



ARRAS
MINERALS CORP.

Condensed Interim Consolidated Financial Statements (Unaudited)

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

(Expressed in United States dollars)

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

	Notes	July 31, 2026 (Unaudited)	October 31, 2025 (Audited)
		\$	\$
Assets			
Current			
Cash and cash equivalents	15	19,701,567	10,401,194
Other receivables	4,5	97,496	264,439
Prepaid expenses and deposits	6	2,580,294	2,009,338
		22,379,357	12,674,971
Non-Current			
Office and equipment	7	152,909	93,798
Mineral properties	8	1,415,956	1,415,956
Right-of-use assets	9	196,840	26,627
Prepaid expenses and deposits	6	322,056	304,466
Total Assets		24,467,118	14,515,818
Liabilities			
Current			
Accounts payable and accrued liabilities	13	943,534	593,545
Lease liability	9	41,028	38,560
Due to related party	13	20,916	20,285
		1,005,478	652,390
Non-Current			
Lease liability	9	177,135	-
Total Liabilities		1,182,613	652,390
Shareholders' Equity			
Share capital	11	56,415,790	38,809,988
Reserves	11	1,358,042	1,986,993
Deficit		(34,489,327)	(26,933,553)
Total Shareholders' Equity		23,284,505	13,863,428
Total Liabilities and Shareholders' Equity		24,467,118	14,515,818

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 19)

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 July 31, 2026	For the three months ended July 31, 2025	For the nine months ended July 31, 2026	For the nine months ended July 31, 2025
		\$	\$	\$	\$
Expenses					
Exploration	4,7,11,13	3,739,801	1,330,561	6,877,254	2,682,192
Personnel	11,13	207,844	238,178	772,821	805,237
Marketing and shareholders' communication		27,040	86,846	195,173	199,629
Directors' fees	11,13	57,486	64,030	200,076	211,168
Professional services		16,514	26,361	75,726	106,717
Office and administrative	13	25,552	6,487	84,797	36,070
Depreciation	9	10,737	19,970	55,258	60,720
Loss from operations		(4,084,974)	(1,772,433)	(8,261,105)	(4,101,733)
Interest income		44,070	101,774	136,588	126,190
Foreign currency translation (loss) gain		(98,844)	(84,831)	554,595	153,490
Management fees	4	-	45,817	14,148	124,398
Mineral property impairment	8	-	(3,619,303)	-	(3,619,303)
Changes of fair value of warrant derivative	10	-	-	-	(2,179,405)
Other (loss) income		(54,774)	(3,556,543)	705,331	(5,394,630)
Net and Comprehensive Loss for the Period		(4,139,748)	(5,328,976)	(7,555,774)	(9,496,363)
Basic and Diluted Loss per Common Share	13	(0.03)	(0.04)	(0.06)	(0.09)
Weighted Average Number of Common Shares Outstanding	13	128,510,087	120,253,702	124,283,776	103,597,891

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			Deficit	Shareholders' Equity
	Common Shares	Amount	Options	Share Units	Warrants		
		\$	\$	\$	\$	\$	\$
Balance, October 31, 2025	122,071,632	38,809,988	1,831,856	155,137	-	(26,933,553)	13,863,428
Private placement, net of share issue costs	18,382,175	16,379,203	-	-	-	-	16,379,203
Shares issued on settlement of restricted share units	241,196	127,174	-	(127,174)	-	-	-
Stock options exercised	2,819,171	1,099,425	(990,835)	-	-	-	108,590
Share-based payment	-	-	291,633	197,425	-	-	489,058
Net loss for the period	-	-	-	-	-	(7,555,774)	(7,555,774)
Balance, July 31, 2026	143,514,174	56,415,790	1,132,654	225,388	-	(34,489,327)	23,284,505

	Share Capital		Reserves			Deficit	Shareholders' Equity
	Common Shares	Amount	Options	Share Units	Warrants		
		\$	\$	\$	\$	\$	\$
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	245,000	95,692	-	-	(35,358)	-	60,334
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	-	-	466,663	167,281	-	-	633,944
Net loss for the period	-	-	-	-	-	(9,496,363)	(9,496,363)
Balance, July 31, 2025	120,351,474	38,160,983	1,736,570	97,920	249,142	(25,494,145)	14,750,470

