



## **Consolidated Financial Statements**

**December 31, 2025 and 2024**

(Expressed in thousands of Canadian dollars,  
except where otherwise stated)

## **Independent Auditor's Report**

To the Shareholders of Minera Alamos Inc.

### **Opinion**

We have audited the consolidated financial statements of Minera Alamos Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss/income and comprehensive loss/income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB)

### **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="310 422 769 449"><i>Acquisition of Calibre US Holdings Ltd.</i></p> <p data-bbox="310 468 834 695">As disclosed in Note 6 of the consolidated financial statements, the Company acquired control of Calibre US Holdings and its subsidiaries (“Calibre”) including the Pan heap leach gold mine and the adjacent Gold Rock and Illipah projects in Nevada, United States.</p> <p data-bbox="310 737 854 1094">The acquisition of Calibre is a complex accounting matter. The accounting standards require the Company to identify all assets and liabilities of the newly acquired subsidiary and estimate the fair value of each item. The fair value of these items may be significantly different to the historical cost which had been previously recorded by the acquired business. The items may not have previously met the recognition criteria under accounting standards.</p> <p data-bbox="310 1136 854 1331">The acquisition accounting was a key audit matter given its financial significance to the Company and because significant judgment is involved in assigning a fair value to the assets and liabilities acquired and the equity instruments issued by the Company.</p>	<p data-bbox="886 468 1414 495">In this regard, our audit procedures included:</p> <ul data-bbox="935 516 1453 1543" style="list-style-type: none"> <li data-bbox="935 516 1453 678">- Reviewing the acquisition agreement to determine the terms of the transaction and considering if the transaction qualifies as a business combination per IFRS 3;</li> <li data-bbox="935 699 1453 800">- Evaluating the appropriateness of criteria used by management to identify and recognize intangible assets;</li> <li data-bbox="935 821 1453 947">- Evaluating the appropriateness of assumptions and models used in estimating fair value of the identified intangible assets and goodwill;</li> <li data-bbox="935 968 1453 1094">- Assessing how the Company estimated the fair value of the equity instruments it issued to the former shareholders of Calibre;</li> <li data-bbox="935 1115 1453 1241">- Evaluating the competency and independence of experts retained by management to assess the value of the intangibles acquired;</li> <li data-bbox="935 1262 1453 1430">- Involving our valuation specialists to assess the mathematical accuracy and appropriateness of the valuation methodology and the various inputs; and</li> <li data-bbox="935 1451 1453 1543">- Evaluating the adequacy of the disclosures made in Note 6 in light of the requirements of IFRS</li> </ul>

## *Evaluation of impairment indicators for mineral properties*

Notes 3i) and 17 of the consolidated financial statements outline the Company's mineral interests. The carrying amounts of mineral interests are assessed by the Company for impairment if external or internal indicators of impairment exist. Some examples of these indicators include but are not limited to:

- Significant changes in the technological, market, economic or legal environment
- Market capitalization below carrying value of net assets
- Evidence of obsolescence of physical damage of an asset
- Suspension of operations

The Company completes an evaluation at each reporting period and considers whether there are reasonable indicators of impairment. If reasonable indicators of impairment exist, then the assets' recoverable amount is estimated.

We identified the evaluation of indicators of impairment for mineral interests as a key audit matter. This matter represented an area of risk of material misstatement given the magnitude of mineral interests and the Company's uncertainty of the determination of certain factors, individually or in aggregate, in the impairment analysis.

### **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

In this regard, our audit procedures included:

- Evaluating the Company's conclusions relating to the determination of impairment indicators, individually or in aggregate;
- Obtaining evidence in other areas of the audit, including the results of operational activities and any updates to estimates of mineral reserves and resources;
- Evaluating the status of the Company's permits including discussions with the Company's legal counsel.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner of the audit resulting in this independent auditor's report Chris Milios.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
April 30, 2026

