ARRAS
MINERALS CORP.

Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and six months ended April 30, 2026 and 2025

(Expressed in United States dollars)

ARRAS MINERALS CORP.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in United States Dollars)

	Notes	April 30, 2026 (Unaudited)	October 31, 2025 (Audited)
		$	$
Assets			
Current			
Cash and cash equivalents	15	5,709,390	10,401,194
Other receivables	4,5	23,977	264,439
Prepaid expenses and deposits	6	3,670,553	2,009,338
		9,403,920	12,674,971
Non-Current			
Office and equipment	7	171,347	93,798
Mineral properties	8	1,415,956	1,415,956
Right-of-use assets	9	207,577	26,627
Prepaid expenses and deposits	6	303,057	304,466
Total Assets		11,501,857	14,515,818
Liabilities			
Current			
Accounts payable and accrued liabilities	13	444,781	593,545
Lease liability	9	62,010	38,560
Due to related party	13	21,933	20,285
		528,724	652,390
Non-Current			
Lease liability	9	164,867	-
Total Liabilities		693,591	652,390
Shareholders’ Equity			
Share capital	11	38,937,162	38,809,988
Reserves	11	2,220,682	1,986,993
Deficit		(30,349,578)	(26,933,553)
Total Shareholders’ Equity		10,808,266	13,863,428
Total Liabilities and Shareholders’ Equity		11,501,857	14,515,818

On behalf of the Board:

/s/ Brian Edgar .... Director

/s/ Vera Kobalia .... Director

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

ARRAS MINERALS CORP.
Condensed Interim Consolidated Statements of Comprehensive Loss
(Expressed in United States Dollars)
(Unaudited)

	Notes	For the three months ended April 30, 2026	For the three months ended April 30, 2025	For the six months ended April 30, 2026	For the six months ended April 30, 2025
		$	$	$	$
Expenses					
Exploration	4,7,11,13	2,412,179	561,240	3,137,451	1,351,630
Personnel	11,13	324,854	326,071	564,976	567,059
Marketing and shareholders' communication		108,929	48,486	168,133	112,783
Directors' fees	11,13	70,697	116,426	142,591	147,138
Professional services		48,344	69,690	59,212	80,356
Office and administrative	13	32,522	15,480	59,245	29,583
Depreciation	9	17,393	20,173	44,521	40,750
Loss from operations		(3,014,918)	(1,157,566)	(4,176,129)	(2,329,299)
Interest income		26,364	21,420	92,518	24,417
Management fee and reimbursement	4	-	45,095	14,148	78,581
Foreign currency translation gain		201,101	261,467	653,438	238,322
Change of fair value of warrant derivative	10	-	(1,298,085)	-	(2,179,405)
Other income (loss)		227,465	(970,103)	760,104	(1,838,085)
Net and Comprehensive Loss for the Period		(2,787,453)	(2,127,669)	(3,416,025)	(4,167,384)
Basic and Diluted Loss per Common Share	12	(0.02)	(0.02)	(0.03)	(0.04)
Weighted Average Number of Common Shares Outstanding	12	122,071,632	104,193,636	122,135,596	97,328,142

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

ARRAS MINERALS CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in United States Dollars)
(Unaudited)

	Share Capital		Reserves			
	Common Shares	Amount	Options	Share Units	Deficit	Shareholders' Equity
		$	$	$	$	$
Balance, October 31, 2025	122,071,632	38,809,988	1,831,856	155,137	(26,933,553)	13,863,428
Shares issued on settlement of restricted share units	241,196	127,174	-	(127,174)	-	-
Share-based payment	-	-	235,917	124,946	-	360,863
Net loss for the period	-	-	-	-	(3,416,025)	(3,416,025)
Balance, April 30, 2026	122,312,828	38,937,162	2,067,773	152,909	(30,349,578)	10,808,266

	Share Capital		Reserves				
	Common Shares	Amount	Options	Share Units	Warrants	Deficit	Shareholders' Equity
		$	$	$	$	$	$
Balance, October 31, 2024	89,188,046	20,942,888	1,359,127	146,428	284,500	(15,997,782)	6,735,161
Private placement, net of share issue costs	18,941,177	10,763,235	-	-	-	-	10,763,235
Warrants exercised, net of share issue costs	10,134,332	5,945,911	-	-	-	-	5,945,911
Silver Bull Warrants exercised, net of share issue costs	21,500	7,616		-	(3,103)		4,513
Shares issued on settlement of restricted share units	1,495,484	215,789	-	(215,789)	-	-	-
Stock options exercised	347,435	197,468	(89,220)				108,248
Share-based payment	-	-	337,782	113,118	-	-	450,900
Net loss for the period	-	-	-	-	-	(4,167,384)	(4,167,384)
Balance, April 30, 2025	120,127,974	38,072,907	1,607,689	43,757	281,397	(20,165,166)	19,840,584

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

ARRAS MINERALS CORP.
Condensed Interim Consolidated Statement of Cash Flows
(Expressed in United States Dollars)
(Unaudited)

