

BITTERROOT RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
July 31, 2026 and 2025
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed consolidated interim 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

BITTERROOT RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Note	July 31, 2026	October 31, 2025
ASSETS			
Current assets			
Cash		\$ 69,152	\$ 798,079
Accounts receivable		4,377	6,932
Total current assets		73,529	805,011
Non-current assets			
Investment	4	720,000	1,013,600
Investment in associate	5	50,472	-
Reclamation deposits		24,972	24,944
Exploration and evaluation assets	8	4,052,215	4,430,618
Total non-current assets		4,847,659	5,469,162
TOTAL ASSETS		\$ 4,921,188	\$ 6,274,173
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 159,958	\$ 35,473
Due to related party	11	399,000	346,500
Loans from related party	6	270,417	259,866
Total current liabilities		829,375	641,839
Non-current liabilities			
Derivative liability	7,9	19,250	303,188
Total non-current liabilities		19,250	303,188
Total liabilities		848,625	945,027
SHAREHOLDERS' EQUITY			
Share capital	9	31,587,346	31,537,346
Equity reserves	9	5,241,087	5,042,787
Accumulated other comprehensive loss		(656,693)	(457,666)
Deficit		(32,099,177)	(30,793,321)
Total shareholders' equity		4,072,563	5,329,146
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 4,921,188	\$ 6,274,173

Nature of operations (Note 1)

Subsequent events (Note 14)

"Michael S. Carr"
Michael S. Carr, Director

"George W. Sanders"
George W. Sanders, Director

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

BITTERROOT RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the nine months ended July 31,
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Notes	Three months ended July 31,		Nine months ended July 31,	
		2026	2025	2026	2025
EXPENSES					
Foreign exchange (gain) loss		\$ (2,566)	\$ 4,382	\$ (9,988)	\$ 4,500
Interest expense	6	3,542	3,530	10,491	10,730
Management fees	11	30,000	30,000	90,000	90,000
Office and miscellaneous		881	8,115	6,317	10,205
Professional fees	11	7,940	13,463	30,946	36,133
Share-based payments	9,11	41,200	46,400	198,300	53,500
Shareholder information		424	963	5,796	8,269
Transfer agent and filing fees		2,602	5,375	17,544	16,145
Write-down of exploration and evaluation assets	8	1,240,388	-	1,240,388	-
Change in fair value of derivative liability	7,9	(39,125)	-	(283,938)	-
Net loss for the period		\$ (1,285,286)	\$ (112,228)	\$ (1,305,856)	\$ (229,482)
Other comprehensive loss					
Unrealized loss on investment	4,5	(266,602)	-	(199,027)	(553,340)
Comprehensive loss for the period		\$ (1,551,888)	\$ (112,228)	\$ (1,504,883)	\$ (782,822)
Basic and diluted loss per share		\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted		126,763,556	105,037,904	126,411,908	104,670,369

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

BITTERROOT RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the nine months ended July 31,
(Unaudited – Prepared by Management)
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	2026	2025
Cash flows used in operating activities		
Net loss for the period	\$ (1,305,856)	\$ (229,482)
Items not involving cash:		
Foreign exchange	32	(166)
Interest expense	10,491	10,730
Share-based payments	198,300	53,500
Write-down of exploration and evaluation assets	1,240,388	-
Change in fair value of derivative liability	(283,938)	-
Changes in non-cash working capital items:		
Accounts receivable	3,466	(15,762)
Accounts payable and accrued liabilities	(6,640)	(4,231)
Due to related party	52,500	120,665
	(91,257)	(64,746)
Cash flows used in investing activities		
Exploration and evaluation asset expenditures	(731,771)	(64,245)
Exploration and evaluation asset cost recoveries	-	6,517
Proceeds from sale of investment	94,868	-
Investment in associate	(50,767)	-
	(687,670)	(57,728)
Cash flows from financing activities		
Proceeds from shares subscribed	-	50,000
Proceeds from exercise of warrants	50,000	75,000
Loan from related party	-	10,000
	50,000	135,000
Change in cash	(728,927)	12,526
Cash, beginning	798,079	16,101
Cash, ending	\$ 69,152	\$ 28,627

Supplemental disclosure with respect to cash flows (Note 10).