**Minera Alamos Inc.**  
**Consolidated Statements of Financial Position**  
*(Stated in thousands of Canadian dollars)*

	Notes	December 31, 2025 \$	December 31, 2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		60,255	11,760
Restricted cash		69	32
Receivables, prepaids and other current assets		6,307	4,557
Inventories	15	111,628	10,305
<b>Total current assets</b>		<b>178,259</b>	26,654
Mineral properties, property, plant and equipment	5, 6, 17	147,159	19,557
Long term deposits	14	8,384	-
Other assets		1,476	1,221
<b>Total assets</b>		<b>335,278</b>	47,432
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		38,755	5,090
Current portion of lease payable	18	99	100
Deferred revenue	13	11,829	1,861
Current portion of debt	19a	15,579	4,092
<b>Total current liabilities</b>		<b>66,262</b>	11,143
Long term debt	19a	19,105	2,094
Lease payable	18	-	99
Provision for asset retirement obligation	23	25,127	670
Long term deferred revenue	19b	8,999	-
Deferred tax liability	29	20,969	-
<b>Total liabilities</b>		<b>140,462</b>	14,006
<b>Shareholders' equity</b>			
Share capital	20	299,785	114,846
Contributed surplus		4,313	3,827
Options and warrant reserve	21, 22	28,134	2,228
Cumulative translation adjustment		(7,757)	225
Deficit		(129,659)	(87,700)
<b>Total shareholders' equity</b>		<b>194,816</b>	33,426
<b>Total liabilities and shareholders' equity</b>		<b>335,278</b>	47,432
Basis of Presentation – Note 2			
Commitments and contingencies - Note 27			
Subsequent Events – Note 30			

Approved by the Board:

Signed: "Bruce Durham"

Signed: "Darren Koningen"

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Director

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Director

*Please see accompanying notes to the consolidated financial statements*

**Minera Alamos Inc.**  
**Consolidated Statements of (Loss) and Comprehensive (Loss)**  
**For the years ended December 31, 2025 and 2024**  
*(Stated in thousands of Canadian dollars, except share and per share amounts)*

	Notes	2025 \$	2024 \$
Revenues	7	51,198	8,916
<b>Cost of sales:</b>			
Production costs	8	26,514	6,722
Royalty and production taxes		2,817	319
Depreciation and amortization		1,718	311
<b>Total cost of sales</b>		<b>31,049</b>	<b>7,352</b>
<b>Earnings from mine operations</b>		<b>20,149</b>	<b>1,564</b>
<b>Expenses:</b>			
General and administrative	9	(9,573)	(5,003)
Exploration	5,10,16	(30,243)	(4,561)
Share-based compensation (expense)		(4,986)	605
Foreign exchange gain (loss)		8,545	(9,179)
Other (expenses) and income	11	(19,238)	293
Operating loss		(35,346)	(16,281)
Finance expense	12	(4,864)	(1,287)
Change in fair value of investments		327	-
Loss before taxes		(39,883)	(17,568)
Current tax expense		(1,380)	-
Deferred tax expense	29	(1,370)	-
Net loss for the year		(42,633)	(17,568)
Foreign currency translation		(7,982)	4,873
<b>Net Loss and comprehensive loss for the year</b>		<b>(50,615)</b>	<b>(12,695)</b>
<b>Net (loss) per share:</b>			
Basic and diluted		(0.615)	(0.374)
<b>Weighted average number of common shares outstanding:</b>			
Basic and diluted		69,282,251	46,819,194

*Please see accompanying notes to the consolidated financial statements*

Minera Alamos Inc.  
Consolidated Statement of Change in Equity (Deficiency)  
Years Ended December 31, 2025 and 2024  
(Stated in thousands of Canadian Dollars except share amounts)

