



Terra Balcanica Resources Corp.
Condensed Interim Consolidated Financial Statements
For the six months ended
July 31, 2026
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW
OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying condensed interim consolidated financial statements of Terra Balcanica Resources Corp. (the "Company") for the six months ended July 31, 2026 and July 31, 2025, have been prepared by the management of the Company and approved by the Company's Audit Committee.

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 an auditor has not reviewed the financial statements.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of the condensed interim financial statements by an entity's auditor.

Terra Balcanica Resources Corp.
Condensed Interim Consolidated Statements of Financial Position
Unaudited – Prepared by Management
As at July 31, 2026 and January 31, 2026

	Note	July 31, 2026 \$	January 31, 2026 \$
Assets			
Current assets			
Cash		9,947	61,064
Receivables and prepayments	3	108,558	44,537
		118,505	105,601
Non-current assets			
Equipment	4	13,214	11,494
Mineral property interests	5	5,724,611	4,750,066
		5,737,825	4,761,560
Total assets		5,856,330	4,867,161
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		354,815	235,076
Advances payable		33,097	31,213
Due to related parties	9	203,025	152,079
Note payable		13,800	13,800
Total liabilities		604,737	432,168
Shareholders' equity			
Share capital	6	11,710,289	11,236,306
Share subscriptions received		110,000	50,010
Share subscriptions receivable		(22,370)	-
Reserves	6	1,070,072	1,081,944
Foreign currency reserve		(362,064)	(347,981)
Deficit		(8,289,840)	(7,998,984)
Shareholders' equity attributable to owners of the Company		4,216,087	4,021,295
Non-controlling interest		1,035,506	413,698
Total shareholders' equity		5,251,593	4,434,993
Total liabilities and shareholders' equity		5,856,330	4,867,161
Nature of operations and going concern			
	1		
Events after the reporting period			
	13		

Approved on behalf of the Board of Directors on September 28, 2026:

"Aleksandar Miskovic" Director

"Kim Oishi" Director

Terra Balcanica Resources Corp.
Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
Unaudited – Prepared by Management
For the six months ended July 31, 2026 and July 31, 2025

	Number of common shares #	Share capital \$	Share subscriptions received \$	Share subscriptions receivable \$	Reserves \$	Foreign currency reserve \$	Deficit \$	Attributable to owners \$	Non-controlling interests \$	Shareholders' equity \$
Balance at February 1, 2025	47,879,142	9,467,028	-	-	814,871	(227,544)	(7,331,095)	2,723,260	16,839	2,740,099
Private placement units issued	12,569,141	1,190,614	-	-	66,300	-	-	1,256,914	-	1,256,914
Shares issued for acquisition of mineral properties	3,804,347	361,413	-	-	-	-	-	361,413	-	361,413
Share issuance costs	-	(56,840)	-	-	-	-	-	(56,840)	-	(56,840)
Shares issued for settlement of accounts payable	166,666	15,834	-	-	-	-	-	15,834	-	15,834
Finders warrants issued	-	(35,300)	-	-	35,300	-	-	-	-	-
Share-based payments	-	-	-	-	218,239	-	-	218,239	-	218,239
Fair value reversal of expired stock options	-	-	-	-	(70,000)	-	70,000	-	-	-
Loss and comprehensive loss for the period	-	-	-	-	-	(38,052)	(527,423)	(565,475)	15,709	(549,766)
Balance at July 31, 2025	64,419,296	10,942,749	-	-	1,064,710	(265,596)	(7,788,518)	3,953,345	32,548	3,985,893
Balance at February 1, 2026	67,453,856	11,236,306	50,010	-	1,081,944	(347,981)	(7,998,984)	4,021,295	413,698	4,434,993
Private placement units issued	8,787,408	439,370	-	(22,370)	-	-	-	417,000	-	417,000
Share issuance costs	-	(12,950)	-	-	-	-	-	(12,950)	-	(12,950)
Shares issued for settlement of accounts payable	1,666,666	91,667	-	-	-	-	-	91,667	-	91,667
Subsidiary share subscriptions received	-	-	110,000	-	-	-	-	110,000	-	110,000
Finders warrants issued	-	(7,900)	-	-	7,900	-	-	-	-	-
Reallocated on expiry of finders' warrants	-	-	-	-	(34,633)	-	34,633	-	-	-
Share-based payments	-	-	-	-	2,161	-	-	2,161	-	2,161
Foreign currency translation adjustment	-	-	-	-	-	(14,083)	-	(14,083)	-	(14,083)
Change in non-controlling interest	-	(36,204)	(50,010)	-	12,700	-	-	(73,514)	655,700	582,186
Loss for the period	-	-	-	-	-	-	(325,489)	(325,489)	(33,892)	(359,381)
Balance at July 31, 2026	77,907,930	11,710,289	110,000	(22,370)	1,070,072	(362,064)	(8,289,840)	4,216,087	1,035,506	5,251,593

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

Terra Balcanica Resources Corp.