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

BITTERROOT RESOURCES LTD.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of shares	Share capital	Shares subscribed	Equity reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balance – October 31, 2024	104,483,556	\$ 30,688,591	\$ -	\$ 4,949,878	\$ 95,674	\$ (30,383,570)	\$ 5,350,573
Shares subscribed	-	-	50,000	-	-	-	50,000
Exercise of warrants	1,500,000	75,000	-	-	-	-	75,000
Share-based payments	-	-	-	53,500	-	-	53,500
Comprehensive loss for the period	-	-	-	-	(553,340)	-	(553,340)
Net loss for the period	-	-	-	-	-	(229,482)	(229,482)
Balance – July 31, 2025	105,983,556	\$ 30,763,591	\$ 50,000	\$ 5,003,378	\$ (457,666)	\$ (30,613,052)	\$ 4,746,251
Balance – October 31, 2025	125,763,556	\$ 31,537,346	\$ -	\$ 5,042,787	\$ (457,666)	\$ (30,793,321)	\$ 5,329,146
Exercise of warrants	1,000,000	50,000	-	-	-	-	50,000
Share-based payments	-	-	-	198,300	-	-	198,300
Comprehensive loss for the period	-	-	-	-	(199,027)	-	(199,027)
Net loss for the period	-	-	-	-	-	(1,305,856)	(1,305,856)
Balance – July 31, 2026	126,763,556	\$ 31,587,346	\$ -	\$ 5,241,087	\$ (656,693)	\$ (32,099,177)	\$ 4,072,563

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

BITTERROOT RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine months ended July 31, 2026 and 2025
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1. NATURE OF OPERATIONS

Bitterroot Resources Ltd. (the “Company” or “Bitterroot”) is in the exploration stage and its principal business activity is the sourcing and exploration of resource properties.

The Company was incorporated on March 13, 1951 under the Laws of British Columbia, Canada. The Company’s address is PO Box 91878, West Vancouver, BC, V7V 4S4, Canada. The Company’s registered office address is Suite 2200 – 700 West Georgia Street, Vancouver, BC, V7Y 1K8, Canada. The Company is listed on the TSX Venture Exchange (“Exchange”) under the symbol “BTT”.

These condensed consolidated interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends on its ability to raise adequate financing and to develop profitable operations. The Company had a working capital deficiency of \$755,846 at July 31, 2026 (October 31, 2025 - working capital of \$163,172). As of July 31, 2026, the Company had accumulated deficit of \$32,099,177.

Management is actively targeting sources of additional financing through alliances with financial, government, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favorable or adverse market conditions occur.

As the Company is in the exploration and evaluation stage, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the property. To date, the Company has not earned any revenues. The Company expects to incur further losses in the development of its business. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

The condensed consolidated interim financial statements of the Company are presented in Canadian dollars, which is the functional currency, unless otherwise indicated.

2. BASIS OF PREPARATION

Statement of compliance and basis of measurement

These condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with International Accounting Standards (“IAS”) 34, Interim Financial Reporting.

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The condensed consolidated interim financial statements were approved for issuance by the Board of Directors on September 28, 2026.

Use of estimates and judgments

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates, judgments 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.

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2. BASIS OF PREPARATION (cont'd)

Use of estimates and judgments (cont'd)

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.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Share-based payments

The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Exploration and evaluation assets

Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

(ii) Critical accounting judgments

Going concern

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. These condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed consolidated interim financial statements.

Impairment of exploration and evaluation assets

The carrying value and the recoverability of long-lived assets, including exploration and evaluation assets, are evaluated at each reporting date. Management assesses for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Company, and its wholly owned subsidiaries Trans Superior Resources, Inc. and Voyageur Lands Corporation, both of which are holding companies incorporated in Michigan, USA. All significant inter-company balances and transactions have been eliminated upon consolidation.