	Notes	Share Capital		Contributed Surplus	Equity Reserve	Foreign Currency Translation	Deficit	Total Equity
		Number of Shares	Amount					
Balance, December 31, 2023		46,288,385	105,152	3,809	3,509	(4,648)	(70,132)	37,690
Shares issued on financing		2,833,300	8,500	-	-	-	-	8,500
Share issue costs		-	(778)	-	-	-	-	(778)
Shares issued for mineral property		50,000	170	-	-	-	-	170
Options exercised		730,000	1,802	-	(657)	-	-	1,145
Options expired		-	-	18	(18)	-	-	-
Options issued		-	-	-	(606)	-	-	(606)
Net loss and comprehensive loss for the year		-	-	-	-	4,873	(17,568)	(12,695)
<b>Balance, December 31, 2024</b>		<b>49,901,685</b>	<b>114,846</b>	<b>3,827</b>	<b>2,228</b>	<b>225</b>	<b>- 87,700</b>	<b>33,426</b>
Shares and warrants issued on financing		38,903,254	117,135	-	21,365	-	-	138,500
Share issue costs		0	(7,167)	-	(1,296)	-	-	(8,463)
Shares issued on acquisition of Calibre USA Holdings		9,680,282	40,899	-	-	-	-	40,899
Shares and options issued on acquisition of Sabre		7,649,911	26,010	-	139	-	-	26,149
Shares issued for debt settlement		2,255,889	8,548	-	-	-	-	8,548
Warrants issued for debt settlement		-	-	-	1,386	-	-	1,386
Shares returned to capital		(346,948)	(486)	486	-	-	-	-
Options and RSU's issued		-	-	-	5,091	-	-	5,091
Options forfeited		-	-	-	(105)	-	-	(105)
Options expired		-	-	-	(674)	-	674	-
Net loss and comprehensive loss for the year		-	-	-	-	(7,982)	(42,633)	(50,615)
<b>Balance, December 31, 2025</b>		<b>108,044,074</b>	<b>299,785</b>	<b>4,313</b>	<b>28,134</b>	<b>(7,757)</b>	<b>(129,659)</b>	<b>194,816</b>

The share numbers have been adjusted retroactively to reflect a consolidation of the Company's common shares on a one new share for ten old shares Basis effective January 5, 2026 (See Note 30)

*Please see accompanying notes to the consolidated financial statements*

Minera Alamos Inc.  
Consolidated Statements of Cash Flows  
For the years ended December 31, 2025 and 2024  
(Expressed in thousands of Canadian Dollars, except share and per share amounts)

		For the years ended December 31,	
	Notes	2025	2024
		\$	\$
<b>Cash flows from operating activities</b>			
Net (loss) for the year		(42,633)	(17,568)
<b>Adjustments to reconcile net loss to net cash flows:</b>			
<b>Non-cash adjustments:</b>			
Shares issued for property acquisition		-	147
Depreciation and depletion	17	1,718	311
Accretion		5,119	1,643
Interest on lease liability		12	20
Current tax		1,380	-
Deferred tax		1,370	-
Exploration and evaluation acquired through issuance of shares	5	30,475	-
Marketable securities revaluation		(327)	-
Gain on modification of debt		-	(293)
Share-based compensation (recovery)		4,986	(605)
Unrealized foreign exchange loss (gain)		(6,701)	7,327
		<u>(4,601)</u>	<u>(9,018)</u>
Working capital changes in non-cash operating activities		21,865	(637)
Payment due to Equinox	6	13,759	-
<b>Net cash (used in) from operating activities</b>		<u>31,023</u>	<u>(9,655)</u>
<b>Cash flows from investing activities</b>			
Acquisition of property plant and equipment		(6,564)	(348)
Buyback of royalty on property		210	-
Long term deposits	14	(7,532)	-
Cash used on acquisition of Calibre USA Holdings	6	(125,555)	-
Cash acquired on acquisition of Sabre Gold Mines	5	17	-
Cash advanced as part of acquisition of Sabre Gold Mines	5	(258)	-
<b>Net cash (used in) investing activities</b>		<u>(139,682)</u>	<u>(348)</u>
<b>Cash flows from financing activities</b>			
Issuance of common shares	20	138,500	8,500
Share issuance costs		(8,463)	(778)
Debt repayment	19a	(6,977)	-
Gold Prepayment	19a	34,883	-
Debt issuance costs		(938)	(604)
Lease payments	18	(111)	(110)
Exercise of options	22a	-	1,168
<b>Net cash provided by (used in) financing activities</b>		<u>156,894</u>	<u>8,176</u>
Effect of changes in foreign exchange		260	(168)
<b>Net increase (decrease) in cash and cash equivalents</b>		<u>48,495</u>	<u>(1,995)</u>
Cash and cash equivalents, beginning of year		11,760	13,755
<b>Cash and cash equivalents, end of year</b>		<u>60,255</u>	<u>11,760</u>
Supplemental information:			
Interest paid		970	1,030
Shares issued for debt		8,548	-
Warrants issued for debt		1,386	-