	Six months ended April 30, 2026	Six months ended April 30, 2025
	$	$
Operating Activities		
Net loss for the period	(3,416,025)	(4,167,384)
Items not affecting cash		
Depreciation	75,314	62,196
Share-based payment	360,863	450,900
Interest expense	12,712	5,384
Change of fair value of warrant derivative	-	2,179,405
Unrealized foreign exchange gain	-	(28,873)
	(2,967,136)	(1,498,372)
Changes in non-cash working capital		
Other receivables	139,054	(153,790)
Prepaid expenses and deposits	(1,659,806)	(166,473)
Accounts payable and accrued liabilities	(148,781)	(218,299)
Due to related party	1,648	(1,567)
	(1,667,885)	(540,129)
Cash Used in Operating Activities	(4,635,021)	(2,038,501)
Financing Activities		
Proceeds from private placement, net of share issue costs	-	10,772,088
Proceeds from warrant exercised, net of share issue costs	-	2,838,118
Proceeds from stock option exercised	-	108,248
Repayment of lease liability	(49,866)	(47,438)
Cash (Used in) Provided by Financing Activities	(49,866)	13,671,016
Investing Activity		
Purchase of office and equipment	(6,917)	(25,759)
Cash Used in Investing Activity	(6,917)	(25,759)
Net Change in Cash and Cash Equivalents	(4,691,804)	11,606,756
Cash and Cash Equivalents, Beginning of Period	10,401,194	1,727,459
Cash and Cash Equivalents, End of Period	**5,709,390**	**13,334,215**

Supplemental Cash Flow Information (Note 15)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Arras Minerals Corp. (the "Company") was incorporated on February 5, 2021 under the *Business Corporations* Act (British Columbia) as part of an asset purchase agreement to reorganize Silver Bull Resources, Inc. ("Silver Bull"). The Company's head office is located at 1508-999 West Hastings Street, Vancouver, British Columbia, Canada, V6C 2W2.

The Company is engaged in the acquisition, exploration, and development of mineral property interests. On February 3, 2022, the Company purchased 100% of the issued and outstanding shares of Ekidos Minerals LLP ("Ekidos") and Ekidos became a wholly-owned subsidiary of the Company. Ekidos is in the business of the exploration and evaluation of mineral properties.

The Company's assets consist of a number of exploration licenses located in northeastern Kazakhstan, including the Elemes copper-gold porphyry project. Operations are conducted through Ekidos.

The Company has not yet determined whether the properties contain mineral reserves where extraction is both technically feasible and commercially viable. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations.

These unaudited condensed interim consolidated financial statements are prepared on a going concern basis, which contemplate that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred operating losses since inception and has no current sources of revenue or cash inflows from operations. During the six months ended April 30, 2026 and 2025, the Company has incurred a net and comprehensive loss of $3,416,025 and $4,167,384, respectively, and had an accumulated deficit of $30.3 million which may cast significant doubt on the validity of the going concern assumption. The Company relies on share issuances in order to fund its exploration and other business objectives. The Company had cash and cash equivalents of $5.7 million and $10.4 million as of April 30, 2026 and October 31, 2025, respectively.

The Company's ability to continue as a going concern and fulfill its spend commitments on its exploration licenses is dependent upon successful execution of its business plan, raising additional capital, or evaluating other strategic alternatives. The Company expects to continue to raise the necessary funds primarily through the issuance of common shares and funding from strategic partners. However, future events or conditions may cause the Company to cease to continue as a going concern. There can be no guarantees that future equity financing will be available, in which case the Company may need to reduce its exploration activities. There can be no assurance that management's plan will be successful. If the going concern assumption was not appropriate for these condensed interim consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the statements of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting. These condensed interim consolidated financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended October 31, 2025 (the "annual financial statements"), which include the information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's use of judgements and estimates and material accounting policies were presented in note 3 of those annual financial statements and have been consistently applied in the preparation of the condensed interim consolidated financial statements. The annual financial statements were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting

Standards Board ("IASB") ("IFRS Accounting Standards").

These condensed interim consolidated financial statements are presented in United States dollars, which is the Company's and its subsidiaries' functional currency.

The Company's interim results are not necessarily indicative of its results for a full fiscal year.

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Approval of the condensed interim consolidated financial statements

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on June 25, 2026.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies in these condensed interim consolidated financial statements are defined in Note 3 of the Company's annual consolidated financial statements for the year ended October 31, 2025 filed on SEDAR+ on February 26, 2026.

Other recent accounting pronouncements issued by the IASB did not or are not expected to have a material impact on the Company's present or future consolidated financial statements.

4. TECK ALLIANCE AGREEMENT

On December 6, 2023, the Company entered into the Teck Alliance Agreement and received $1,497,668 cash, including $1 million for the reimbursement of certain related expenses made by the Company prior to the Teck Alliance Agreement and $497,668 for exploration activities expected to be committed to or completed by December 31, 2023. Upon the terms and subject to the conditions set forth in the Teck Alliance Agreement, in order for Teck Resources Limited ("Teck") to earn and maintain its option, Teck had to incur $5 million in exploration expenditures on two licenses packages totaling approximately 1,736 square kilometers located in Pavlodar, Kazakhstan by December 31, 2025 (the "Initial Exploration Period"). Of this, $2 million was a firm commitment to be completed in calendar year 2024. Arras initially acted as manager of the projects under the Teck Alliance Agreement and Teck funded the projects on a quarterly basis based on an agreed upon project budget.

On the completion of the Initial Exploration Period, Teck was able to exercise an option in the Teck Alliance Agreement by selecting up to four designated properties up to 120 square kilometers each. Teck would have had to pay $500,000 for each designated property to the Company as an additional reimbursement for the previously invested exploration expenditures. Teck agreed to pay to the Company a management fee for administrative services between 5% to 10% of certain exploration expenditures, excluding capital asset purchases. During the six months ended April 30, 2026 and 2025, $14,148 and $78,581 were recognized as management fees, respectively.

Teck had three options to earn and maintain its option:

- "First Option": Teck could elect to solely fund $5.5 million in 2024 and 2025 calendar years, and on completion will be deemed to own 51% of the designated property,

(Expressed in United States dollars)

- "Second Option": Teck could elect to solely fund $18 million over the next three years ($5 million committed in Year 1) to earn an additional 14% (total of 65%) of the designated property,
- "Third Option": Teck could elect to solely fund $24 million over four years ($6 million committed in Year 1) to earn an additional 10% (total of 75%) of the designated property.