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at October 31, 2025. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended October 31, 2025.

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4. INVESTMENTS

Perseverance Metals Inc.

The Company's investment in Perseverance Metals Inc. ("Perseverance"), is classified as fair value through other comprehensive income ("FVTOCI") and measured at fair value. The Company acquired 956,742 shares of Perseverance on July 27, 2023 valued at \$765,394 pursuant to an option agreement ("Option Agreement") (Note 8) and an additional 591,814 shares (451,036 "top-up" shares plus 140,778 "penalty" shares) on January 27, 2025 valued at \$621,405 and \$84,467, respectively. The penalty shares were issued due to Perseverance's failure to go public within 18 months of the Option Agreement, or January 27, 2025.

During the year ended October 31, 2025, the Option Agreement was amended to include the issuance to the Company of an additional 140,778 "penalty" shares (as noted above), remove the "go public" requirement, and extend the deadline for exploration expenditures to November 15, 2026, as detailed in Note 8. As at October 31, 2025, the Company owned a total of 1,689,334 Perseverance shares.

During the period ended July 31, 2026, the Company sold 189,334 shares of Perseverance for net proceeds of \$94,868, resulting in a realized loss on disposal of \$26,305, which was recognized in other comprehensive loss consistent with the Company's election to measure this investment at FVTOCI.

During the period ended July 31, 2026, the Company also recognized an unrealized loss of \$172,427 (2025 - \$553,340) on its remaining investment in Perseverance, which was recorded in accumulated other comprehensive income. As at July 31, 2026, the Company owned 1,500,000 shares of Perseverance.

The Company's shares of Perseverance have been pledged as security for the repayment of related party loans (Note 6).

5. INVESTMENT IN ASSOCIATE

Ravine River Properties LLC.

During the period ended July 31, 2026, the Company acquired a 20% membership interest in Ravine River Properties LLC ("Ravine River"), a US-based entity, for total cash consideration of US\$36,000, funded in two installments (US\$5,100 on June 26, 2026 and US\$30,900 on July 22, 2026), translated into Canadian dollars at the spot exchange rates in effect on each payment date, for a total cost of \$50,767. Ravine River is governed by an operating agreement under which five members, including the Company, each hold a 20% interest with no member holding control and no requirement for unanimous consent over Ravine River's relevant activities. The Company has concluded it has significant influence, but not control or joint control, over Ravine River, and accordingly accounts for its interest using the equity method in accordance with IAS 28, Investments in Associates and Joint Ventures.

As Ravine River's functional currency is the US dollar, the Company's investment is translated into Canadian dollars at the period-end exchange rate, with the resulting translation adjustment recognized in other comprehensive income. During the period ended July 31, 2026, the Company recorded a translation loss of \$295 and a carrying value of \$50,472 as at July 31, 2026. As Ravine River had not yet commenced active operations as at July 31, 2026, the Company's share of Ravine River's net income or loss for the period has been assessed as \$Nil.

6. LOANS PAYABLE TO RELATED PARTY

The Company received loan proceeds of \$60,000 during the year ended October 31, 2024 and an additional \$10,000 during the year ended October 31, 2025 from a non-arm's length party, bearing interest of 6% per annum, with no stated terms of payment. During the period ended July 31, 2026, the Company accrued interest expense of \$3,142 (2025 - \$3,536) on the loans. As at July 31, 2026, the outstanding balance was \$78,931 (October 31, 2025 - \$75,789).

The Company received loan proceeds of \$60,000 during the year ended October 31, 2023 and \$50,000 during the year ended October 31, 2024 from a non-arm's length party, bearing interest of 6% per annum with no stated terms of payment. During the period ended July 31, 2026, the Company accrued interest expense of \$4,937 (2025 - \$4,937) on the loans. As at July 31, 2026, the outstanding balance was \$128,444 (October 31, 2025 - \$123,507).