Condensed Interim Consolidated Statement of Loss and Comprehensive Loss

Unaudited – Prepared by Management

For the three and six months ended July 31, 2026 and July 31, 2025

	Note	Three months ended		Six months ended	
		July 31, 2026	July 31, 2025	July 31, 2026	July 31, 2025
		\$	\$	\$	\$
Expenses					
Administrative		4,395	90,147	33,845	150,114
Consulting and salaries	9	71,376	53,101	135,859	68,010
Filing and listing fees		11,479	-	25,949	-
General and administrative		14,864	-	45,978	-
Investor relations		57,336	80,467	58,936	150,234
Management fees	9	33,750	-	67,500	-
Professional fees	9	40,928	47,473	76,724	86,049
Share-based payments		-	16,208	2,161	218,239
Loss from operating expenses		(234,128)	(287,396)	(446,952)	(672,646)
Foreign exchange gain		15,797	75,500	79,538	157,239
Gain on settlement of accounts payable		8,333	1,000	8,333	167
Interest income		(300)	-	(300)	-
Loss for the period		(210,298)	(210,896)	(359,381)	(515,240)
Other comprehensive loss					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation adjustment		(5,058)	(5,648)	(14,083)	(12,183)
Loss and comprehensive loss for the period		(215,356)	(216,544)	(373,464)	(527,423)
Loss and comprehensive loss for the period attributable to:					
Owners of the Company		(207,348)	(210,896)	(339,572)	(515,240)
Non-controlling interests		(8,008)	(5,648)	(33,892)	(12,183)
		(215,356)	(216,544)	(373,464)	(527,423)
Loss per share					
Weighted average number of common shares outstanding					
- Basic	8	77,020,247	54,491,276	73,093,118	52,862,664
- Diluted	8	77,020,247	54,491,276	73,093,118	52,862,664
Basic loss per share \$	8	(0.00)	(0.00)	(0.00)	(0.01)
Diluted loss per share \$	8	(0.00)	(0.00)	(0.00)	(0.01)

Terra Balcanica Resources Corp.
Condensed Interim Consolidated Statements of Cash Flows
Unaudited – Prepared by Management
For the six months ended July 31, 2026 and July 31, 2025

	Note	July 31, 2026 \$	July 31, 2025 \$
Operating activities			
Loss for the period		(359,381)	(527,423)
Adjustments for non-cash items:			
Share-based payments		2,161	218,239
Foreign exchange		(1,718)	3,304
Gain on settlement of accounts payable		(8,333)	(167)
Non-controlling interests		-	15,709
Changes in non-cash working capital items:			
Receivables and prepayments		(64,022)	(41,248)
Accounts payable and accrued liabilities		272,564	(199,855)
		(158,729)	(531,441)
Financing activities			
Proceeds from shares/units issued		417,000	1,256,914
Share issue costs		(12,950)	(56,840)
Share issue costs from subsidiary		(23,500)	-
Proceeds from issuance subsidiary shares	7	605,690	-
Subsidiary share subscriptions received		110,000	-
		1,096,240	1,200,074
Investing activities			
Mineral property acquisition costs		-	(88,419)
Deferred exploration and evaluation expenditures		(974,545)	(489,184)
		(974,545)	(577,603)
Change in cash		(37,034)	91,030
Effect of foreign exchange on cash		(14,083)	(38,052)
Cash, beginning of period		61,064	563
Cash, end of period		9,947	53,541

Supplemental cash flow information

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1. Nature of operations and going concern

Terra Balcanica Resources Corp. (formerly 1250598 B.C. Ltd.) (“Terra” or the “Company”) was incorporated on May 19, 2020 under the laws of the Province of British Columbia, Canada. In March 2021, the Company changed its name to Terra Balcanica Resources Corp. Head office is located at 250 – 200 Burrard Street, Vancouver, BC V6C 3L6. The principal business of the Company is the identification, evaluation and acquisition of mineral property assets.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves and the ability of the Company to obtain the necessary financing to complete the exploration of the mineral property interests.

These condensed interim consolidated financial statements (“financial statements”) are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration stage company, the Company does not have traditional sources of revenue, and historically has relied on advances payable to cover its operating expenses. As at July 31, 2026, the Company had a working capital deficiency of \$486,232 (January 31, 2026 - \$326,567) and shareholders' equity of \$5,251,593 (January 31, 2026 - \$4,434,993) which includes an accumulated deficit of \$8,289,840 (January 31, 2026 - \$7,998,984). These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

2. Material accounting policies

(a) Use of estimates and judgments

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of these financial statements and the reported expenses during the period. Actual results could differ from these estimates. The preparation of these financial statements requires management to make judgments regarding the going concern of the Company, as discussed in Note 1.

