22,641**	**2,514**	**1,677**	**160,983**
	$	$	$	$	$	**$**
Net Book Value						
March 31, 2025	**900,893**	**19,056**	**12,797**	**5,028**	**5,511**	**943,285**

	Building	Leasehold improvements	Drilling Equipment	Trailer Equipment	Vehicle	**Total**
	$	$	$	$	$	**$**
Cost						
December 31, 2025	981,608	23,365	35,438	7,542	6,853	1,054,806
Effect of FX on translation	16,687	397	-	-	117	17,201
March 31, 2026	**998,295**	**23,762**	**35,438**	**7,542**	**6,970**	**1,072,007**
Accumulated depreciation						
December 31, 2025	196,322	8,702	31,501	3,645	2,627	242,797
Depreciation expense	24,560	1,169	2,953	377	343	29,402
Effect of FX on translation	3,735	167	-	-	50	3,952
March 31, 2026	**224,617**	**10,038**	**34,454**	**4,022**	**3,020**	**276,151**
	$	$	$	$	$	**$**
Net Book Value						
December 31, 2025	785,286	14,663	3,937	3,897	4,226	812,009
March 31, 2026	**773,678**	**13,724**	**984**	**3,520**	**3,950**	**795,856**

(Expressed in Canadian dollars)

10. Accounts Payable and Accrued Liabilities

	March 31, 2026	December 31, 2025
	$	$
Trade payables	**831,242**	797,534
Accrued liabilities	**522,208**	381,976
	1,353,450	1,179,510

Accounts payable and accrued liabilities of the Company are composed primarily of amounts outstanding for trade purchases incurred in the normal course of business.

11. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value. Common shares issued and outstanding for the periods ended March 31, 2026 and 2025 are as follows:

Share capital transactions for the three months ended March 31, 2025

During the three months ended March 31, 2025, the Company issued 3,592,280 common shares as a result of the exercise of warrants (each a “Warrant”) for total cash proceeds of $1,030,956. Including proceeds of $45,000 which were received subsequent to March 31, 2025.

During the three months ended March 31, 2025, the Company also issued 757,500 common shares as a result of the exercise of stock options for total cash proceeds of $133,800.

Share capital transactions for the three months ended March 31, 2026

During the three months ended March 31, 2026, the Company issued 135,000 common shares as a result of the exercises of restricted share units (each a “RSU”). The fair value of these RSUs was estimated to be $62,100.

12. Warrants

Warrants activities for the three months ended March 31, 2025

During the three months ended March 31, 2025, 3,592,280 Warrants were exercised for total cash proceeds of $1,030,956, of which $45,000 was received subsequent to period-end. An amount of $316,685, representing the grant date fair value of these Warrants was transferred to share capital upon the exercises.

13. Stock Options

The Company previously had a stock option plan (the “Stock Option Plan”) for qualified directors, officers, employees, and consultants of the Company (the “Eligible Participants”). The Stock Option Plan provided for the granting of options up to 10% of its issued and outstanding common shares. The designation of Eligible Participants, number of options, exercise price and vesting provisions of awards under the Stock Option Plan was determined by the Board at the time of issuance.

On July 15, 2022, shareholders of the Company approved a new omnibus incentive plan (the “Omnibus Plan”), and the Company will no longer be issuing options pursuant to the Stock Option Plan. The Stock Option Plan will remain in force and effect solely for the purposes of governing previously existing options granted thereunder. The Omnibus Plan provides for the issuance of options and RSUs to Eligible Participants. Pursuant to the terms and conditions of the Omnibus Plan, the maximum amount of the Company’s common shares reserved for issuance is limited to 29,341,745 common shares less any other common shares reserved for issuance pursuant to other securities-based compensation arrangements.