On February 9, 2026, the Teck Alliance Agreement was mutually terminated by Teck and the Company. Teck had incurred $4,972,000 of the required expenditure.

As Teck elected not to continue with the Teck Alliance Agreement, the licenses remain 100% owned by the Company and the Company is under no obligation to reimburse Teck for amounts contributed under the Teck Alliance Agreement.

Other receivable as of October 31, 2025	$ 113,433
Funding from Teck during the period	(167,769)
Expenditures incurred during the period	155,761
Purchase of equipment and vehicles	(101,425)
Other receivable as of April 30, 2026	$ -

During the three and six months ended April 30, 2026 and 2025, the Company incurred the following exploration expenditures:

	For the three months ended April 30, 2026	For the three months ended April 30, 2025	For the six months ended April 30, 2026	For the six months ended April 30, 2025
Total exploration expenditure	$ 2,412,179	$ 1,172,987	$ 3,293,212	$ 2,453,138
Exploration expenditure incurred under Teck agreement	-	(611,747)	(155,761)	(1,101,508)
Exploration expenditure	$ 2,412,179	$ 561,240	$ 3,137,451	$ 1,351,630

During the three and six months ended April 30, 2026 and 2025, the Company recorded the following income pursuant to the Teck Alliance Agreement:

	For the Three Months Ended April 30,		For the Six Months Ended April 30,	
	2026	2025	2026	2025
Income and reimbursement	$ -	$ 45,095	$ 14,148	$ 78,581

(Expressed in United States dollars)

5. OTHER RECEIVABLES

	April 30, 2026	October 31, 2025
Receivable from Teck (Note 4)	$ -	$ 113,433
Goods and services Taxes Credit ("GST")	12,821	14,850
Other	1,156	1,156
Accrued interest receivable	10,000	135,000
	$ 23,977	$ 264,439

6. PREPAID EXPENSES AND DEPOSITS

	April 30, 2026	October 31, 2025
General insurance	$ 38,170	$ 33,246
Prepaid deposit - current	-	33,482
Other prepaid deposits – current	3,528,111	1,839,169
Exploration license insurance - current	104,272	103,441
Prepaid expenses and deposits – current	3,670,553	2,009,338
Prepaid deposits - non-current	10,057	4,466
Exploration license insurance - non-current	293,000	300,000
Prepaid expenses and deposits – non-current	303,057	304,466
Total prepaid expenses and deposits	$ 3,973,610	$ 2,313,804

Current other prepaid deposits include approximately $3,266,000 and $996,000 of deposits made to drilling contractors in Kazakhstan in connection with the Company's 2026 and 2025 drilling program.

The terms of the exploration license insurance agreements are equal to the remaining terms of the exploration licenses (originally six years) plus five years from the effective dates (October 2020 – April 2024).

(Expressed in United States dollars)

7. OFFICE AND EQUIPMENT

		Mining Equipment		Computer Equipment and Software		Office Equipment		Vehicles		Total
Cost										
Balance, October 31, 2025	$	148,279	$	20,637	$	7,282	$	103,232	$	279,430
Additions:		32,906		6,917		-		68,519		108,342
Balance, April 30, 2026	$	181,185	$	27,554	$	7,282	$	171,751	$	387,772
Accumulated depreciation										
Balance, October 31, 2025	$	114,586	$	10,732	$	7,282	$	53,032	$	185,632
Additions		14,896		1,967		-		13,930		30,793
Balance, April 30, 2026	$	129,482	$	12,699	$	7,282	$	66,962	$	216,425
Net book value										
Balance, October 31, 2025	$	33,167	$	9,905	$	-	$	50,200	$	93,798
Balance, April 30, 2026	$	51,703	$	14,855	$	-	$	104,789	$	171,347

During the six months ended April 30, 2026, the Company purchased $32,906 of mining equipment and $68,519 of vehicles from Teck, which were offset against a receivable of $269,194, resulting in a net payment of $167,769. Also, the Company purchased $6,917 of computer equipment. The Company recorded $30,793 of depreciation on mining equipment and vehicles in exploration expenses.

		Mining Equipment		Computer Equipment and Software		Office Equipment		Vehicles		Total
Cost										
Balance, October 31, 2024	$	127,803	$	9,331	$	7,282	$	103,232	$	247,648
Additions:		20,476		5,283		-		-		25,759
Balance, April 30, 2025	$	148,279	$	14,614	$	7,282	$	103,232	$	273.407
Accumulated depreciation										
Balance, October 31, 2024	$	86,636	$	9,331	$	6,472	$	36,381	$	138,820
Additions		13,122		-		810		8,325		22,257
Balance, April 30, 2025	$	99,758	$	9,331	$	7,282	$	44,706	$	161,077
Net book value										
Balance, October 31, 2024	$	41,167	$	-	$	810	$	66,851	$	108,828
Balance, April 30, 2025	$	48,521	$	5,283	$	-	$	58,526	$	112,330

During the six months ended April 30, 2025, the Company recorded $21,447 of depreciation on mining equipment and vehicles in exploration expenses.

8. MINERAL PROPERTIES – EXPLORATION AND EVALUATION ASSETS

The Company holds its interest in the Stepnoe and Ekidos properties through the Stepnoe and Ekidos Joint Venture Agreement (the "Stepnoe and Ekidos JV Agreement"), and the Akkuduk, Nogurbek, Maisor, Elemes, Aktasty, Besshoky, Aimandai and South Bozshakol properties through the Maikain Joint Venture Agreement (the

(Expressed in United States dollars)

"Maikain JV Agreement").