Deferred tax assets and liabilities

The Company is periodically required to estimate the tax basis of assets and liabilities. Where applicable tax laws and regulations are either unclear or subject to varying interpretations, it is possible that changes in these estimates could occur that materially affect the amounts of deferred income tax assets and liabilities recorded in the financial statements. Changes in deferred tax assets and liabilities generally have a direct impact on earnings in the period that the changes occur. Each period, the Company evaluates the likelihood of whether some portion or all of each deferred tax asset will not be realized. This evaluation is based on historic and future expected levels of taxable income, the pattern and timing of reversals of taxable temporary timing differences that give rise to deferred tax liabilities, and tax planning initiatives.

Impairment of Mineral property interest

The application of the accounting policy for Mineral property interest requires judgment in determining whether it is likely that future economic benefits will flow to the Company. The Company undertakes a review of the carrying values of mineral property interest and related expenditures whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts.

Valuation of share-based compensation

From time to time the Company may issue a specific number of common shares as compensation for services received where such a transaction did not entail the use of cash. The fair value of share-based payments is estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk-free rate of return, and the estimated rate of forfeiture of options granted.

2. Material accounting policies (continued)**(b) Basis of presentation**

These financial statements have been prepared in conformity with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using the same accounting policies as detailed in the Company's annual audited consolidated financial statements for the year ended January 31, 2026, and do not include all the information required for full annual financial statements in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). It is suggested that these financial statements be read in conjunction with the annual audited consolidated financial statements.

These financial statements have been prepared on an historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

All amounts on the consolidated financial statements are presented in Canadian Dollars (CDN); the functional currency of the Company is Canadian Dollar (CDN). The Company consolidated the operations of Tera Balkanika Doo Beograd ("Tera Balkanika"), which has a functional currency of the Serbian Dinar ("RSD"), Drina Resources D.O.O. ("Drina"), which has a functional currency of the Bosnian Marks ("BAM"), and Terra North Resources Corp. ("Terra North"), which has a functional currency of CDN.

(c) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiary. The results of each subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation. All information presented as at July 31, 2026 and January 31, 2026.

Entity	Incorporation	Status	Functional Currency	Ownership Percentage
Tera Balkanika	Serbia	Active	Serbian Dinar	100%
Drina	Bosnia	Active	Bosnian Mark	90%
Tera Balkanika d.o.o. Sarajevo ("Tera")	Bosnia	Inactive	Bosnian Mark	100%
Energetski Minerali Doo Banja Luka	Bosnia	Active	Bosnian Mark	100%
Terra North Resources Corp.	Canada	Active	Canadian Dollar	48%

On November 7, 2025, the Company completed a corporate reorganization transaction (the "Spin-Out Transaction") pursuant to which the Company transferred its Fulcrum Metals PLC Licenses to Terra North Resources Corp. ("Terra North"), a newly incorporated subsidiary of the Company.

In consideration for the transfer, Terra North issued 15,000,000 common shares to the Company. Subsequent to the transfer, Terra North completed several equity financings with third-party investors. As at July 31, 2026, the Company retained approximately 48% ownership of Terra North and retained control over Terra North in accordance with IFRS 10, Consolidated Financial Statements. Accordingly, Terra North continues to be consolidated in the Company's consolidated financial statements.

The transfer of the Fulcrum Metals PLC Licenses represented a transaction under common control and was accounted for at predecessor carrying value. No gain or loss was recognized on the transfer.

The issuance of shares by Terra North to third-party investors, while control was retained by the Company, was accounted for as an equity transaction in accordance with IFRS 10.23. The resulting third-party ownership interest has been reflected as non-controlling interest within equity in the consolidated financial statements

Terra Balcanica Resources Corp.**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

For the six months ended July 31, 2026 and July 31, 2025

2. Material accounting policies (continue)**(d) New accounting policies**

Certain pronouncements have been issued by the IASB or IFRIC that are effective for accounting periods beginning on or after February 1, 2026. The Company has reviewed these updates and determined that many of these updates are not applicable or consequential to the Company and have been excluded from discussion within these significant accounting policies.

3. Receivables and prepayments

Receivables and prepayments consist of the following:

	July 31, 2026 \$	January 31, 2026 \$
VAT Receivable	27,445	10,264
GST Receivable	30,669	13,232
Prepayments	50,444	21,041
	108,558	44,537

Value Added Tax (VAT) and general sales tax (GST) receivable consists of amounts paid on business related expenses during the period ended July 31, 2026.

4. Equipment

Cost	Software \$	Computer Equipment \$	Vehicle \$	Total \$
Balance - January 31, 2025	54,599	49,185	25,545	129,329
Disposals	-	(11,384)	-	(11,384)
Balance - January 31, 2026	54,599	37,801	25,545	117,945
Accumulated Depreciation				
Balance - January 31, 2025	39,869	22,227	12,671	74,767
Depreciation	-	8,034	751	8,785
Impairment	-	(6,719)	-	(6,719)
Foreign currency difference	4,190	14,259	11,169	29,618
Balance - January 31, 2026	44,059	37,801	24,591	106,451
Cost				
Balance - January 31, 2026	54,599	37,801	25,545	117,945
Additions	-	-	2,094	2,094
Balance - July 31, 2026	54,599	37,801	27,639	120,039
Accumulated Depreciation				
Balance - January 31, 2026	44,059	37,801	24,591	106,451
Depreciation	-	-	380	380
Foreign currency difference	-	-	(6)	(6)
Balance - July 31, 2026	44,059	37,801	24,965	106,825
Carrying Value				
Balance - January 31, 2026	10,540	-	954	11,494
Balance - July 31, 2026	10,540	-	2,674	13,214

During the period ended July 31, 2026, the depreciation of \$380 was capitalized and included in mineral property interests.