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)

	Nine months ended July 31, 2026	Nine months ended July 31, 2025
	\$	\$
Operating Activities		
Net loss for the period	(7,555,774)	(9,496,363)
Items not affecting cash		
Depreciation	104,489	94,305
Share-based payment	381,696	633,944
Interest expense	19,500	7,276
Unrealized foreign exchange loss	-	(28,874)
Mineral property impairment	-	3,619,303
Changes of fair value of warrant derivative	-	2,179,405
	(7,050,089)	(2,991,004)
Changes in non-cash working capital		
Other receivables	123,518	17,592
Prepaid expenses and deposits	(588,546)	(13,499)
Accounts payable and accrued liabilities	399,351	(308,626)
Due to related party	631	(1,779)
Other liability	-	320,693
	(65,046)	14,381
Cash Used in Operating Activities	(7,115,135)	(2,976,623)
Financing Activities		
Proceeds from private placements, net of share issue costs	16,379,203	10,763,235
Proceeds from warrants exercised, net of share issue costs	-	2,893,939
Proceeds from stock options exercised, net of share issue costs	108,590	108,248
Repayment of lease liability	(65,368)	(71,157)
Cash Provided by Financing Activities	16,422,425	13,694,265
Investing Activity		
Purchase of office and equipment	(6,917)	(28,163)
Cash Used in Investing Activity	(6,917)	(28,163)
Net Change in Cash and Cash Equivalents	9,300,373	10,689,479
Cash and Cash Equivalents, Beginning of Period	10,401,194	1,727,459
Cash and Cash Equivalents, End of Period	19,701,567	12,416,938

Supplemental Cash Flow Information (Note 15)

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

Arras Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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

(Expressed in United States dollars)

(Unaudited)

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 nine months ended July 31, 2026 and 2025, the Company has incurred a net and comprehensive loss of \$7,555,774 and \$9,496,363, respectively, and had an accumulated deficit of \$34.5 million. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company relies on share issuances in order to fund its exploration and other business objectives. During the nine months ended July 31, 2026, the Company raised gross amounts of \$17,607,702 (\$24,999,758 Canadian dollars ("SCDN")) through the issuance of common shares via a brokered private placement (Note 11 (b)) and gross amounts of \$108,602 (SCDN 150,000) from the exercise of options (Note 11 (c)). The Company had cash and cash equivalents of \$19.7 million and \$10.4 million as of July 31, 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

Arras Minerals Corp.

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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 September 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 nine months ended July 31, 2026 and 2025, \$14,148 and \$124,398 were recognized as

Arras Minerals Corp.

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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,
- “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 July 31, 2026	\$	-

During the three and nine months ended July 31, 2026 and 2025, the Company incurred the following exploration expenditures:

	For the three months ended July 31, 2026		For the three months ended July 31, 2025		For the nine months ended July 31, 2026		For the nine months ended July 31, 2025	
Total exploration expenditure	\$	3,739,801	\$	2,137,126	\$	7,033,015	\$	4,590,264
Exploration expenditure incurred under Teck agreement		-		(806,565)		(155,761)		(1,908,072)
Exploration expenditure	\$	3,739,801	\$	1,330,561	\$	6,877,254	\$	2,682,192

During the three and nine months ended July 31, 2026 and 2025, the Company recorded the following income pursuant to the Teck Alliance Agreement:

For the Three Months Ended July 31,		For the Nine Months Ended July 31,	
2026	2025	2026	2025
\$ -	\$ 45,817	\$ 14,148	\$ 124,398

Arras Minerals Corp.