The Company also holds interest in the Tay, Azhe 1, Karatal 1, 2 and 3, Beskauga West and Beskauga East properties.

The following is a summary of the Company's mineral property assets as at April 30, 2026 and October 31, 2025:

Balance, April 30, 2026 and October 31, 2025	$ 1,415,956

Stepnoe and Ekidos JV Agreement

In connection with the spin-off and pursuant to the Separation and Distribution Agreement, Silver Bull transferred its interest in the Stepnoe and Ekidos JV Agreement to Arras.

On September 1, 2020, Silver Bull entered into the Stepnoe and Ekidos JV Agreement in connection with, among other things, mineral license applications (the "Stepnoe and Ekidos Licenses") for, and further exploration and evaluation of certain properties, including the Stepnoe and Ekidos properties located in Kazakhstan. The exploration licenses for the Stepnoe and Ekidos properties were granted on October 22, 2020.

The Company (through Ekidos LLP) and Copperbelt have initial participating interests in the joint venture of 80% and 20%, respectively. Pursuant to the Stepnoe and Ekidos JV Agreement, once the Company spends a minimum of $3,000,000 on either the Stepnoe or Ekidos property, the Company has the option to acquire Copperbelt's participating interest in such property for $1,500,000. As of April 30, 2026, approximately $3,382,000 (October 31, 2025 - $2,671,000) of the required expenditures have been incurred.

The Stepnoe and Ekidos JV Agreement shall terminate automatically upon there being one participant in the joint venture, or by written agreement between the parties.

On November 11, 2023, the Stepnoe and Ekidos JV Agreement was amended to allow for financing and third-party support of exploration and development activities on some or all of the JV licenses.

Maikain JV Agreement

On May 20, 2021, Ekidos LLP entered into the Maikain JV Agreement with Orogen LLP, a company incorporated under the laws of Kazakhstan, in connection with, among other things, mineral license applications for, and further exploration and evaluation of, certain properties in an area of interest, including the Akkuduk, Nogurbek, Maisor, Elemes, Aktasty, Besshoky, Aimandai and South Bozshakol properties located in Kazakhstan. The exploration licenses have been granted for an initial six-year period, with the possibility of a five-year extension.

The Company (through Ekidos LLP) and Orogen LLP have initial participating interests in the Maikain joint venture of 80% and 20%, respectively. Pursuant to the Maikain JV Agreement, once the Company spends a minimum of $3,000,000 on a property in the area of interest, the Company has the option to acquire Orogen LLP's participating interest in such property for $1,500,000. As of April 30, 2026, approximately $7,146,000 (October 31, 2025 - $5,586,000) of the required expenditures have been incurred.

On November 11, 2023, the Maikain JV Agreement was amended to accommodate the Teck Alliance Agreement to allow for third-party financing and support of exploration and development activities on some or all of the JV licenses. The amended agreement also clarified that the Maikain JV Agreement shall not terminate and will continue in full force and effect with respect to any mineral licenses held by or on behalf of the Maikain joint venture as of the date of expiry (May 20, 2024).

(Expressed in United States dollars)

9. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company entered into a lease agreement for its corporate head office commencing March 1, 2022, until February 28, 2026. Upon entering into this lease, the Company recognized a right-of-use ("ROU") asset in the amount of $319,521, and a corresponding lease liability in the same amount ($319,521). The lease liability is measured at amortized cost using the incremental borrowing rate of 10.02%.

During the six months ended April 30, 2026, the Company entered into a lease agreement for its new corporate head office commencing March 1, 2026, until February 28, 2031. Upon entering into this lease, the Company recognized a right-of-use ("ROU") asset in the amount of $225,471, and a corresponding lease liability in the same amount ($225,471). The lease liability is measured at amortized cost using the incremental borrowing rate of 12.41%.

The continuity of the ROU asset and lease liability for the six-month period ended April 30, 2026 is as follows:

Right-of-use asset		
Value of ROU asset as of October 31, 2024	$	106,507
Depreciation		(79,880)
Value of ROU asset as of October 31, 2025		26,627
Additions		225,471
Depreciation		(44,521)
Value of ROU asset as of April 30, 2026	$	207,577

Lease liability		
Lease liability recognized as of October 31, 2024	$	124,819
Lease payments		(94,875)
Lease interest		8,616
Lease liability recognized as of October 31, 2025		38,560
New office lease		225,471
Lease payments		(49,866)
Lease interest		12,712
Lease liability recognized as of April 30, 2026	$	226,877
Current portion	$	62,010
Non-current portion		164,867
Closing balance	$	226,877

Undiscounted lease payment obligations		
Less than one year	$	67,177
One to five years		232,536
Total undiscounted lease liabilities	$	299,713

(Expressed in United States dollars)

10. WARRANT DERIVATIVE LIABILITY

On June 6, 2024, the Company completed a private placement for 20,268,662 units at an issuance price of $CDN 0.26 per unit (the "$CDN 0.26 Unit"). In connection with the $CDN 0.26 Unit private placement completed on June 6, 2024, the Company issued 10,134,332 CDN $0.40 Warrants ("$CDN 0.40 Warrant") . Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $CDN 0.40 for a period of 36 months from the closing of the private placement. In the event the volume weighted average trading price of the Common Shares on the TSXV meets or exceeds $CDN 0.60 for any continuous fifteen trading day period at any time after four months and one day following closing of the private placement, the Company shall have the option, but not the obligation, at any time thereafter to accelerate the expiry date to a date that is thirty days following the date of issuance of a press release by the Company announcing the acceleration of the expiry date. On February 12, 2025, the warrant expiry acceleration clause relating to the $CDN 0.40 Warrants was triggered following a period of 15 consecutive trading days in which the Volume Weighted Average Price of the share price of the Company on the TSX Venture Exchange was $CDN 0.60 or higher. In total, 10,134,332 $CDN 0.40 Warrants were exercised prior to the revised expiration date of March 12, 2025.