5. Mineral property interests

Kaludra License

Ministry of Mining and Energy passed approval on September 28, 2017, approving Rockstone Group DOO Kać ("RSG") a company related by virtue of common director, to conduct geological research of lead (Pb), zinc (Zn), copper (Cu), gold (Au), Antimony (Sb) and accompanying metals in the exploration area "Kauldra", municipality Novi Pazar.

On January 25, 2021, Terra entered into an option agreement with RSG to purchase all the interests in the Kaludra License located central Serbia. In order to exercise the option, Terra must make a \$50,000 cash payment within 30 days from the January 25, 2021 (completed March 4, 2021). On January 26, 2022, the Company and RSG amended the option agreement as follows

In addition, the Company must make the following share issuances to RSG:

- 500,000 common shares of Tera on or before the second anniversary of the March 4, 2021 ("Grant Date") which is the date the Ministry of Mining and Energy in the Republic of Serbia grants a new license over the Kaludra License area in the name of the Company.

RSG is eligible to receive bonus payments as follows from the Company:

- \$1,000,000 within 90 days of the commencement of commercial production.

Upon commencement of commercial production, the Company will pay RSG a Net Smelter Royalty ("NSR") being equal to 0.5% of the Net Smelter Returns. On December 23, 2023, the Company relinquished the Kaludra License and has impaired the property. No additional payments are outstanding as per the amended option agreement.

Ceovishte License

On March 2, 2020, Terra applied for the right to conduct geological research of lead (Pb), zinc (Zn), silver (Ag), copper (Cu), gold (Au) at the Ceovishte site in southwestern Serbia. On October 14, 2022, the Ceovishte licence has been officially granted by the Serbian Ministry of Energy and Mines to the Company's subsidiary Tera Balkanika doo Belgrade. The license will expire on October 13, 2025 with an option to be extended for additional 3 years on completion of research.

On January 25, 2021, Tera entered into a finders' fee agreement with RSG whereby RSG had previously located and introduced the Company to the Ceovishte Project. On January 26, 2022, the Company amended the agreement as follows:

The finder's fee obligated Tera to make a \$50,000 cash payment within 30 days of the closing of the Company's first equity financing after February 1, 2022. On or before the second anniversary October 13, 2024, issue 500,000 common shares (166,667 post-consolidated) of Terra and grant a 0.5% NSR within 30 days from which the Ministry of Mines and Energy of the Republic of Serbia grants the licenses. No additional payments are outstanding as per the amended option agreement. During the year ended January 31, 2024, the Company completed the \$50,000 cash payment by issuing 588,235 common shares.

The Company has relinquished the mineral licence held by its Serbian subsidiary Tera Balkanika doo Beograd – Stari Grad in December of 2024 and is in the process of liquidating the subsidiary.

Drina Resources doo Srebrenica Licenses

On April 2, 2019, Drina received approval to conduct detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Olovine" On August 5, 2019, Drina received approval to conduct detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Čumavići". The deadline for completion of the research is December 5, 2023 at the site "Čumavići" and October 2, 2023, at the site "Olovine" with an option to extend for 3.5 years.

Drina paid 7,758 BAM (\$5,756 CDN equivalent), for the site "Čumavići" (paid in fiscal 2019) and 8,941 BAM (\$6,634 CDN equivalent), for the site "Olovine" (paid in fiscal 2019).

5. Mineral property interests (continued)

Drina Resources doo Srebrenica Licenses (continued)

On March 26, 2021, the Company received approval to conduct detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Čaus" for 11,368 BAM (\$8,435 CDN equivalent). The deadline for completion of the research is March 26, 2024 with an option to extend it for 4 years.

The Company has relinquished the mineral licence held by its Serbian subsidiary Tera Balkanika doo Beograd – Stari Grad in December of 2024 and is in the process of liquidating the subsidiary.

On February 2, 2022, Drina received approval to annex the license hence increase scope of work and extend deadline on conducting detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Olovine". With deadline for completion of the research October 2, 2026.

On June 5, 2022, Drina received approval to annex the license hence increase scope of work and extend deadline on conducting detailed geological research of lead (Pb), zinc (Zn), copper (Cu) and accompanying metals in the exploration area "Čumavići". With deadline for completion of the research February 5, 2027.