(Expressed in Canadian dollars)

13. Stock Options (continued)

The following summarizes the option activities for the three months ended March 31, 2026 and 2025:

	2026		2025	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
	#	**$**	#	$
Outstanding, beginning of period	**4,415,000**	**0.39**	4,872,500	0.28
Granted	**1,325,000**	**0.64**	175,000	0.72
Exercised	**-**	**-**	(7,500)	0.09
Exercised	**-**	**-**	(625,000)	0.17
Exercised	**-**	**-**	(125,000)	0.215
Cancelled	**-**	**-**	(625,000)	0.17
Outstanding, end of period	**5,740,000**	**0.45**	3,665,000	0.33

Options activities for the three months ended March 31, 2025

On February 17, 2025, 625,000 options exercisable at $0.17 were cancelled. An amount of $39,730, representing the share-based compensation ("SBC") previously recognized on these options, was reallocated to accumulated deficit upon the cancellation.

On March 19, 2025, the Company granted 175,000 stock options to an officer. The options are exercisable at a price of $0.72 per common share for a period of five years. The options vest 25% at each six-month anniversary from grant up to March 19, 2027. The options were valued using the Black-Scholes valuation model ("Black-Scholes") with the following assumptions: expected volatility of 114% based on comparable companies, expected dividend yield of 0%, risk-free interest rate of 2.66% and an expected life of five years. The grant date fair value attributable to these options was $101,919, of which $12,763 was recorded as SBC in connection with the vesting of options during the three months ended March 31, 2026 (2025 – $2,994).

Options activities for the three months ended March 31, 2026

On March 18, 2026, the Company granted 1,325,000 stock options to certain officers and consultants. The options are exercisable at a price of $0.64 per common share for a period of five years. The options vest 25% at each six-month anniversary from grant up to March 18, 2028. The options were valued using Black-Scholes with the following assumptions: expected volatility of 103% based on historical share price, expected dividend yield of 0%, risk-free interest rate of 3.01% and an expected life of five years. The grant date fair value attributable to these options was $626,778, of which $23,149 was recorded as SBC in connection with the vesting of options during the three months ended March 31, 2026.

In total, SBC of $155,041 was recorded in connection with the vesting of options during the three months ended March 31, 2026 (2025 – $71,251).

The following table summarizes information of stock options outstanding and exercisable as at March 31, 2026:

Date of expiry	**Number of options outstanding**	**Number of options exercisable**	**Exercise price**	**Weighted average remaining contractual life**
	#	**#**	**$**	**Years**
July 27, 2027	500,000	500,000	0.09	1.32
March 1, 2028	750,000	750,000	0.265	1.92
May 22, 2028	1,000,000	1,000,000	0.17	2.15
August 2, 2028	90,000	90,000	0.0833	2.34
June 24, 2029	200,000	150,000	0.72	3.24
July 30, 2029	500,000	500,000	0.62	3.33
March 19, 2030	175,000	87,500	0.72	3.97
June 9, 2030	200,000	50,000	0.68	4.19
December 17, 2030	1,000,000	-	0.60	4.72
March 18, 2031	1,325,000	-	0.64	4.97
	5,740,000	**3,127,500**	**0.45**	**3.42**

(Expressed in Canadian dollars)

14. Restricted Share Units

No RSUs were granted during the three months ended March 31, 2026 and 2025. In total, SBC of $51,823 was recorded in connection with the vesting of RSUs the three months ended March 31, 2026 (2025 – $245,298).

As at March 31, 2026, the Company had a total of 2,666,000 RSUs outstanding (December 31, 2025 – 2,801,000 RSUs).

15. Related Party Transactions and Balances

In accordance with IAS 24 – Related Party Disclosures, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. The remuneration of directors and key executives is determined by the compensation committee of the Board.