A continuity of the Company's shares issuable for June 2024 $CDN 0.40 Warrants is as follows:

	Warrants		Weighted Average Exercise Price
Balance, October 31, 2024	10,134,332	$	CDN 0.40 (0.29)
Exercised	(10,134,332)		CDN 0.40 (0.29)
Outstanding and exercisable at October 31, 2025	-	$	-

		April 30, 2025
Balance, October 31, 2024	$	961,774
Exercised		(3,107,561)
Change in fair value		2,179,405
Effect of movements on exchange rates		(33,618)
Balance, April 30, 2025	$	-

Under IFRS 9 Financial Instruments and IAS 32 Financial Instruments: Presentation, warrants with an exercise price denominated in a currency that differs from an entity's functional currency are treated as a derivative measured at fair value with subsequent changes in fair value accounted for through profit and loss. As these warrants are exercised, the fair value at the date of exercise and the associated non-cash liability will be included in the share capital along with the proceeds from the exercise. If these warrants expire, the non-cash warrant liability is reversed through profit and loss. There is no cash flow impact as a result of the accounting treatment for changes in the fair value of the warrant derivative or when warrants expire unexercised.

In connection with the private placement completed on June 6, 2024, the Company issued 10,134,332 Purchase Warrants. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $CDN 0.40 for a period of 36 months following the closing of the private placement.

The CDN$0.40 Warrants are considered derivative liabilities, as the currency denomination of the exercise price is different from the functional currency of the Company. Due to the non-standard nature of the $CDN 0.40 Warrants, which have an accelerated exercise provision, the closed form Black Scholes model cannot be used. As such, a Monte Carlo Simulation was used with the underlying share price of the Company to determine the fair value. The Company determined the allocated fair value of $CDN 0.40 Warrants at the date of issuance ($687,676) using the Monte Carlo valuation model with the following assumptions:

(Expressed in United States dollars)

	$CDN 0.40 Warrants
Share price on date of issuance	CDN$0.29
Strike Price	CDN$0.40
Risk-free interest rate	3.80%
Expected volatility	99%
Expected life (in years)	3
Forfeiture rate	nil
Expected dividend	nil
Exchange rate ($USD to $CDN)	1.3686
Number of Simulations	1,000

The fair value of the CDN$0.40 Warrants were revalued as of February 12, 2025 ($3,107,561) using the Monte Carlo valuation model with the following assumptions:

	CDN$0.40 Warrants
Share price on date on February 12, 2025	CDN$0.82
Strike Price	CDN$0.40
Risk-free interest rate	2.48%
Expected volatility	94%
Expected life (in years)	2.10
Forfeiture rate	Nil
Expected dividend	Nil
Exchange rate ($USD to $CDN)	1.4298
Number of Simulations	1,000

As a result of the revaluation, the Company recognized a loss on remeasurement of warrant liability related to the CDN$0.40 Warrants of $2,179,405 in the condensed interim consolidated statements of comprehensive loss during the six months ended April 30, 2025.

11. SHARE CAPITAL

a) Authorized

Unlimited number of common shares and an unlimited number of preferred shares, without par value.

b) Issued and outstanding

Preferred shares

No preferred shares have been issued.

Common shares

As of April 30, 2026 and October 31, 2025, there were 122,312,828 and 122,071,632 common shares issued and outstanding, respectively.

During the six months ended April 30, 2026, the following transactions occurred:

On March 13, 2026, 241,196 RSUs that were granted in 2025 were settled as common shares of the Company.

During the six months ended April 30, 2025, the following transactions occurred:

On April 17, 2025, the Company completed a private placement, issuing a total of 18,941,177 common shares at a price of $CDN 0.85 per common share for gross proceeds of $CDN 16,100,000 ($11,487,692). The Company paid finder's fees totaling $CDN 771,105 ($550,200) to agents with respect to certain purchasers who were introduced to the Company. The Company incurred other offering costs associated with this private placement in the amount of $174,257.

On April 17, 2025, options to acquire 300,000 common shares were exercised at $CDN 0.50 per common share for aggregate gross proceeds of $105,381.

On March 17, 2025, Silver Bull Warrants to acquire 21,500 common shares were exercised at $0.59 per common share. The Company received gross proceeds of $5,375, representing its portion of the exercise proceeds at $0.25 per common share. The Company incurred other costs associated with this warrant exercise in the amount of $862.

On March 14, 2025, options to acquire 100,000 common shares were exercised by way of a cashless exercise whereby the recipient elected to receive 47,435 common shares without payment of the exercise price and the remaining 52,565 options were cancelled.

On March 14, 2025, 1,495,484 RSUs that were granted in 2024 were settled as common shares of the Company.

From January 20, 2025 to March 14, 2025, warrants to acquire 10,134,332 common shares were exercised at $CDN 0.40 per common share for aggregate gross proceeds of $CDN 4,053,733 ($2,834,418).

c) Stock options

Pursuant to the Company's Equity Incentive Plan (the "Plan") approved by the Board of Directors, the Company grants stock options to employees, directors, officers and advisors. Under the Plan, options can be granted for a maximum term of ten years and the stock options shall vest in three equal installments, with one third of the options vesting on each of the grant date, the first-year anniversary of the grant date and the second anniversary of the grant date, unless otherwise designated by the Board. Further, the exercise price shall not be less than the price of the Company's common shares on the date of the stock option grant.