*Please see accompanying notes to the consolidated financial statements*

## 1) NATURE OF OPERATIONS

Minera Alamos Inc. (the “Company”), individually or collectively with its subsidiaries located in the United States and Mexico is a gold mining and mine development Company. In the United States, the Company owns the Pan Operating Complex, consisting of the Pan Mine, a gold producing heap leach operation, the satellite gold permitted, development stage Gold Rock Project and the past producing Illipah Gold Project, all located in Nevada and Sabre Gold Mines and its subsidiaries, American Bonanza Gold Corp. and Bonanza Explorations Inc. which owns the Copperstone Mine, permitted advanced gold underground development project, located in Arizona. These consolidated financial statements also include the accounts of the Company’s Mexican subsidiaries; Minera Alamos de Sonora S.A. de C.V., Molibdeno Los Verdes S.A. de C.V., Minera Mirlos, S. de R.L. de C.V., and Corex Global S de RL de SV and its wholly owned subsidiary.

The Company’s head office is located at 55 York Street, Suite 402, Toronto, Ontario, Canada, M5J 1R7.

During the year ended December 31, 2025, the Company completed the following acquisitions:

- On February 6, 2025, the Company acquired Sabre Gold Mines Corp., and its wholly owned subsidiaries American Bonanza Gold Corp. and Bonanza Explorations Inc. which owns the Copperstone gold project in Arizona, United States.
- On October 1, 2025, the Company acquired Calibre USA Holdings Ltd. and its subsidiaries from Calibre Corp., including the Pan heap leach gold mine and the adjacent Gold Rock and Illipah projects in Nevada, United States.

These acquisitions materially expanded the Company’s operating and development footprint in the United States.

## 2) BASIS OF PRESENTATION

### a) Basis of Presentation and Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the interpretations set by the IFRS Interpretations Committee (previously the International Financial Reporting Interpretations Committee, “IFRIC”). The Company has consistently applied the same accounting policies for all periods reported in these consolidated financial statements.

The policies applied in these consolidated financial statements are presented based on IFRS issued and outstanding as of December 31, 2025. The Board of Directors approved these consolidated financial statements on April 30, 2026. Comparative information has been presented for the year ended December 31, 2024 and has been reclassified where necessary to conform to the current year’s presentation.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business.

## 2) BASIS OF PRESENTATION (CONTINUED)

### a) Basis of Presentation and Statement of Compliance (continued)

The Company was, up until October 1, 2025, an exploration and development-stage mining company and, as such, has incurred recurring losses and negative cash flows from operations since inception. The Company's ability to continue as a going concern is dependent upon its ability to successfully execute its operations at the Pan Mine and continue to execute on its exploration and development activities and to obtain additional financing as required.

As at December 31, 2025, the Company had cash and cash equivalents of \$60 million and positive working capital of \$112 million. Based on its current cash position, approved budgets and forecasted expenditures, management has determined that the Company has sufficient liquidity to meet its obligations as they become due for at least the next twelve months from the date of issuance of these financial statements. The Company has announced a signed agreement for a \$75 million revolving credit facility, led by The Bank of Nova Scotia, which is expected to close in the second quarter of 2026.

While the Company remains exposed to risks common to the mineral exploration and development industry - including fluctuations in commodity prices, access to capital markets, permitting and regulatory risks, and general economic conditions - management believes that these risks do not give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

Accordingly, these financial statements do not include adjustments that would be necessary if the Company were unable to continue as a going concern.

### b) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control is achieved when the Company is exposed to variable returns and has the ability to affect those returns through power to direct the relevant activities associated with those returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. Subsidiaries will be de-consolidated from the date that control ceases to exist. The Company's subsidiaries' names, percentage ownership, and principal activities are presented below. As at December 31, 2025, the consolidated financial statements include the following principal subsidiaries.

<b>Material subsidiaries</b>	<b>Ownership</b>	<b>Principal activity</b>
Calibre USA Holdings and subsidiaries (USA)	100%	Production and development – Pan operating complex (Nevada)
Sabre Gold Mines Corp. and subsidiaries (USA)	100%	Development – Copperstone project (Arizona)
Minera Alamos de Sonora S.A. de C.V. (Mexico)	100%	Exploration
Molibdeno Los Verdes S.A. de C.V. (Mexico)	100%	Exploration
Minera Mirlos, S. de R.L. (Mexico)	100%	Exploration
Corex Global, S. de R.L. de C.V. (Mexico)	100%	Development – Santana project

The Company had no material associates or joint ventures as at December 31, 2025.