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(Expressed in United States dollars)

(Unaudited)

5. OTHER RECEIVABLES

	July 31, 2026	October 31, 2025
Receivable from Teck (Note 4)	\$ -	\$ 113,433
Goods and services Taxes Credit ("GST")	10,340	14,850
Other	59,156	1,156
Accrued interest receivable	28,000	135,000
	\$ 97,496	\$ 264,439

6. PREPAID EXPENSES AND DEPOSITS

	July 31, 2026	October 31, 2025
General insurance	\$ 42,387	\$ 33,246
Prepaid deposit - current	-	33,482
Other prepaid deposits – current	2,429,809	1,839,169
Exploration license insurance - current	108,098	103,441
Prepaid expenses and deposits – current	2,580,294	2,009,338
Prepaid deposits - non-current	10,056	4,466
Exploration license insurance - non-current	312,000	300,000
Prepaid expenses and deposits – non-current	322,056	304,466
Total prepaid expenses and deposits	\$ 2,902,350	\$ 2,313,804

Current other prepaid deposits include approximately \$2,116,000 (October 31, 2025: \$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 two years from the effective dates (October 2020 – July 2026).

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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, July 31, 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
Depreciation		22,378		3,156		-		23,697		49,231
Balance, July 31, 2026	\$	136,964	\$	13,888	\$	7,282	\$	76,729	\$	234,863
Net book value										
Balance, October 31, 2025	\$	33,693	\$	9,905	\$	-	\$	50,200	\$	93,798
Balance, July 31, 2026	\$	44,221	\$	13,666	\$	-	\$	95,022	\$	152,909

During the nine months ended July 31, 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 \$49,231 of depreciation on office and 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		7,687		-		-		28,163
Balance, July 31, 2025	\$	148,279	\$	17,018	\$	7,282	\$	103,232	\$	275,811
Accumulated depreciation										
Balance, October 31, 2024	\$	86,636	\$	9,331	\$	6,472	\$	36,381	\$	138,820
Depreciation		20,536		560		810		12,489		34,395
Balance, July 31, 2025	\$	107,172	\$	9,891	\$	7,282	\$	48,870	\$	173,215
Net book value										
Balance, October 31, 2024	\$	41,167	\$	-	\$	810	\$	66,851	\$	108,828
Balance, July 31, 2025	\$	41,107	\$	7,127	\$	-	\$	54,362	\$	102,596

During the nine months ended July 31, 2025, the Company recorded \$33,585 of depreciation on office and mining equipment and vehicles in exploration expenses.

8. MINERAL PROPERTIES – EXPLORATION AND EVALUATION ASSETS

The Company, through the asset purchase agreement, entered into an option agreement dated August 12, 2020 with Copperbelt, to earn up to a 100% interest in the Beskauga project and through acquisition of Ekidos, which holds other exploration licenses located in Kazakhstan.

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On June 10, 2025, the Company announced that it had elected not to exercise the purchase option for the Beskauga Property, and the Beskauga Option Agreement was mutually terminated by Copperbelt and the Company. As a result, the value in use was determined to be \$nil, as there was no remaining rights or economic benefits associated with the Beskauga Option Agreement, in accordance with level 3 of the fair value hierarchy and, the Company wrote off the capitalized property concession balance relating to Beskauga of \$3,619,303.

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 "Maikain JV Agreement").

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

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

Property concessions – October 31, 2024	\$ 5,035,259
Impairment	(3,619,303)
Property concessions – July 31, 2026 and October 31, 2025	<u>\$ 1,415,956</u>

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 July 31, 2026, the Company had fulfilled its minimum spend requirement (October 31, 2025 - \$2,671,000).

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 Bozshakol South 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

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LLP's participating interest in such property for \$1,500,000. As of July 31, 2026, approximately \$8,763,000 (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).

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 nine months ended July 31, 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 nine-month period ended July 31, 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		(55,258)
Value of ROU asset as of July 31, 2026	\$	196,840

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		(65,368)
Lease interest		19,500
Lease liability recognized as of July 31, 2026	\$	218,163
Current portion	\$	41,028
Non-current portion		177,135
Closing balance	\$	218,163

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(Expressed in United States dollars)

(Unaudited)

Undiscounted lease payment obligations

Less than one year	\$	62,010
One to five years		222,201
Total undiscounted lease liabilities	\$	284,211

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	-	\$ -

	July 31, 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, July 31, 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.

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

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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:

	\$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 nine months ended July 31, 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 July 31, 2026 and October 31, 2025, there were 143,514,174 and 122,071,632 common shares

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issued and outstanding, respectively.