Remuneration to key management personnel and directors

The remuneration of directors and other members of key management personnel during the three months ended March 31, 2026 and 2025 were as follows:

	2026	2025
	$	$
Consulting fees, salaries and wages included in G&A expenses	**37,500**	21,875
Consulting fees, salaries and wages included in E&E expenditures	**95,001**	65,625
Professional fees	**83,551**	59,778
	216,052	147,278

During the three months ended March 31, 2026, Clearwater Resources Inc. (“Clearwater”), an entity controlled by the Chief Executive Officer (“CEO”) and also a director of Hercules Metals, charged fees of $15,000 (2025 – $21,875), for services provided to the Company, which are included in consulting fees, salaries and wages under general and administrative (“G&A”) expenses (see Note 16). During the period, Clearwater also charged fees of $45,000 (2025 – $65,625) which are included in exploration and evaluation (“E&E”) expenditures. As at March 31, 2026, $27,321 (December 31, 2025 – $23,389) owing to Clearwater was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended March 31, 2026, the Company’s non-executive directors received fees of $22,500 (2025 – $nil) as consideration for their services provided, which are included in consulting fees, salaries and wages under G&A expenses. As at March 31, 2026, no fees were owed to any of the directors (December 31, 2025 – $nil).

During the three months ended March 31, 2026, Hume Exploration Services (“Hume Exploration”), an entity controlled by the VP of Exploration of Hercules Metals, charged fees of $50,001 (2025 – $nil), for services provided to the Company, which are included in E&E expenditures. As at March 31, 2026, $24,567 (December 31, 2025 – $16,667) owing to Hume Exploration was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended March 31, 2026, Gowling WLG (Canada) LLP (“Gowling”), a law firm in which a director of the Company is also a partner, charged fees of $53,551 (2025 – $29,778) for legal services provided, which are included in professional fees. As at March 31, 2026, $55,020 (December 31, 2025 – $9,050) owing to Gowling was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

During the three months ended March 31, 2026, Blueknight Advisory Services Inc. (“Blueknight”), where the Chief Financial Officer (“CFO”) and Corporate Secretary of Hercules Metals is the principal, charged professional fees of $30,000 (2025 – $30,000) for CFO and accounting services provided to the Company, which are included in professional fees. As at March 31, 2026, $11,508 (December 31, 2025 – $11,481) owing to Blueknight was included in accounts payable and accrued liabilities. The amount outstanding is unsecured, non-interest bearing and due on demand.

Other related party transactions

During the three months ended March 31, 2026, the Company recorded SBC of $143,323 in connection with the vesting of options previously granted to its officers and directors (2025 – $5,135). SBC of $48,425 was also recorded in connection with the vesting of RSUs previously granted to its officers and directors (2025 – $213,861).

(Expressed in Canadian dollars)

16. General and Administrative Expenses

The Company's G&A expenses for the three months ended March 31, 2026 and 2025 were comprised of the following:

	2026	2025
	$	$
Business development	**39,085**	73,297
Office and general	**81,472**	23,932
Consulting fees, salaries and wages	**56,017**	27,291
Filing fees	**43,167**	42,242
Insurance	**18,811**	16,103
	238,552	182,865

17. Property Option Agreements

Lease Option Agreement

On September 27, 2023, the Company entered into the Lease Option Agreement between the Company, Anglo-Bomarc, and a local prospector (the "Lessor"), which grants Hercules Metals the option to acquire a 100% interest in a mineral property, comprising 87 unpatented lode mining claims within the Mineral mining district (the "Property") located on Bureau of Land Management-administered lands, 14 miles southwest of the Hercules Property.

Pursuant to the terms and subject to the conditions of the Lease Option Agreement, the Company is required to make lease payments in accordance with the following schedule:

Payment Date	Cash Payments	Share Consideration	Status
Within five business days of TSXV Approval	USD $100,000	USD $nil	Paid
September 27, 2024	USD $60,000	USD $60,000	Paid
September 27, 2025	USD $70,000	USD $70,000	Paid
September 27, 2026	USD $80,000	USD $80,000	Outstanding
September 27, 2027	USD $80,000	USD $80,000	Outstanding
September 27, 2028	USD $80,000	USD $80,000	Outstanding
September 27, 2029	USD $80,000	USD $80,000	Outstanding
September 27, 2030	USD $80,000	USD $80,000	Outstanding

Upon execution of the Lease Option Agreement, the Company shall also pay the annual maintenance fees for the claims. The Lease Option Agreement provides the Lessee with certain rights, including but not limited to, the right to access, enter, occupy, improve, explore, use, market, sell and dispose mineral and mineral substances on or from the Property.