Fulcrum Metals PLC Licenses

On June 2, 2024, the Company entered into a definitive agreement with a wholly owned subsidiary of Fulcrum Metals PLC ("Fulcrum"). Pursuant to the Agreement, the Company will have an option (the "Option Agreement") to acquire a 100% interest in Fulcrum's Charlot-Neely, Fontaine Lake, Snowbird and South Pendleton uranium licenses (the "Licenses") located in northern Saskatchewan, Canada

On closing of the transaction, the Company will have a four-year option to acquire 100% of Fulcrum's owned uranium licenses.

In consideration for the four-year option the Company paid Fulcrum \$7,500 (Paid) for exclusivity on execution of signing of the Letter of Intent, and paid Fulcrum \$25,000 less the \$7,500 (\$17,500 Paid) exclusivity payment on execution of closing of the Option Agreement.

Additionally, the Company shall pay Fulcrum cash according to the schedule below:

- \$50,000 on the first anniversary of closing of the Option Agreement (paid);
- \$75,000 on the second anniversary of closing of the Option Agreement;
- \$75,000 on the third anniversary of closing of the Option Agreement;
- \$75,000 on the fourth anniversary of closing of the Option Agreement;

and issue Fulcrum shares of the Company at the 10-Day Volume Weighted Average Price ("VWAP") prior to the date of issuance as per the following schedule:

- \$250,000 on closing of the Option Agreement (issued);
- \$350,000 on the first anniversary of closing of the Option Agreement (issued);
- \$500,000 on the second anniversary of closing of the Option Agreement;
- \$650,000 on the third anniversary of closing of the Option Agreement; and
- \$1,250,000 on the fourth anniversary of closing of the Option Agreement.

The Company will also complete minimum work expenditures totalling \$3,250,000 prior to the fourth anniversary of the Option Agreement and grant Fulcrum a 1.0% Net Smelter Return ("NSR") on all claims with buydown option of 0.5% NSR for \$1,000,000.

Terra Balcanica Resources Corp.**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

For the six months ended July 31, 2026 and July 31, 2025

5. Mineral property interests (continued)*Fulcrum Metals PLC Licenses (continued)*

As part of the Option Agreement and for terminating the existing prior agreement (the "Prior Agreement") between Fulcrum and Global Energy Metals Corp. ("Global Energy"), Global Energy will be compensated with \$150,000 in shares (Issued) in the Company on closing of the Option Agreement and a 0.5% NSR on all claims.

On November 7, 2025, the Company completed the Spin-Out Transaction" pursuant to which the Company transferred its Fulcrum Metals PLC Licenses to Terra North (See Note 2(c)).

The following is a continuity of the Company's mineral property interests as at July 31, 2026 and January 31, 2026:

	Olovine Property	Cumavici Property	Fulcrum Property	Total
	\$	\$	\$	\$
Balance, February 1, 2025	821,425	1,721,076	579,480	3,121,981
Acquisition	-	-	411,413	411,413
Administration	3,821	7,093	-	10,914
Depreciation	1,013	1,880	-	2,893
Drilling	5,861	10,885	-	16,746
Geologist and consulting	105,347	195,644	167,654	468,645
Licenses	340	632	416,485	417,457
Supplies	52,665	97,806	-	150,471
Transportation	1,043	1,938	-	2,981
Foreign currency difference	51,298	95,267	-	146,565
Balance, January 31, 2026	1,042,813	2,132,221	1,575,032	4,750,066
Balance, February 1, 2026	1,042,813	2,132,221	1,575,032	4,750,066
Administration	4,080	7,578	-	11,658
Depreciation	133	247	-	380
Geologist and consulting	15,750	29,250	60,000	105,000
Licenses	-	-	517,499	517,499
Supplies	118,277	219,658	-	337,935
Transportation	1,075	1,997	-	3,072
Foreign currency difference	(350)	(649)	-	(999)
Balance, July 31, 2026	1,181,778	2,390,302	2,152,531	5,724,611

6. Share Capital

Transactions for the issue of share capital during the period ended July 31, 2026:

On April 14, 2026, the Company closed the previously announced non-brokered private placement financing of units for gross proceeds of \$439,370. The Company issued 8,787,408 units of \$0.05 per unit. Each unit consists of one common share in the capital of the Company and one common share purchase warrant at an exercise price of \$0.10 until April 14, 2028.

The Company incurred \$12,950 in finders' fees and an additional \$7,900 which related to the fair value of finders' warrants issued in connection with the offering.

On June 18, 2026, the Company issued 1,666,666 common shares (at a fair value of \$91,667) to settle outstanding debt in the amount of \$100,000 for a gain of \$8,333.

Transactions for the issue of share capital during the period ended July 31, 2025:

On February 26, 2025, the Company issued 4,420,000 units at a price of \$0.10 per unit for gross proceeds of \$442,000. Each unit consists of one common share in the capital of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.15 until February 26, 2028. Pursuant to the Company's material accounting policy, the Company determined that the residual value of the warrant component of the units sold was \$0.015 per unit, for a total of \$66,300.

The Company incurred \$28,840 in finders' fees and an additional \$15,300 which related to the fair value of finders' warrants issued in connection with the offering.