## **2) BASIS OF PRESENTATION (CONTINUED)**

### **b) Basis of Consolidation (continued)**

#### **Presentation Currency**

Except as otherwise noted, these consolidated financial statements are presented in Canadian dollars. All references to US\$, USD dollars or USD are to United States dollars.

#### **Functional Currency**

The functional currency of the Company's Canadian parent company is the Canadian dollar. The functional currencies of the Company's foreign subsidiaries are primarily the United States dollar ("USD") and the Mexican peso ("MXN"), reflecting the primary economic environments in which they operate.

## **3) MATERIAL ACCOUNTING POLICIES**

### **a) Adoption of new accounting standards and amendments**

The Company has adopted all new and amended accounting standards and interpretations issued by the International Accounting Standards Board ("IASB") that are effective for the year ended December 31, 2025. The adoption of these standards and amendments did not have a material impact on the Company's consolidated financial statements.

A number of new standards, amendments and interpretations have been issued by the IASB that are not yet effective for the year ended December 31, 2025 and have not been early adopted by the Company. Management has assessed the relevance of these pronouncements and does not expect that their adoption will have a material impact on the Company's consolidated financial statements, except as noted below.

#### **Amendments to IFRS 9 and IFRS 7 – Financial Instruments**

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 relating to the derecognition of financial liabilities settled through electronic payment systems, the assessment of contractual cash flow characteristics of financial assets with contingent features, and enhanced disclosure requirements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with retrospective application. Early adoption is permitted. The Company has not early adopted these amendments and does not expect their adoption to have a material impact on the consolidated financial statements.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### a) Adoption of new accounting standards and amendments (continued)

##### IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements and introduces new requirements for the presentation and disclosure of financial performance, including new subtotals and enhanced disclosure of management-defined performance measures.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, including interim reporting periods. Retrospective application is required. The Company is currently assessing the impact of this standard on its consolidated financial statements.

Amendments to IFRS 10 and– Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

In September 2014, the IASB issued amendments to IFRS 10 and IAS 28 relating to the sale or contribution of assets between an investor and its associate or joint venture. The effective date of these amendments has been deferred indefinitely.

#### b) Foreign Currencies

##### Foreign Currency Transactions and Translations

Transactions denominated in currencies other than an entity's functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the closing exchange rates at the reporting date. Foreign exchange gains and losses arising on settlement and on translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions and are not subsequently retranslated. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The results and financial position of entities whose functional currency differs from the Company's presentation currency are translated into the presentation currency in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates as follows:

- assets and liabilities are translated at the closing exchange rates at the reporting date;
- income and expenses are translated at average exchange rates for the period, unless such rates are not a reasonable approximation of the exchange rates at the dates of the transactions, in which case the actual rates are used;
- 28 items are translated at historical exchange rates; and
- all resulting exchange differences are recognized in other comprehensive income and accumulated in equity as a foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in OCI. The exchange gains and losses are recognized in earnings upon the substantial disposition, liquidation or dissolution of the entity that gave rise to such amounts.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### c) Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 *Business Combinations*.

Under the acquisition method, the identifiable assets acquired and liabilities assumed are recognized at their fair values at the acquisition date, being the date on which the Company obtains control of the acquiree. Control is achieved when the Company is exposed to, or has rights to, variable returns from its involvement with the acquiree and has the ability to affect those returns through its power over the acquiree.

The consideration transferred in a business combination is measured at fair value and may include cash, equity instruments issued by the Company, and contingent consideration. Acquisition-related costs, other than costs to issue debt or equity securities, are expensed as incurred and recognized in profit or loss.

Goodwill is measured as the excess of:

- the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition-date fair value of any previously held equity interest, over
- the net fair value of the identifiable assets acquired and liabilities assumed.

If the net fair value of the identifiable assets acquired exceeds the consideration transferred, the resulting gain is recognized immediately in profit or loss.

Goodwill is allocated to the appropriate cash-generating unit ("CGU") and is not amortized, but is tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset may be impaired, in accordance with IAS 36 Impairment of Assets.

#### Asset acquisitions

Transactions that do not meet the definition of a business under IFRS 3 are accounted for as asset acquisitions. In such cases, the cost of the acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values at the acquisition date. No goodwill is recognized in an asset acquisition.

#### d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less at the date of acquisition, in accordance with IAS 7 Statement of Cash Flows.