At any time prior to the eighth anniversary of the Lease Option Agreement, the Lessee has the right to purchase the Property for an aggregate of USD $3 million (the "Option"), comprised of USD $1.5 million in cash and common shares equal to USD $1.5 million at a deemed value per common share equal to the 10-day VWAP of the common shares on the TSXV on the day preceding the delivery of the common shares to Lessor pursuant to the Option. In the event that the Option is exercised, the Lessee will receive credit for all lease payments previously made pursuant to the Lease Option Agreement, which will serve to reduce the cash and common share value owed upon potential exercise of the Option.

At the conclusion of the eight-year term, if the Lessee elects not to purchase the Property pursuant to the Option, then the Lessee has the sole and exclusive right and discretion to continue to lease the Property by providing the Lessor with: (i) annual lease payments of USD $160,000, and a 2% net smelter royalty ("NSR") from the sale of all minerals on the Property.

In the event that the Lessee pays an aggregate total of USD $2,000,000 in royalties, then the Lessee may reduce the royalty rate to 1% upon payment of a one-time lump sum of USD $1,000,000 to Lessor. Thereafter, Lessor shall receive a 1% NSR royalty for production on any or all unpatented claims within the Property. If Lessee does not elect to "buy down" the Royalty, then Lessor shall receive a 2% NSR for production on any or all unpatented claims within the Property.

(Expressed in Canadian dollars)

17. Property Option Agreements (continued)

Mineral Lease Agreement

On March 1, 2025, Anglo-Bomarc entered into a 20-year mineral lease agreement (the "Mineral Lease") with the Idaho Department of Lands (the "IDL") to explore, develop and mine metallic minerals on approximately 7,669 acres of state-owned land adjacent to the Hercules Property, and 640 acres adjacent to its nearby mineral property.

The Mineral Lease has a primary term of 20 years, commencing on March 1, 2025, and expiring on February 28, 2045, with the potential to extend the Mineral Lease beyond its initial term, subject to Idaho law and a negotiated extension agreement with the IDL. Under the terms of the Mineral Lease, Anglo-Bomarc will pay an annual rental fee of USD $24,927, which will increase by 3% each year over the 20-year lease term. Anglo-Bormac will remit a 5% NSR on any minerals produced from the leased area.

To incentivize production, minimum annual royalty amounts are due each year, regardless of if the Mineral Lease has reached production, starting at USD $20,000 per year for the first five years of the agreement, increasing to USD $30,000 in years 6-10, USD $70,000 in years 11-15, and USD $100,000 in years 16-20. If production occurs, the production royalty payments can be credited against the minimum annual royalty for that year.

Pursuant to the terms of the Mineral Lease, the Company is required to make annual rental fees and royalty payments to the IDL in accordance with the following schedule:

Payment Date	Rental Fees	Royalty Payments	Status
March 1, 2025	USD $24,927	USD $20,000	Paid
March 1, 2026	USD $25,675	USD $20,000	Paid
March 1, 2027	USD $26,445	USD $20,000	Outstanding
March 1, 2028	USD $27,238	USD $20,000	Outstanding
March 1, 2029	USD $28,056	USD $20,000	Outstanding
March 1, 2030	USD $28,987	USD $30,000	Outstanding
March 1, 2031	USD $29,764	USD $30,000	Outstanding
March 1, 2032	USD $30,657	USD $30,000	Outstanding
March 1, 2033	USD $31,577	USD $30,000	Outstanding
March 1, 2034	USD $32,524	USD $30,000	Outstanding
March 1, 2035	USD $33,500	USD $70,000	Outstanding
March 1, 2036	USD $34,505	USD $70,000	Outstanding
March 1, 2037	USD $35,540	USD $70,000	Outstanding
March 1, 2038	USD $36,606	USD $70,000	Outstanding
March 1, 2039	USD $37,704	USD $70,000	Outstanding
March 1, 2040	USD $38,835	USD $100,000	Outstanding
March 1, 2041	USD $40,001	USD $100,000	Outstanding
March 1, 2042	USD $41,201	USD $100,000	Outstanding
March 1, 2043	USD $42,437	USD $100,000	Outstanding
March 1, 2044	USD $43,710	USD $100,000	Outstanding