No options were granted or exercised during the six months ended April 30, 2026.

On April 17, 2025, options to acquire 300,000 common shares were exercised at $CDN 0.50 per common share for aggregate gross proceeds of $105,381.

On April 15, 2025, the Company granted options to acquire 2,475,000 common shares with a weighted-average grant-date fair value of $0.38 per share and an exercise price of $0.60 ($CDN 0.83) per common share. One-thirds vested immediately, one-third vested one year from grant date and the remaining one-third vests two years from grant date.

On March 14, 2025, options to acquire 100,000 common shares were exercised at $CDN 0.50 by way of a cashless exercise whereby the recipient elected to receive 47,435 common shares without payment of the exercised price and the remaining options for 52,565 common shares were cancelled.

(Expressed in United States dollars)

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, October 31, 2024	5,660,000	$	0.37 ($CDN 0.51)
Granted	2,775,000		0.60 ($CDN 0.83)
Exercised	(741,666)		0.33 ($CDN 0.46)
Cancelled	(83,334)		0.60 ($CDN 0.83)
Balance, October 31, 2025	7,610,000		0.46 ($CDN 0.63)
Balance, April 30, 2026	7,610,000	$	0.44 ($CDN 0.63)

The following options were outstanding and exercisable at April 30, 2026:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Life
April 15, 2021	April 14, 2026 *	$CDN 0.50 ($0.36)	3,100,000	3,100,000	-
August 5, 2021	August 4, 2026	$CDN 0.50 ($0.36)	800,000	800,000	0.27
September 24, 2021	September 23, 2026	$CDN 0.50 ($0.36)	160,000	160,000	0.40
December 7, 2021	December 7, 2026	$CDN 1.00 ($0.72)	100,000	100,000	0.61
March 2, 2022	March 2, 2027	$CDN 1.00 ($0.72)	300,000	300,000	0.84
September 26, 2024	September 26, 2029	$CDN 0.35 ($0.25)	500,000	500,000	3.41
April 15, 2025	April 15, 2030	$CDN 0.83 ($0.60)	2,350,000	783,334	3.96
September 8, 2025	September 8, 2030	$CDN 0.82 ($0.59)	300,000	100,000	4.36
			7,610,000	5,843,334	1.71

* The Company had a mandatory extraordinary blackout period from April 10, 2026 to June 10, 2026. As per the Company's Equity Incentive Plan, if the normal expiry date of any Option falls within any blackout period, then the expiry date of such Option shall, without any further action, be extended to the date that is ten (10) business days following the end of such blackout period. Therefore, the expiry date for Options that were set to expire on April 14, 2026 was extended to June 12, 2026 (Note 19).

(Expressed in United States dollars)

The following options were outstanding and exercisable at April 30, 2025:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Life
April 15, 2021	April 14, 2026	$CDN 0.50 ($0.36)	3,100,000	3,100,000	0.96
August 5, 2021	August 4, 2026	$CDN 0.50 ($0.36)	800,000	800,000	1.27
September 24, 2021	September 23, 2026	$CDN 0.50 ($0.36)	160,000	160,000	1.40
December 7, 2021	December 7, 2026	$CDN 1.00 ($0.72)	100,000	100,000	1.61
March 2, 2022	March 2, 2027	$CDN 1.00 ($0.72)	300,000	300,000	1.84
September 22, 2022	September 22, 2027	$CDN 0.35 ($0.25)	300,000	300,000	2.40
September 26, 2024	September 26, 2029	$CDN 0.35 ($0.25)	500,000	333,333	4.41
April 15, 2025	April 15, 2030	$CDN 0.83 ($0.60)	2,475,000	825,000	4.96
			7,735,000	5,918,333	1.89

The weighted average remaining contractual life for options outstanding is 1.71 years and 1.89 years ended April 30, 2026 and 2025, respectively.

The total fair value of options granted during the six months ended April 30, 2026 and 2025 was $nil and $945,475.

As of April 30, 2026, there is a total remaining unrecognized compensation expenses of $190,697 (October 31, 2025 - $426,614) which will be expensed in future reporting periods.

Total share-based payments recognized during the three and six months ended April 30, 2026 was $105,510 and $235,917 (2025 - $330,981 and $337,782), which was expensed in the condensed interim consolidated statements of comprehensive loss.

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, share-based payments of $103,465 (2025 – $153,904) were recognized as personnel expenses for options granted to employees, $75,215 (2025 – $85,138) were recognized in directors' fees for options granted to directors and $57,237 (2025 - $98,740) was recognized as exploration for options granted to employees and consultants for the six months ended April 30, 2026.

The expected volatility assumption is based on the historical company common share price. The risk-free interest rate assumption is based on yield curves on government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company has not paid and does not anticipate paying dividends on its common stock. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the expense recorded in the accompanying statements of comprehensive loss.

(Expressed in United States dollars)

d) Restricted shares units ("RSUs")

On March 31, 2026, the Company granted 63,303 RSUs to officers, in accordance with the Company's Equity Incentive Plan. The grant date fair value of the RSUs was $CDN 0.592. RSUs are awards for service which upon vesting and settlement entitle the recipient to receive common shares. Vesting conditions for RSUs are set by the Board but must be at least one year following the grant date. The RSUs granted vest in a single tranche, one year from the grant date.

On February 26, 2026, the Company granted 286,314 RSUs to officers, in accordance with the Company's Equity Incentive Plan. The grant date fair value of the RSUs was $CDN 0.742. RSUs are awards for service which upon vesting and settlement entitle the recipient to receive common shares. Vesting conditions for RSUs are set by the Board but must be at least one year following the grant date. The RSUs granted vest in a single tranche, one year from the grant date.