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6. LOANS PAYABLE TO RELATED PARTY (cont'd)

The Company received loan proceeds of \$33,405 (US\$25,000) during the year ended October 31, 2023 and \$19,867 (US\$13,812) during the year ended October 31, 2025 from a non-arm's length party. These loans are interest bearing at 6% per annum with no stated terms of payment. During the period ended July 31, 2026, the Company accrued interest expense of \$2,412 (US\$1,742) (2025 - \$2,257 (US\$1,606)) and recorded a foreign exchange loss of \$60 (2025 – gain of \$950) on these loans. As at July 31, 2026, the outstanding balance was \$63,042 (US\$42,747) (October 31, 2025 - \$60,570 (US\$41,005)).

The loans have been secured under an agreement whereby the Company's shares of Perseverance (Note 4) have been pledged as security for the repayment of the loans.

See Note 11 for additional related party transactions, including amounts due.

7. DERIVATIVE LIABILITY

During the year ended October 31, 2025, the Company completed a private placement for a total of 10,155,000 units at \$0.05 per unit and 9,625,000 units at US\$0.04 per unit for gross proceeds of \$1,040,473. Each unit consists of one common share and one-half share purchase warrant, exercisable at \$0.10 and US\$0.08 for two years from the date of issuance (Note 9).

As the exercise price of the warrants is denominated in US dollars, which is different from the Company's functional currency (Canadian dollars), the warrants do not meet the "fixed-for-fixed" criteria under IAS 32, Financial Instruments: Presentation. Consequently, the warrants are classified as a derivative financial liability.

The derivative liability was initially measured at its fair value on the date of issuance and is subsequently re-measured at each reporting date. Unrealized gains and losses arising from the re-measurement are recognized in the consolidated statement of loss and comprehensive loss.

The following table illustrates the changes in the derivative liability for the period ended July 31, 2026 and the year ended October 31, 2025:

	Number of warrants issued in US dollars	Carrying amount in Canadian dollars
Balance – October 31, 2024	-	\$ -
Fair value of derivative liability on date of issuance	4,812,500	207,563
Change in fair value of derivative liability	-	95,625
Balance – October 31, 2025	4,812,500	303,188
Change in fair value of derivative liability	-	(283,938)
Balance – July 31, 2026	4,812,500	\$ 19,250

The fair value of the derivative warrant liability as at July 31, 2026, October 31, 2025 and at issuance was estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	July 31, 2026	October 31, 2025	At issuance
Risk-free interest rate	2.91%	2.40%	2.69 – 2.70%
Volatility	111.60 – 112.26%	178.03 – 178.59%	175.09 – 175.47%
Expected life	1.05 – 1.07 years	1.80 – 1.82 years	2 years
Expected dividend yield	0%	0%	0%

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8. EXPLORATION AND EVALUATION ASSETS

	Michigan Lands, Michigan, USA	Nighthawk, Nevada, USA	Total
Balance – October 31, 2024	\$ 4,561,781	\$ 410,714	\$ 4,972,495
Acquisition costs – cash	37,441	-	37,441
Claims, leases and permits	179	92,066	92,245
Consulting and professional	12,655	9,638	22,293
Courier and postage	-	1,693	1,693
Field supplies	-	1,952	1,952
Geochemistry	-	10,459	10,459
Ground transportation	-	961	961
Other	-	667	667
Room and board	-	1,559	1,559
Storage	23,663	-	23,663
Travel and freight	89	-	89
Expenditures during the year	74,027	118,995	193,022
Recovery of costs	(734,899)	-	(734,899)
Balance – October 31, 2025	\$ 3,900,909	\$ 529,709	\$ 4,430,618
Acquisition costs – cash	40,561	-	40,561
Claims, leases and permits	7,105	378	7,483
Consulting and professional	120,846	56,645	177,491
Courier and postage	-	547	547
Drilling	-	517,039	517,039
Field supplies	-	4,903	4,903
Fuel	-	3,256	3,256
Geochemistry	-	11,941	11,941
Geophysics	-	70,226	70,226
Ground transportation	722	15,197	15,919
Other	-	3,111	3,111
Room and board	2,005	24,132	26,137
Travel and freight	1,970	3,304	5,274
Expenditures during the period	173,209	710,679	883,888
Recovery of costs	(21,903)	-	(21,903)
Write-down of mineral property	-	(1,240,388)	(1,240,388)
Balance – July 31, 2026	\$ 4,052,215	\$ -	\$ 4,052,215

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8. EXPLORATION AND EVALUATION ASSETS (cont'd)

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

Michigan Lands, Michigan, U.S.A.