Strategic Option Agreement

On August 18, 2025, the Company completed the closing (the "Closing") of a strategic option agreement (the "Strategic Option Agreement") with Anglo-Bomarc and BGE, a wholly-owned U.S. subsidiary of Barrick to lead a consolidated district-scale exploration strategy and earn a 100% interest (the "Barrick Option") in over 74,000 acres of unpatented mining claims (the "Olympus Claims") surrounding the Hercules Property and the flagship Leviathan porphyry discovery in western Idaho. In exchange, Barrick will increase its equity position in the Company.

Pursuant to the Strategic Option Agreement, Hercules will make staged payments, either through issuance of common shares, or cash, at its election (the "Option Payments"), to BGE or its designee totaling $8 million, over three years. On exercise of the Strategic Option Agreement, Anglo-Bomarc will grant BGE a NSR of 1% on the Olympus Claims, which can be bought back and reduced to 0.25%.

(Expressed in Canadian dollars)

17. Property Option Agreements (continued)

Strategic Option Agreement (continued)

The Company has the Barrick Option to earn a 100% interest in the Olympus Claims, subject to the NSR Royalty, by issuing common shares to BGE or its designee according to the following schedule:

Payment Date	Option Payments (VWAP C$)*	Status
Upfront within 5 days of receipt of TSXV Approval	2,000,000	Issued
Unless Hercules terminates the option in advance of an anniversary, The Company will issue:		
First Anniversary	2,000,000	Outstanding
Second Anniversary	2,000,000	Outstanding
Third Anniversary	2,000,000	Outstanding

* *The Option Payments issuable pursuant to the Agreement will be: (i) for the first payment, equal to the greater of the 5-day VWAP of the Company's common shares on the TSXV prior to the issuance, and the price reflecting the maximum permitted discount for the common shares under the rules of the TSXV; and (ii) for the remaining Option Payments, equal to the greater of the 10-day VWAP of the common shares on the TSXV prior to each issuance, and the price reflecting the maximum permitted discount for the common shares under the rules of the TSXV.*

During the term of the Strategic Option Agreement, the Company may elect to deliver cash payments to BGE, in lieu of share issuances, for the Option Payments. In addition, the Company has the right to accelerate its exercise of the option by making all of the Option Payments at any time. The Company shall also reimburse BGE for dollar amounts required by the United States Bureau of Land Management and recorders for the counties in which the Olympus Claims are located, to maintain the claims in good standing and record annual notices of intent to hold, for each relevant assessment year.

On exercise of the Strategic Option Agreement, Anglo-Bomarc, will also grant BGE a 1% NSR from the sale of all mineral products on the Olympus Claims, of which ¾ (0.75% NSR) can be repurchased for a one-time lump sum payment of USD $7.5 million to BGE, reducing the overall NSR to 0.25%.

In connection with the Closing and as the first payment under the terms of the Strategic Option Agreement, the Company has issued 2,681,427 Shares to Barrick at a deemed price of $0.74587136, being the 5-day VWAP of the common shares of Hercules on the TSXV prior to the issuance.