On February 27, 2025, the Company granted 241,196 RSUs to officers, in accordance with the Company's Equity Incentive Plan. The grant date fair value of the RSUs was $CDN 0.753. RSUs are awards for service which upon vesting and settlement entitle the recipient to receive common shares. Vesting conditions for RSUs are set by the Board but must be at least one year following the grant date. The RSUs granted vest in a single tranche, one year from the grant date. On March 13, 2026, 241,196 RSUs were settled as common shares of the Company.

Compensation expense for RSUs was $38,403 and $70,458 for the three and six months ended April 30, 2026 (2025 – $36,684 and $91,224) are presented as personnel costs and exploration costs and reduced the accrued liabilities.

The following table summarizes information about the RSUs outstanding at April 30, 2026:

	Number of RSUs Outstanding	**Fair Value Per Arras Share issuable ($CDN)**
Balance, October 31, 2025	241,196	$ 0.753
Granted	286,314	0.742
Granted	63,303	0.592
Settled	(241,196)	0.753
Outstanding at April 30, 2026	349,617	$ 0.719

e) Deferred shares units ("DSUs")

Under the terms of the Company's Equity Incentive Plan, non-executive directors may elect to receive all or a portion of their annual compensation in the form of DSUs. The DSUs are issued on a quarterly basis with the number of DSUs issued based on the five-day volume weighted average trading price of the Company's common shares at the date of grant. DSUs vest immediately.

The following table summarizes the changes in the Company's DSUs outstanding during the six months ended April 30, 2026:

	Number of DSUs
Balance, October 31, 2025	111,520
Issued during the six-months ended April 30, 2026	95,235
Outstanding at April 30, 2026	206,755

For the six months ended April 30, 2026, the Company granted 95,235 DSUs (2025 – 39,498) at a fair value per the weighted average DSU on the date of issue of $CDN 0.78. In relation to DSU grants, the Company recognized directors' fees of $27,217 and $54,488 for the three and six months ended April 30, 2026 (2025 - $21,894 and $21,894).

(Expressed in United States dollars)

12. LOSS PER SHARE

Loss per common share is calculated by dividing net loss for the period by the weighted average number of common shares outstanding for the six months ended April 30, 2026, of 122,135,596 (2025 – 97,328,142). The effect of any potential exercise of our stock options, RSUs and DSUs outstanding during the period has been excluded from the calculation of diluted loss per common share, as it would be anti-dilutive.

13. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities at April 30, 2026 is $279,766 (October 31, 2025 - $433,626) due to officers and directors of the Company for their compensation and services. The balances due to officers are to be settled in RSUs and cash within one year and bear no interest. Unpaid amounts due to directors are unsecured and are to be settled in DSUs and cash and bear no interest.

As at April 30, 2026, due to related party consists of $21,933 due to Silver Bull for shared employees' salaries and office expenses (October 31, 2025 - $20,285). The balance of due to related party is interest free and is to be repaid on demand.

During the six months ended April 30, 2026 and 2025, expenses totalling $171,772 and $155,553 were incurred by Silver Bull on the Company's behalf, which was offset by an incurred shared office rent. If specific identification of expenses is not practicable, a proportional cost allocation based on management's estimation is applied.

		April 30, 2026		April 30, 2025
Personnel	$	189,473	$	170,816
Office and administrative		3,207		7,843
Office rent reimbursement		(20,908)		(23,106)
	$	171,772	$	155,553

During the six months ended April 30, 2026 and 2025, the Company paid or accrued the following amounts to officers, directors or companies controlled by officers and/or directors:

		April 30, 2026		April 30, 2025
Share-based payment	$	249,138	$	230,920
Directors' fees		62,661		60,798
Personnel		319,728		357,940
	$	631,527	$	649,658

(Expressed in United States dollars)

14. COMMITMENTS AND CONTINGENCIES

Contractual obligated per calendar year requirements as at April 30, 2026 are as follows:

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Total
Lease commitments (Note 9)	67,000	67,000	67,000	67,000	32,000	300,000
Exploration licenses expenditure commitments	2,767,000	3,044,000	3,348,000	-	-	9,159,000
	2,834,000	3,111,000	3,415,000	67,000	32,000	9,459,000

The Company's commitments include contractually obligated payments associated to its office lease (Note 9) and minimum expenditure requirements to maintain its exploration licenses as mandated by the Kazakh government authorities to keep the tenements in good standing.

Arras Management Incentive Plan

The Board adopted and approved on April 15, 2021, and further amended in February 2022, the Arras Incentive Plan. Pursuant to the Arras Incentive Plan, as well as the consulting agreement with the Company's President ("President Consulting Agreement"), Arras is to pay cash bonuses in the amounts set forth in the following table upon Arras reaching a market capitalization target for five consecutive trading days as set forth in the table:

C$250 million market capitalization	***C$500 million market capitalization***	***C$1 billion market capitalization***	***Total bonus opportunity***
C$3,000,000	C$3,000,000	C$6,000,000	C$12,000,000

The Arras Incentive Plan and President Consulting Agreement further provide that if Arras is the subject of a Change of Control (as defined in the Arras Incentive Plan) that exceeds C$250 million, Arras must pay cash bonuses equal to 1.20% of the Change of Control transaction amount, less any cash bonuses that may have previously been paid to such persons pursuant to the market capitalization targets noted above. The market capitalization targets or Change of Control must be achieved or completed by April 15, 2027 in order for any officer or employee of Arras to earn the applicable bonus payment described above. Any bonus payable in the future to an officer or employee of Arras will be cancelled (subject to the discretion of the Board) if such officer or employee is not employed directly or indirectly by Arras when such bonus is earned and becomes payable. At the sole discretion of the Board, Arras shall not be obligated to pay a bonus in cash under the Arras Incentive Plan or President Consulting Agreement if it lacks funds at the time. In lieu of cash, the Board may choose to settle any bonus by issuing and delivering shares for such amount valued at the five-day trading volume-weighted average price for shares on the market calculated up to the day before the issuance of the shares. As of April 30, 2026, the Company's market capitalization was approximately C$96.6 million.