During the nine months ended July 31, 2026, the following transactions occurred:

On July 7, 2026, the Company completed a Bought Deal LIFE Offering (the "Financing"), pursuant to which it issued 18,382,175 common shares at a price of \$CDN 1.36 per common share for gross proceeds of \$CDN 24,999,758 (\$17,607,702). The Company paid finder's fees totaling \$CDN 1,499,985 (\$1,056,402) to an agent with respect to the purchasers who were introduced to the Company. The Company incurred other offering costs associated with this private placement in the amount of \$171,097.

On July 2, 2026, options to acquire 500,000 common shares were exercised by way of a cashless exercise whereby the recipient elected to receive 398,161 common shares without payment of the exercise price and the remaining 101,839 options were cancelled.

On June 25, 2026, options to acquire 100,000 common shares were exercised at \$CDN 1.00 per common share for aggregate gross proceeds of \$72,870 (\$CDN 100,000).

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

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 (\$CDN 50,000). The Company incurred other costs of \$12.

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

During the nine months ended July 31, 2025, the following transactions occurred:

From March 17 to June 4, 2025, Silver Bull Warrants to acquire 245,000 common shares were exercised at an exercise price of \$0.25 per common share (exercise price per Arras share issuable). The Company received gross proceeds of \$61,250. The Company incurred other costs associated with this warrant exercise in the amount of \$916.

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 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). The Company incurred other costs associated with this warrant exercise in the amount of \$813.

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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 during the nine months ended July 31, 2026.

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.

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)
Exercised	(2,819,171)		0.37 (\$CDN 0.51)
Cancelled	(1,680,829)		0.36 (\$CDN 0.50)
Balance, July 31, 2026	3,110,000	\$	0.59 (\$CDN 0.83)

The following options were outstanding and exercisable at July 31, 2026:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Life
September 24, 2021	September 23, 2026	\$CDN 0.50 (\$0.36)	160,000	160,000	0.15
March 2, 2022	March 2, 2027	\$CDN 1.00 (\$0.72)	300,000	300,000	0.59
April 15, 2025	April 15, 2030	\$CDN 0.83 (\$0.60)	2,350,000	1,566,667	3.71
September 8, 2025	September 8, 2030	\$CDN 0.82 (\$0.59)	300,000	100,000	4.11
			3,110,000	2,126,667	3.26

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The following options were outstanding and exercisable at July 31, 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	0.70
August 5, 2021	August 4, 2026	\$CDN 0.50 (\$0.36)	800,000	800,000	1.01
September 24, 2021	September 23, 2026	\$CDN 0.50 (\$0.36)	160,000	160,000	1.15
December 7, 2021	December 7, 2026	\$CDN 1.00 (\$0.72)	100,000	100,000	1.35
March 2, 2022	March 2, 2027	\$CDN 1.00 (\$0.72)	300,000	300,000	1.59
September 22, 2022	September 22, 2027	\$CDN 0.35 (\$0.25)	300,000	300,000	2.15
September 26, 2024	September 26, 2029	\$CDN 0.35 (\$0.25)	500,000	333,333	4.16
April 15, 2025	April 15, 2030	\$CDN 0.83 (\$0.60)	2,475,000	825,000	4.71
			7,735,000	5,918,333	1.64

Total share-based payments recognized during the three and nine months ended July 31, 2026 was \$55,716 and \$291,633 (2025 - \$128,881 and \$466,663), 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 \$124,078 (2025 – \$211,861) were recognized as personnel expenses for options granted to employees, \$98,916 (2025 – \$117,200) were recognized in directors' fees for options granted to directors and \$68,639 (2025 - \$137,602) was recognized as exploration for options granted to employees and consultants for the nine months ended July 31, 2026.

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. 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. 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. 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.

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Compensation expense for RSUs was \$45,896 and \$116,354 for the three and nine months ended July 31, 2026 (2025 – \$32,055 and \$123,018) are presented as personnel costs and exploration costs and reduced the accrued liabilities.