Lease with Option to Purchase Agreement

On March 24, 2026, the Company announced that Anglo-Bomarc has entered into a definitive real property lease with option to purchase agreement (the "Agreement") with an arm's length private landowner, to secure an additional 1,473 acres of private land (the "Private Property"), contiguous with the Hercules Property.

Pursuant to the Agreement, Anglo-Bomarc has been granted an eight-year lease over the Private Property, together with an exclusive option to acquire a 100% interest in the Private Property. In consideration for the rights granted under the Agreement, the Company will make annual lease payments of USD $125,000, payable in advance at the commencement of each lease year. The first annual lease payment, made on March 25, 2026, was recorded as property acquisition costs under E&E expenditures, on the unaudited condensed interim consolidated statements of loss and comprehensive loss.

The Agreement may be terminated by Anglo-Bomarc at any time, upon 30 days' written notice, subject to the satisfaction of any outstanding obligations, including reclamation. The lease grants Anglo-Bomarc the exclusive right to conduct mineral exploration activities on the Private Property during the term of the lease, including drilling and geophysical surveys.

The Agreement also provides Anglo-Bomarc with the exclusive and irrevocable option to purchase the Private Property at any time during the lease term at fair market value, subject to a minimum purchase price of USD $4.5 million and a maximum purchase price of USD $5.8 million. The purchase price will be determined through an independent appraisal process, whereby each party appoints a qualified appraiser, with provisions for a third appraisal in the event of a material variance.

(Expressed in Canadian dollars)

18. Exploration and Evaluation Expenditures

The Company's E&E expenditures incurred for the three months ended March 31, 2026 and 2025 were comprised of the following:

	2026	2025
	$	$
Claims maintenance	**6,456**	-
Geological work and technical studies	**64,988**	-
Exploration drilling	**1,729,660**	261,536
Minimum lease and royalty payment	**15,414**	2,392
Property acquisition costs	**171,463**	-
	1,987,981	263,928

19. Capital Management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the development of its planned business activities. The Board of the Company does not establish quantitative return on capital criteria for management but rather relies on the expertise of management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's approach for managing capital since the Company's last reporting period.

The Company considers its capital to be shareholders' equity, which is comprised of share capital, warrants reserve, options reserve, RSUs reserve, accumulated other comprehensive loss, and accumulated deficit. As at March 31, 2026, the Company's capital consisted of a balance of $10,456,408 (December 31, 2025 – $12,616,805).

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and obtain sufficient funding to further the development of its business. The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numerical target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising capital in this manner.

The Company is not subject to externally imposed capital requirements.

20. Financial Instruments

The Company is exposed to various risks as it relates to financial instruments. Management, in conjunction with the Board, mitigates these risks by assessing, monitoring and approving the Company's risk management process. There have not been any changes in the nature of these risks or the process of managing these risks from the previous reporting periods.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and short-term investments, which expose the Company to credit risk should the borrower default on the maturity of the instruments. Cash and cash equivalents and short-term investments are held with reputable Canadian chartered banks and financial institutions, which are closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents and short-term investments is minimal.

The Company's second exposure to credit risk is on receivables. At each reporting period, management assesses the credit risk of its receivables balance. As the Company does not currently have any trade receivable, management believes that the credit risk concentration with respect to trade receivable is minimal.

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's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company.

20. Financial Instruments (continued)

Liquidity risk (continued)

The Company generates cash flow primarily from its financing activities. The Company endeavors to have sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot be reasonably predicted. As at March 31, 2026, the Company had a cash and cash equivalents balance of $8,092,724 (December 31, 2025 – $10,532,346), to settle current liabilities of $1,353,450 (December 31, 2025 – $1,179,510).

The following table summarizes the carrying amount and the contractual maturities of both the interest and principal portion of significant financial liabilities as at March 31, 2026:

	Carrying amount	Year 1	Year 2 to 3	Year 4 to 5
	$	$	$	$
Accounts payable and accrued liabilities	1,353,450	1,353,450	-	-

The Company manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasts and actual cash flows for a rolling period of 12 months to identify financial requirements. Where insufficient liquidity may exist, the Company may pursue various debt and equity instruments for short or long-term financing of its operations. Management believes there will be sufficient capital to meet short-term business obligations, after taking into account cash flow requirements from operations and the Company's cash and cash equivalents position as at March 31, 2026.

Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices.

Price risk

The Company is exposed to price risk with respect to commodity prices. Price risk is remote since the Company is not a producing entity.

Foreign exchange risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. As the Company's E&E activities are primarily based in the U.S., it is exposed to foreign exchange risk with respect to USD. The Company raises funds in CAD for its operations in the U.S. Foreign exchange risk arises on cash and trade payables from operations in the U.S. The Company believes that its results of operations and cash flows would be affected by a sudden change in foreign exchange rates. The Company mitigates this risk by maintaining sufficient USD-denominated cash to meet its USD-denominated obligations.

As at March 31, 2026, the Company had the following USD assets and liabilities in Canadian dollars:

	March 31, 2026
	$
Cash and cash equivalents	**5,235,134**
Accounts payable and accrued liabilities	**(712,133)**
Net Exposure to USD	**4,523,001**

Had the value of the USD increased or decreased by 10%, the net loss and comprehensive loss for the three months ended March 31, 2026 would have increased or decreased by approximately $452,300, as a result of this exposure.

20. Financial Instruments (continued)

Fair value

Fair value estimates of financial instruments are made at a specific point in time based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. The Company's financial instruments consist of cash and cash equivalents, short-term investments, the Investment in Scout Discoveries, and accounts payable and accrued liabilities. The fair value of the Company's cash and cash equivalents, short-term investments, and accounts payable and accrued liabilities approximates to their carrying value due to their short-term nature.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

As at March 31, 2026, the Company's financial instruments carried at a fair value of $2,299,935 consisted of the Investment in Scout Discoveries, which have been classified as Level 2 (December 31, 2025 – $2,261,490).

21. Segmented information

The Company has one operating segment focused on the exploration and development of the Leviathan and Hercules Properties in Idaho, U.S.

22. Contingencies

The Company's E&E activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. As at March 31, 2026, the Company believes its operations are materially in compliance with all applicable laws and regulations. The Company expects to make future expenditures to comply with such laws and regulations.

23. Reclassification of Comparative Figures

For comparison purposes, the Company had reclassed and adjusted certain items on the unaudited condensed interim consolidated statements of loss and comprehensive loss and the unaudited condensed interim consolidated statements of cash flows to conform with certain audit adjustments recorded for the year ended December 31, 2025.

24. Subsequent Events

Option cancellation

On April 24, 2026, 200,000 stock options exercisable at $0.68 were cancelled.

Sale of Investment of Scout Discoveries

On April 30, 2026, the Company entered into the SPA with the Purchaser to sell the Investment in Scout Discoveries for an aggregate amount of USD $1,320,000. Closing of the transaction is subject to the satisfaction of certain customary closing conditions set out in the SPA. The parties expect the closing to occur promptly following the fulfillment of such conditions and the completion of all required closing deliverables.

Financing

On May 20, 2026, the Company closed a bought deal private placement Offering (as defined below) of 53,353,000 common shares of the Company (each, a "Common Share") at a price of $0.59 per Common Share (the "Offering Price") for gross proceeds of approximately $31.5 million. Pursuant to the Offering, the Company issued 36,353,000 Common Shares at the Offering Price for gross proceeds of $21,448,270 under the Listed Issuer Financing Exemption (the "LIFE Offering") and 17,000,000 Common Shares at the Offering Price for gross proceeds of $10,030,000 pursuant to available prospectus exemptions other than the Listed Issuer Financing Exemption (the "Concurrent Offering" and together with the LIFE Offering, the "Offering"). The Offering was conducted on a bought deal private placement basis, with BMO Capital Markets and SCP Resource Finance acting as joint bookrunners for the Offering.