During the year ended October 31, 2015, a subsidiary of Altius Minerals Corporation (“Altius”) acquired a 50.1% interest in the Company’s Michigan Lands by funding \$600,000 of exploration expenditures. Altius had the right to acquire an additional 19.9% of the properties by completing \$2,500,000 in exploration spending by September 29, 2021, plus the right to acquire an additional 10% of the properties by completing exploration spending of a further \$5,000,000 or completing an NI 43-101 compliant pre-feasibility study on a mineral resource on the properties, before September 29, 2025. Altius failed to complete the additional expenditures required prior to September 29, 2021 and both options have expired. The Company (49.9%) and Altius (50.1%) jointly contribute to the property based on their ownership interest. The Company also granted to Altius a 2% net smelter returns royalty (“NSR”) on the Voyageur Lands (covering approximately 250 square miles of mineral rights) and assigned to Altius its right to repurchase a 1% NSR held by a third party on the Copper Range Lands.

During the year ended October 31, 2023, the Company and Altius entered into an option agreement with Perseverance, whereby Perseverance can acquire a 100% interest in the Voyageur nickel-copper-PGM (platinum group metals) project.

The option agreement initially gave Perseverance the exclusive option until December 31, 2025, to earn a 100% interest in the Voyageur project from Altius Resources Michigan Inc., a wholly owned subsidiary of Altius, and from Trans Superior Resources, Inc. and Voyageur Lands Corporation, each a wholly owned subsidiary of the Company by:

- Initial equity: issuing to the Company and Altius a total of 20% ownership in the equity of Perseverance, to be distributed based on their pro rata ownership of the Voyageur project (956,742 shares received by the Company at a value of \$765,394) (Note 4);
- Exploration commitment: incurring \$2,000,000 in exploration expenditures on the Voyageur project before December 31, 2025, including \$250,000 within the first 12 months of the option;
- Financing commitment: raising aggregate gross proceeds of \$5,000,000 within 18 months, with the Company and Altius retaining a combined 20% free-carry interest on any common shares issued pursuant to the equity financings;
- Go-public commitment: Perseverance becoming a reporting issuer in Canada within 18 months, subject to a conditional six-month extension (591,814 shares received by the Company at a fair value of \$621,405 (451,036 “top-up” shares plus 140,778 “penalty shares) on January 27, 2025. The penalty shares were issued due to Perseverance’s failure to go public within 18 months of the Option Agreement (Note 4).
- The Company and Altius also retain Participation Rights in any future financings after Perseverance raises aggregate gross proceeds of \$5,000,000, whereby the Company and Altius can maintain their pro-rata interests or increase them to a maximum of 14.9% each, subject to retaining ownership of at least 5% of Perseverance.
- The Company and Altius also retain a right-of-first-refusal on any royalties or metals streams generated within 10 years of the date of the exercise of the option agreement.

On April 11, 2025, the Company, Altius and Perseverance agreed to amend the terms of the option agreement, whereby Perseverance’s Go-public commitment was eliminated and the date for fulfilling the exploration commitment was extended to November 15, 2026. In return for these amendments, the Company received an additional 140,778 penalty shares, bringing its total holdings of Perseverance to 1,689,334 common shares. Perseverance’s financing commitment was fulfilled on January 24, 2025. Following sales on the TSX Venture Exchange, the Company owns 1,500,000 shares of Perseverance as of July 31, 2026.

Mineral Rights Leased from the State of Michigan

During the year ended October 31, 2016, the Company (49.9%) and Altius (50.1%) acquired State of Michigan metallic minerals leases covering 3,051 acres.