15. SUPPLEMENTAL CASH FLOW INFORMATION

As at April 30, 2026, cash and cash equivalents consist of guaranteed investment certificates ("GIC") of \$5,194,510 (October 31, 2025 – \$8,263,667) for the terms between 30 to 90 days and \$514,880 in cash (October 31, 2025 - \$2,137,527) held in bank accounts.

(Expressed in United States dollars)

	April 30, 2026	April 30, 2025
Supplemental information		
Interest paid	$ -	$ -
Income taxes paid	-	-
Non-cash financing activity		
Derivative warrants exercise	$ -	$ 3,107,561
Offering costs included in accounts payable and liabilities	-	8,853
Non-cash investing activity		
Right-of-use assets recognized (Note 9)	$ 225,471	$ -
Purchase equipment and vehicles from settlement of other receivable (Note 7)	101,425	-

16. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, other receivables excluding GST, accounts payable and accrued liabilities, lease liability and due to related party. The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

a) Credit risk

The Company's credit risk on other receivables is negligible.

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote as it maintains accounts with highly rated financial institutions. Cash and cash equivalents are denominated in $USD, $CDN and Kazakh Tenge, and include guaranteed investment certificates for terms of less than 100 days acquired from a Canadian financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. As at April 30, 2026, the Company had net working capital of $8,875,000 (October 31, 2025 –$12,023,000) and cash and cash equivalents of $5,709,000 (October 31, 2025 - $10,401,000), and is not exposed to significant liquidity risk at this time. Furthermore, as the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through equity offerings. Accounts payable and accrued liabilities, and due to related party are non-interest-bearing and are normally settled on 30-day terms.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not currently exposed to any significant interest rate risk or other price risk. The Company is exposed to foreign currency risk with respect to cash denominated in Canadian dollars. As at April 30, 2026, a 10% strengthening (weakening) of the Canadian dollar against the United States dollar would have increased (decreased) the Company's comprehensive loss by approximately $377,000 for the six months ended April 30 2026 (October 31, 2025 - $706,000).

The Company also maintains a minimum cash balance of local currency in a bank account in Kazakhstan. Due to the small balance, the Company assessed Kazakh Tenge foreign currency risk as low. The Company has not hedged any of its foreign currency risks.

d) Commodity price risk

The ability of the Company to raise funds to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of copper and gold. The Company monitors copper and gold prices to determine the appropriate course of action to be taken.

e) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

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 or indirectly.
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and cash equivalents, accounts payable and accrued liabilities and due to related party.

The carrying values approximate the fair values due to the short-term maturity of these instruments except the lease liability. There were no transfers between fair value levels during the six months ended April 30, 2026 and 2025.

17. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations and exploration. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company is not subject to any externally imposed capital requirements. The Company did not change its approach to capital management during the six months ended April 30, 2026.

18. SEGMENTED INFORMATION

Operating segments

The Company operates in a single reportable operating segment - the acquisition, exploration and evaluation of mineral properties, with its head office function in Canada. As at April 30, 2026, the Company's exploration and evaluation assets are currently located in Kazakhstan.

The following table details the allocation of assets included in the accompanying condensed interim consolidated statement of financial position at April 30, 2026:

(Expressed in United States dollars)

	Canada	Kazakhstan	Total
Cash and cash equivalents	$ 5,512,000	$ 197,000	$ 5,709,000
Other receivables	24,000	—	24,000
Prepaid expenses	12,000	3,659,000	3,671,000
Office and equipment	-	171,000	171,000
Mineral properties	—	1,416,000	1,416,000
Right-of-use assets	208,000	—	208,000
Prepaid expenses and deposits - non-current	10,000	293,000	303,000
	$ 5,766,000	$ 5,736,000	$ 11,502,000

The following table details the allocation of assets included in the accompanying condensed interim consolidated statement of financial position at October 31, 2025:

	Canada	Kazakhstan	Total
Cash and cash equivalents	$ 10,201,000	$ 200,000	$ 10,401,000
Other receivables	264,000	—	264,000
Prepaid expenses	67,000	1,943,000	2,010,000
Office and equipment	34,000	60,000	94,000
Mineral properties	—	1,416,000	1,416,000
Right-of-use assets	27,000	—	27,000
Prepaid expenses and deposits - non-current	4,000	300,000	304,000
	$ 10,597,000	$ 3,919,000	$ 14,516,000

19. SUBSEQUENT EVENTS

On June 11, 2026, options to acquire 100,000 common shares were exercised at $CDN 0.50 per common share for aggregate gross proceeds of $35,732.

On June 12, 2026, options to acquire 3,800,000 common shares were exercised at $CDN 0.50 by way of a cashless exercise whereby the recipients elected to receive 2,221,010 common shares without payment of the exercised price and the remaining options for 1,578,990 common shares were cancelled.

On June 15, 2026, the Company announced a Bought Deal LIFE Offering (the “Financing”), pursuant to which it will issue 18,382,175 common shares at a price of $CDN 1.36 per common share for gross proceeds of $CDN 24,999,758. The Financing is expected to close on or about July 7, 2026.