On March 19, 2025, the Company issued 166,666 common shares (at a fair value of \$15,834) to settle outstanding debt in the amount of \$15,000 for a loss of \$834.

On July 11, 2025, the Company issued 8,149,141 units at a price of \$0.10 per unit for gross proceeds of \$814,914. Each unit consists of one common share in the capital of the Company and one-half of a common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.10 until July 11, 2028.

The Company incurred \$28,000 in finders' fees and an additional \$20,000 which related to the fair value of finders' warrants issued in connection with the offering.

On July 23, 2024, the Company issued a total 3,804,347 common shares at a price of \$0.095 per share (\$361,413 fair value) to Fulcrum (Note 5).

6. Share Capital (continued)**Warrants**

As an incentive to complete a private placement the Company may issue units which include common shares and common share purchase warrants. Using the residual value method, the Company determines whether a value should be allocated to the warrants attached to private placement units. Finders' warrants may be issued as a private placement share issue cost and are valued using the Black-Scholes option pricing model.

A summary of the status of the Company's warrants as at July 31, 2026 and January 31, 2026, and changes during the period/year then ended is as follows:

	Period ended July 31, 2026		Year ended January 31, 2026	
	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	26,250,439	0.19	17,909,632	0.25
Issued - unit offerings	8,787,408	0.10	10,007,474	0.14
Expired	(4,475,292)	0.39	(1,666,667)	0.45
Warrants outstanding, end of period/year	30,562,555	0.14	26,250,439	0.19

A summary of the status of the Company's brokers warrants as at July 31, 2026 and January 31, 2026, and changes during the period/year then ended is as follows:

	Period ended July 31, 2026		Year ended January 31, 2026	
	Warrants #	Weighted average exercise price \$	Warrants #	Weighted average exercise price \$
Warrants outstanding, beginning of period/year	828,450	0.14	198,800	0.15
Issued	259,000	0.10	638,400	0.13
Exercised	-	-	(8,750)	0.15
Warrants outstanding, end of period/year	1,087,450	0.13	828,450	0.14

Terra Balcanica Resources Corp.**Notes to the Condensed Interim Consolidated Financial Statements****Unaudited – Prepared by Management**

For the six months ended July 31, 2026 and July 31, 2025

6. Share Capital (continued)**Warrants (continued)**

As at July 31, 2026, the Company had warrants and brokers warrants outstanding and exercisable as follows:

	Warrants outstanding #	Warrants exercisable #	Exercise price \$	Expiry date
(1)	608,823	608,823	0.39	September 22, 2026
	2,057,500	2,057,500	0.15	June 17, 2027
	5,670,000	5,670,000	0.15	July 19, 2027
	112,000	112,000	0.15	July 19, 2027
	1,760,100	1,760,100	0.15	September 13, 2027
	17,500	17,500	0.15	September 13, 2027
	381,250	381,250	0.15	October 30, 2027
	1,290,000	1,290,000	0.15	January 28, 2028
	69,300	69,300	0.15	January 28, 2028
	4,420,000	4,420,000	0.15	February 26, 2028
	279,650	279,650	0.15	February 26, 2028
	4,074,570	4,074,570	0.10	July 11, 2028
	280,000	280,000	0.10	July 11, 2028
	70,000	70,000	0.20	August 12, 2027
	1,512,904	1,512,904	0.20	August 12, 2027
	8,787,408	8,787,408	0.10	April 14, 2028
	259,000	259,000	0.10	April 14, 2028
	31,650,005	31,650,005		

(1) Expired unexercised subsequent to the period ended July 31, 2026.

Stock options

The Company has a Stock Option Plan (the "Option Plan"). Under the Option Plan, the exercise price of each option must not be less than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant and (b) the date of the grant of the stock options. The options can be granted for a maximum term of five years. The maximum number of options that can be issued may not exceed 10% of the issued and outstanding common share capital. The options vest at the discretion of the Board of Directors. The terms of the existing stock options remain in accordance with the stock option plan in place at the time the options were granted.

6. Share Capital (continued)**Stock options (continued)**

A summary of the status of the Company's stock options as at July 31, 2026 and January 31, 2026, and changes during the period/year then ended is as follows:

	Period ended July 31, 2026		Year ended January 31, 2026	
	Options #	Weighted average exercise price \$	Options #	Weighted average exercise price \$
Options outstanding, beginning of period/year	4,800,000	0.24	1,466,667	0.60
Granted	-	-	3,500,000	0.105
Expired	-	-	(166,667)	0.60
Options outstanding, end of period/year	4,800,000	0.24	4,800,000	0.24

During the year ended January 31, 2026, 3,500,000 options were granted with a weighted average exercise price of \$0.07 each expiring between March 12, 2027 and February 26, 2030. The fair value was calculated using the following weighted average assumptions: expected life of options – four and a half years, stock price volatility – 120%, no dividend yield, and a risk-free interest rate – 2.7%. The fair value is particularly impacted by the Company's stock price volatility, determined using stock price data from the previous ten years. Using the above assumptions, the fair value of options granted during the year ended January 31, 2026, was approximately \$0.07 per option, for an aggregate total of \$234,335.