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8. EXPLORATION AND EVALUATION ASSETS (cont'd)

LM Property

The Company's Michigan subsidiary, Trans Superior Resources, Inc., leases 40 acres of minerals rights in Baraga County, Michigan, known as the LM Property. The lessors have granted the Company the option to reduce the current 3% NSR to a 2% NSR by paying US\$1,000,000 prior to December 31, 2064. The 2026 advance royalty payment is US\$210/acre (paid). The advance royalty payments increase by \$10/acre/year. The LM Property is not subject to the joint venture with Altius.

During the year ended October 31, 2020, the Company, through its US subsidiary Trans Superior Resources, Inc., entered into an option/joint venture agreement, whereby Below Exploration, Inc., ("Below") a private Michigan corporation, could earn a 49% joint venture interest in the LM Property. During the year ended October 31, 2020, Below funded \$370,061 (US\$285,000) of exploration expenditures prior to the first anniversary of the agreement and earned a 49% joint venture interest. The Company is the project operator, regardless of its ownership level, and retains a right-of-first-refusal over Below's property interest.

In February 2021, the Company (51%) and Below (49%) entered into a minerals lease and purchase option with a privately-held corporation ("MPC") covering 80 acres of mineral rights adjacent to the LM Property. MPC leases the mineral rights exclusively to the Company for a term of forty years. Under the term of the agreement the Company is required to make the following payments and share issuances:

- (i) US\$15,000 (paid) and issuance of 100,000 common shares within 10 days of the TSX-V approval date, February 25, 2021 (the "Approval Date") (issued);
- (ii) US\$15,000 (paid) and issuance of 100,000 (issued at a fair value of \$9,500) common shares on the first anniversary of the Approval Date;
- (iii) US\$16,000 (paid) and issuance of 100,000 (issued at a fair value of \$4,500) common shares on the second anniversary of the Approval Date;
- (iv) an amount equal to the rental payment of the preceding year, plus an additional US\$20 per acre of the mineral rights, on or before each anniversary of the Approval Date commencing on the third anniversary and continuing so long as the agreement is in effect.

At any time while the agreement remains in effect, the Company has the exclusive right and option to purchase the mineral rights from MPC for US\$1,000/acre for the first five years of the agreement, US\$2,500/acre in years 6 through 10, and then escalating US\$2,500/acre for each subsequent five years for the first 20 years. MPC will retain a 2% net smelter royalty ("NSR") for products from the mineral rights generated from underground mining and a 3% NSR for products from the mineral rights generated from open-pit mining. The Company will have the option to purchase 1% of each of the NSRs for US\$1,000,000 and a further option to purchase an additional 1% of the NSR from open-pit mining for an additional US\$1,000,000.

In July 2026, the Company and four other parties formed Ravine River Properties LLC ("Ravine River"), a Michigan limited liability company, to acquire the surface rights to the 40 acres of land underlying the LM Property. The Company holds a 20% membership interest in Ravine River. This surface rights interest is separate and distinct from the Company's mineral rights lease over the LM Property described above, and Ravine River is not a party to, and its formation did not affect, the joint venture arrangement with Below.

The Company's investment in Ravine River is accounted for using the equity method and is not included in exploration and evaluation assets. See Note 5 for further details.

Nighthawk Property, Nevada, U.S.A.

During the year ended October 31, 2024, the Company's contractor staked an additional 174 claims, expanding the Nighthawk Property to 240 claims. During the year ended October 31, 2025, the Company staked an additional 35 claims and did not renew 56 claims, bringing the total to 219 claims.

During the period ended July 31, 2026, the Company wrote off the Nighthawk Property.

BITTERROOT RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine months ended July 31, 2026 and 2025
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND EQUITY RESERVES

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

As at July 31 2026, the Company had 126,763,556 shares issued and outstanding.

During the period ended July 31, 2026, the Company issued 1,000,000 shares for exercise of warrants for total proceeds of \$50,000.