The following table summarizes information about the RSUs outstanding at July 31, 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 July 31, 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 nine months ended July 31, 2026:

	Number of DSUs
Balance, October 31, 2025	111,520
Issued	120,101
Outstanding at July 31, 2026	231,621

For the nine months ended July 31, 2026, the Company granted 120,101 DSUs (2025 – 70,434) at a fair value per the weighted average DSU on the date of issue of \$CDN 0.94. In relation to DSU grants, the Company recognized directors' fees of \$26,582 and \$81,071 for the three and nine months ended July 31, 2026 (2025 - \$22,369 and \$44,263).

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 nine months ended July 31, 2026, of 124,283,776 (2025 – 103,597,891). 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 July 31, 2026 is \$314,053 (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 July 31, 2026, due to related party consists of \$20,916 due to Silver Bull for shared employees' salaries

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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 nine months ended July 31, 2026 and 2025, expenses totalling \$226,781 and \$205,484 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.

	July 31, 2026		July 31, 2025	
Personnel	\$	251,968	\$	232,217
Office and administrative		3,319		8,215
Office rent reimbursement		(28,506)		(34,948)
	\$	226,781	\$	205,484

During the nine months ended July 31, 2026 and 2025, the Company paid or accrued the following amounts to officers, directors or companies controlled by officers and/or directors:

	July 31, 2026		July 31, 2025	
Share-based payment	\$	339,348	\$	314,773
Directors' fees		93,231		92,299
Personnel		481,781		513,782
	\$	914,360	\$	920,854

14. COMMITMENTS AND CONTINGENCIES

Contractual obligated per calendar year requirements as at July 31, 2026 are as follows:

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Thereafter	Total
Lease commitments (Note 9)	62,000	62,000	62,000	62,000	36,000	-	284,000
Exploration licenses expenditure commitments	3,594,000	2,712,000	2,204,000	2,475,000	2,715,000	2,638,000	16,338,000
	3,656,000	2,774,000	2,266,000	2,537,000	2,751,000	2,638,000	16,622,000

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

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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 July 31, 2026, the Company's market capitalization was approximately C\$213.8 million.

15. SUPPLEMENTAL CASH FLOW INFORMATION

As at July 31, 2026, cash and cash equivalents consist of guaranteed investment certificates ("GIC") of \$17,162,307 (October 31, 2025 – \$8,263,667) for the terms between 30 to 180 days and \$2,539,260 in cash (October 31, 2025 - \$2,137,527) held in bank accounts.

		July 31, 2026	July 31, 2025
Supplemental information			
Interest paid	\$	-	\$ -
Income taxes paid		-	-
Non-cash financing activity			
Derivative warrants exercise	\$	-	\$ 3,107,561
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 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 180 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

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become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. As at July 31, 2026, the Company had net working capital of \$21,374,000 (October 31, 2025 –\$12,023,000) and cash and cash equivalents of \$19,702,000 (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 July 31, 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 \$1,897,000 for the nine months ended July 31 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.

The carrying values of the Company's financial instruments approximate the fair values due to the short-term maturity of these instruments. There were no transfers between fair value levels during the nine months ended July 31, 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 nine months ended July 31, 2026.

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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 July 31, 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 July 31, 2026:

	Canada	Kazakhstan	Total
Cash and cash equivalents	\$ 19,007,000	\$ 694,000	\$ 19,701,000
Other receivables	97,000	—	97,000
Prepaid expenses	25,000	2,556,000	2,581,000
Office and equipment	-	153,000	153,000
Mineral properties	—	1,416,000	1,416,000
Right-of-use assets	197,000	—	197,000
Prepaid expenses and deposits - non-current	10,000	312,000	322,000
	<u>\$ 19,336,000</u>	<u>\$ 5,131,000</u>	<u>\$ 24,467,000</u>

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
	<u>\$ 10,597,000</u>	<u>\$ 3,919,000</u>	<u>\$ 14,516,000</u>

19. SUBSEQUENT EVENTS

On August 26, 2026, options to acquire 100,000 common shares were exercised by way of a cashless exercise whereby the recipient elected to receive 65,491 common shares without payment of the exercise price and the remaining 34,509 options were cancelled.

On September 9, 2026, options to acquire 60,000 common shares were exercised by way of a cashless exercise whereby the recipients elected to receive 40,116 common shares without payment of the exercise price and the remaining 19,884 options were cancelled.