During the year ended January 31, 2026, 166,667 options were cancelled. As a result, the original share-based payments expense \$70,000 was reversed from reserves and credited to deficit.

As at July 31, 2026, the Company had options outstanding and exercisable as follows:

Options outstanding #	Options exercisable #	Exercise price \$	Expiry date
1,300,000	1,300,000	0.60	June 8, 2027
2,900,000	2,900,000	0.105	February 26, 2030
600,000	600,000	0.105	March 12, 2027
4,800,000	4,800,000	0.24	

7. Non-controlling interests

The significant increase in non-controlling interests (“NCI”) during the year primarily relates to Terra North financings completed with third-party investors following the spin-out transaction.

The Drina NCI itself remains relatively minor and reflects the 10% minority ownership interest and corresponding allocation of losses.

A summary of the status of the Company’s non-controlling interests as at July 31, 2026 and January 31, 2026, and changes during the period/year then ended is as follows:

	Period ended July 31, 2026	Year ended January 31, 2026
NCI - beginning of period/year	413,698	16,839
Allocation of loss for the period/year - Drina	(5,483)	(7,477)
NCI arising from third-party financings and dilution during the period/year - Terra North	655,700	422,000
Allocation of loss for the period/year - Terra North	(28,409)	(17,664)
NCI, end of period/year	1,035,506	413,698

8. Loss per share

The calculation of basic and diluted loss per share for the period ended July 31, 2026, was based on the loss attributable to common shareholders of \$325,489 (2025 – \$515,240) and a weighted average number of common shares outstanding of 73,093,118 (2025 – 52,862,664).

All stock options and warrants were excluded from the diluted weighted average number of common shares calculation, as their effect would have been anti-dilutive.

9. Related party payables and transactions

The Company’s related parties include key management personnel and Directors and companies in which they have control or significant influence over the financial or operating policies. There were no loans to management personnel or Directors, or entities over which they have control or significant influence for the period ended July 31, 2026, and Directors receive no salaries, non-cash benefits, or other remuneration directly from the Company, other than noted below, and there are no employment contracts with them that cannot be terminated without penalty on a thirty-day advance notice.

Key management personnel and Directors can participate in the Company’s stock option plan. No stock options were granted to related parties during the six months ended July 31, 2026 and July 31, 2025.

During the year ended January 31, 2025, two Directors of the Company subscribed unit offerings completed June 17, 2024 (Note 6), in which they were issued 257,500 units at \$0.10 per unit for gross proceeds of \$25,750. In addition, the CEO of the Company subscribed to the unit offering completed on October 30, 2024 (Note 6), in which 131,250 units were issued at \$0.10 per unit for gross proceeds of \$13,125.

9. Related party payables and transactions (continued)

During the year ended January 31, 2024, upon acquisition of Tera, Rockstone Group D.O.O. is wholly held by Aleksandar Ilić, who was the project vendor pursuant to the option agreements on mineral property interests. Mr. Ilić is a current director of the Company. Mr. Ilić was paid \$50,000 on March 4, 2021, for the option of the Kaludra License. (see Note 5) Mr. Ilić was also due another \$50,000 as a finder's fee for the Ceovishte License once granted by the Serbian Ministry of Energy and Mines within a calendar year following the licence grant. (see Note 6). Mr. Ilić was issued Company shares at the price of \$0.255 equivalent to \$50,000 as a finder's fee for the Ceoviste License during the year ended January 31, 2024. Furthermore, \$7,497 (9,750 BAM) is owed to Mr. Ilić as at January 31, 2026.

- (a) Stephen Brohman is the Company's CFO. He is a principal of Donaldson Brohman Martin CPA Inc. ("DBM CPA"), a firm in which he has significant influence. DBM CPA provides the Company with accounting and tax services (included within professional fees).
- (b) Alex Miskovic is a Company Director and the Company's CEO. He is a shareholder and has significant influence over Geotarget Solutions Inc. ("Geotarget Solutions") which is a geological consulting firm. Geotarget Solutions provides the Company with geological consulting services and CEO services (included within consulting and salaries).
- (c) Catherine Cox is the Company's Corporate Secretary. She has significant influence over CAT Corporate Services Inc. ("CAT Corporate Services") which is a consulting firm. She provides the Company with Corporate Secretary services (included within consulting fees).