During the year ended October 31, 2025, the Company:

- (i) issued 1,500,000 shares for exercise of warrants for total proceeds of \$75,000.
- (ii) closed a non-brokered private placement for a total of 10,155,000 units at \$0.05 per unit and 9,625,000 units at US\$0.04 per unit for gross proceeds of \$1,040,473. Each unit consists of one common share and one-half share purchase warrant, exercisable at \$0.10 and US\$0.08 for two years from the date of issuance. In relation to the private placement, the Company paid cash finder's fee of \$13,665 and issued 273,300 finder's warrants with a fair value of \$10,509, exercisable at \$0.10 for two years from the date of issuance. The Company also incurred an additional \$34,981 in share issuance costs in relation to the private placement.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance – October 31, 2024	13,300,000	\$ 0.06
Issued	10,163,300	0.11
Exercised	(1,500,000)	0.05
Expired	(2,500,000)	0.08
Balance – October 31, 2025	19,463,300	0.08
Exercised	(1,000,000)	0.05
Balance – July 31, 2026	18,463,300	\$ 0.08

As at July 31, 2026, the following share purchase warrants were issued and outstanding:

Expiry Date	Number of Warrants	Exercise Price
May 29, 2027	8,300,000	\$ 0.05
August 19, 2027	4,227,500	0.10
August 19, 2027*	4,500,000	0.11
August 26, 2027	850,000	0.10
August 26, 2027*	312,500	0.11
August 28, 2027	273,300	0.10
	18,463,300	\$ 0.08

* Warrants issued in connection with shares purchased in US dollars, exercisable at US\$0.08.

As at July 31, 2026, the weighted average remaining contractual life of the warrants was 0.95 year (October 31, 2025 - 1.69 years).

BITTERROOT RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine months ended July 31, 2026 and 2025
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND EQUITY RESERVES (cont'd)

Stock options

The Company, in accordance with the policies of the Exchange, has a stock option plan in place under which it is authorized to grant options to directors, employees, and consultants, to acquire up to 10% of the issued and outstanding common shares. Under the plan, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. Pursuant to the stock option plan, vesting restrictions may be applied to certain other options grants, at the discretion of the directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance – October 31, 2024	7,525,000	\$ 0.11
Granted	2,100,000	0.05
Expired/cancelled	(1,875,000)	0.08
Balance – October 31, 2025	7,750,000	0.10
Granted	3,100,000	0.08
Expired	(2,850,000)	0.16
Balance – July 31, 2026	8,000,000	\$ 0.07

As at July 31, 2026, the following stock options were outstanding and exercisable:

Number of Options	Exercise Price (\$)	Expiry Date
950,000	0.10	April 21, 2027
1,600,000	0.05	March 5, 2028
300,000	0.03	March 12, 2029
200,000	0.05	January 29, 2030
1,050,000	0.05	May 24, 2030
300,000	0.05	July 14, 2030
500,000	0.07	August 31, 2030
1,900,000	0.10	January 8, 2031
1,200,000	0.05	June 4, 2031
8,000,000		

The weighted average fair value of each stock option granted during the period ended July 31, 2026 was \$0.06 (year ended October 31, 2025 - \$0.04), calculated using the Black-Scholes option-pricing model on the grant date using the following weighted average assumptions:

	Period ended July 31, 2026	Year ended October 31, 2025
Volatility	133.28%	136.60%
Risk-free interest rate	3.01%	2.99%
Expected life	5 years	5 years

As at July 31, 2026, the weighted average remaining contractual life of the options was 3.53 years (October 31, 2025 - 2.15 years).

BITTERROOT RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine months ended July 31, 2026 and 2025
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Significant non-cash transactions during the period ended July 31, 2026 were as follows:

- Included in exploration and evaluation assets is \$132,542 which relates to accounts payable and accrued liabilities and \$911 which relates to accounts receivable.

Significant non-cash transactions during the period ended July 31, 2025 were as follows:

- Included in exploration and evaluation assets is \$14,579 which relates to accounts payable and accrued liabilities.
- Reclamation deposit of \$19,867 (US\$13,812) paid by a non-arm's length party on behalf of the Company.

11. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

The following is a summary of related party transactions and balances during the period ended July 31, 2026, not disclosed elsewhere in the condensed consolidated interim financial statements:

- (a) Management fees of \$90,000 (2025 - \$90,000) and professional fees of \$1,975 (2025 - \$900) were incurred from a company controlled by a director of the Company. As at July 31, 2026, \$399,000 (October 31, 2025 - \$346,500) was owing to this company for management fees. This amount is non-interest bearing with no stated terms of payment.
- (b) Incurred interest expense on loans received from non-arm's length parties during the periods ended July 31, 2026 and 2025 as described in Note 6.
- (c) Share-based compensation included stock options granted to directors and officers recorded at a fair value of \$161,800 (2025 - \$24,070).

12. SEGMENTED INFORMATION

Industry information

The Company operates in one reportable operating segment, being the acquisition, exploration and development of exploration and evaluation assets.

Geographic information

The Company operates in both Canada and the United States. The Company's reclamation deposits are in the United States and the exploration and evaluation assets are also located in the United States.

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

Capital management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses and private placements or return capital to shareholders. As at July 31, 2026, the Company is not subject to externally imposed capital requirements.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, currency risk, interest rate risk and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

BITTERROOT RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine months ended July 31, 2026 and 2025
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

13. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash consists of cash deposited in business accounts and redeemable guaranteed investment certificates held by high credit quality financial institutions. The Company is not invested in any asset backed commercial paper.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash, receivables and reclamation deposits. The Company limits exposure to credit risk by maintaining its cash and reclamation deposits with high-credit quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. The receivables balance consists mainly of GST recoverable. There is ongoing review to evaluate the credit worthiness of these counterparties. The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, receivables and reclamation deposits.

Currency risk

The Company's operations are in Canada and the United States. The international nature of the Company's operations results in foreign exchange risk as transactions are denominated in a foreign currency. The operating results and the financial position of the Company are reported in Canadian dollars. The fluctuations of the operating currencies in relation to the Canadian dollar will, consequently, have an impact upon the reported results of the Company and may also affect the value of the Company's assets and liabilities. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. A strengthening (weakening) of the Canadian dollar against the US dollar of 10% would not have a significant effect on net loss.

Interest rate risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. The Company's practice has been to invest cash at floating rates of interest in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash as they are generally held with large financial institutions. The Company does not have any variable interest-bearing debt.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors the commodity prices of precious metals and the stock market to determine the appropriate course of action to be taken by the Company.

Fair value

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

- Level 1* – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2* – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
- Level 3* – Inputs that are not based on observable market data.

The estimated fair value of cash, reclamation deposits, accounts payable and accrued liabilities, due to related party and loans from related party are equal to their carrying values due to the short-term nature of these instruments. The fair value of lease liability is initially recorded at fair value and subsequently carried at amortized cost using rates comparable to market interest rates. The fair value of the investment is measured based on level 3 inputs of the fair value hierarchy. The investment is in a privately held company that is not currently quoted on an exchange. The Company utilized the most recent financing price of the underlying investment company to value the shares received.

BITTERROOT RESOURCES LTD.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the nine months ended July 31, 2026 and 2025
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

14. SUBSEQUENT EVENTS

Subsequent to the period ended July 31, 2026, the Company announced:

- (a) Its intention to complete a non-brokered private placement of up to 20,000,000 units at a price of \$0.12 per unit for gross proceeds of up to \$2,400,000. Each unit will consist of one common share and one-half of one common share purchase warrant, with each whole warrant exercisable at \$0.20 per share for a period of two years from the date of issuance.
- (b) The U.S. Department of War had allocated up to US\$5,223,431 in Defense Production Act (DPA) Title III funding to Trans Superior Resources, Inc., the Company's wholly-owned Michigan subsidiary. The funding will be used, on a 50/50 cost-share basis, to fund exploratory drilling, geophysical and geochemical surveys, permitting and associated costs on the LM Project.