	Transactions Six months ended July 31, 2026 \$	Transactions Six months ended July 31, 2025 \$	Balances outstanding at July 31, 2026 \$	Balances outstanding at January 31, 2026 \$
CAT Corporate Services	31,450	18,000	31,955	26,105
Geotarget Solutions	154,500	148,952	131,888	92,126
DBM CPA	29,887	30,600	25,806	20,025
Alex Miskovic	-	-	13,376	13,823
	215,837	197,552	203,025	152,079

10. Supplemental cash flow information

The Company incurred non-cash financing activities during the six months ended July 31, 2026 and July 31, 2025, as follows:

	July 31, 2026 \$	July 31, 2025 \$
Non-cash financing activities		
Shares issued for settlement of accounts payable	91,667	-
Residual value of warrants and finders warrants issued	7,900	-
Finders' warrants issued	12,700	(35,300)
Reallocated on expiration of warrants	(34,633)	-
Reallocated on cancellation of warrants	-	70,000
	77,634	34,700

The Company incurred non-cash investing activities during the six months ended July 31, 2026 and July 31, 2025, as follows:

	July 31, 2026 \$	July 31, 2025 \$
Non-cash investing activities		
Shares issued for mineral property acquisition	-	361,413
	-	361,413

There were no amounts paid for income taxes or interest during the period ended July 31, 2026 and July 31, 2025.

11. Financial risk management

Capital management

The Company is a junior exploration company and considers items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares, purchase shares for cancellation pursuant to normal course issuer bids or make special distributions to shareholders. The Company is not subject to any externally imposed capital requirements and does not presently utilize any quantitative measures to monitor its capital. As at July 31, 2026, the Company's capital structure is comprised of shareholders' equity of \$5,251,593.

The Company currently has no source of revenue. In order to fund future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company's ability to continue as a going concern on a long-term basis and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation is primarily dependent upon its ability to sell or option its mineral properties and its ability to borrow or raise additional financing from equity markets.

Financial instruments – fair value

The Company's financial instruments consist of cash, receivables, accounts payable and accruals, due to related parties and advances payable.

The carrying value of receivables, accounts payable and accruals, due to related parties and advances payable approximates their fair value because of the short-term nature of these instruments.

Financial instruments measured at fair value on the condensed interim consolidated statements of financial position are summarized into the following fair value hierarchy levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial assets and liabilities are carried at amortized cost and belong to Level 2 of the fair value hierarchy. During the period ended July 31, 2026, there were no transfers between the levels of the fair value hierarchy.

Financial instruments – risk

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, and liquidity risk.

a) Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company has minimal receivables exposure as its refundable credits are due from the Serbian government.

b) Interest rate risk

The Company is not exposed to interest rate risk because of fluctuating interest rates. Fluctuations in market rates do not have a significant impact on the Company's operations due to the short term to maturity.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed available resources (Note 1). The Company's contractual cash outflows of its financial liabilities approximate their carrying values and are due within 12 months as at July 31, 2026 and January 31, 2026.

11. Financial risk management (continued)

Financial instruments – risk (continued)

d) Currency risk

As at July 31, 2026 of the Company's cash was held either in Canadian dollars, Bosnian Mark or Serbian Dinar. The Company incurs expenditures in Canada, Bosnia and Serbia, and as such is exposed to currency risk associated with these costs.

A change in the value of the Bosnian Mark and Serbian Dinar by 10% relative to the Canadian dollar would not have a significant impact on the Company's working capital and net loss for the period ended July 31, 2026 and July 31, 2025.

12. Segment information

All assets are located in Canada except property and equipment, deposit and mineral property interests for \$3,572,081 (January 31, 2026 - \$3,175,034) which is located in Bosnia and \$nil (January 31, 2026 - \$nil) which is located in Serbia.

13. Events after the reporting period

On September 21, 2026, the Company announced the extension the closing date of the non-brokered private placement announced on June 24, 2026 to October 8, 2026 for gross proceeds of up to \$750,000 through the issuance of up to 15,000,000 units at a purchase price of \$0.05 per unit. Each unit will be comprised of one common share and a common share purchase warrant to purchase an additional one common share of the Company at an exercise price of \$0.10 for a period of 24 months from the closing date of the private placement.

On September 21, 2026, the Company entered into an agreement to acquire the remaining 10% equity interest in Drina Resources doo Srebrenica ("Drina") from the two arm's length minority shareholders of Drina. As consideration for the acquisition, the Company has agreed to issue an aggregate of 6,331,400 common shares to the vendors. The acquisition remains subject to approval of the Canadian Securities Exchange and completion of the applicable transaction documentation and, accordingly, had not been completed as of the date of these financial statements.

Subsequent to July 31, 2026, Terra North Resources Corp. ("Terra North") issued 5,600,000 common shares to Fulcrum Metals (Canada) Ltd. at a deemed price of \$0.10 per share pursuant to a second amending agreement dated August 6, 2026 relating to the mineral property option agreement. As a result of the share issuance, the Company's ownership interest in Terra North decreased from approximately 48% at July 31, 2026 to approximately 39.5%. The second anniversary cash payment payable by Terra North to Fulcrum Metals (Canada) Ltd. was also deferred to the earlier of the 13th trading day following completion of a going-public transaction by Terra North and October 31, 2026.

Management has assessed the Company's continuing involvement in Terra North following the dilution and concluded that the Company continues to control Terra North in accordance with IFRS 10, *Consolidated Financial Statements*. Accordingly, Terra North continues to be accounted for as a consolidated subsidiary of the Company.