#### e) Inventories

The Company produces predominantly gold. The recovery of gold from the ore is achieved through a heap leach process. Costs are added to leach pad inventory based on current mining costs, including applicable overhead, depletion, and depreciation relating to mining operations. Costs are removed from leach pad inventory as ounces are recovered, based on the average cost per ounce of recoverable gold stacked and are carried as work-in-process inventory as the recovered gold undergoes the final stages of refinement. The costs of extracting the gold from the ore on the leach pads and refining the recovered gold are included in work-in-process inventory.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### e) Inventories (continued)

The value of all production inventories includes direct production costs and attributable overhead incurred to bring the materials to their current point in the processing cycle. All inventories are valued at the lower of cost and net realizable value, with net realizable value determined with reference to market prices, less estimated future production costs to convert inventories into salable form. If carrying value exceeds net realizable value, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write-down no longer exists.

Quantities of gold ore are assessed primarily through surveys and assays. Certain estimates, including expected metal recoveries, are calculated using available industry, engineering, and scientific data, and are periodically reassessed, taking into account technical analysis and historical performance.

Inventories are comprised primarily of work in progress inventory in the form of stockpiled ore, heap leach in-circuit inventory, finished goods inventory, and materials and supplies.

- Stockpiled ore represents unprocessed ore that has been mined and is available for future processing. Stockpiled ore is measured by estimating the number of tonnes through physical surveys and contained ounces through grade reconciliation via the ore control process. Costs included in stockpiled ore inventories are based on mining costs including depreciation incurred up to the point of stockpiling the ore and are removed at the weighted average cost as ore is processed.
- Heap leach in-circuit inventory represents ore that has been mined and placed on leach pads where a solution is applied to the surface of the heap to dissolve the gold. Additions to costs are based on the average cost per recoverable ounces of gold placed on the leach pad including depreciation and removed based on the average cost per recoverable ounce as gold is recovered from the leach pad and converted into gold doré.
- Finished goods inventory is saleable gold in the form of doré bars that have been poured. The cost includes all downstream costs including mining costs, processing costs, allocated overheads and depreciation.
- Materials and supplies inventories consist mostly of equipment parts and other consumables required in the mining and ore processing activities. Cost includes acquisition, freight and other directly attributable costs.

Inventories are measured at the lower of cost and net realizable value in accordance with IAS 2 Inventories. Cost is determined on a weighted average basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value represents the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs. Where the carrying amount of inventories exceeds net realizable value, a write-down is recognized in cost of sales. Previously recognized write-downs are reversed when the circumstances that caused the write-down no longer exist.

Inventory quantities and recoverable metal content are determined using survey data, sampling, and metallurgical testing. The determination of inventory values requires the use of estimates, including recoverable ounces, metallurgical recoveries, and processing costs, which are reviewed periodically based on operating results and technical assessments.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### f) Exploration, evaluation costs and development costs

The Company expenses all costs relating to the acquisition of and exploration for mineral properties in the exploration stage. Such costs include, but are not limited to, geological, geophysical studies, exploratory drilling, property holding costs and sampling. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

#### **Exploration**

Exploration expenditures reflect the costs related to the initial search for mineral deposits with economic potential or obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with the acquisition of mineral licences, prospecting, sampling, mapping, drilling and other work involved in searching for mineral deposits. All expenditures relating to exploration activities are expensed as incurred except for the costs associated with the acquisition of mineral licences which are capitalized in property, plant and equipment.

Exploration and evaluation expenditures incurred in connection with the acquisition, exploration and evaluation of mineral properties are expensed as incurred in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources, unless the expenditures are expected to be recovered through successful development or sale of the asset.

Such expenditures include geological and geophysical studies, exploratory drilling, sampling, trenching, and related field and administrative costs.

#### **Evaluation**

Evaluation expenditures reflect costs incurred at projects related to establishing the technical and commercial viability of mineral deposits identified through exploration or acquired through a business combination or asset acquisition.

Evaluation expenditures include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities for an orebody that is classified as either a mineral resource or a proven and probable reserve;
- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralized material is commercially viable, including scoping, pre-feasibility and final feasibility studies.

Evaluation expenditures are capitalized if management determines that there is evidence to support the probability of generating positive economic returns in the future. A mineral resource is considered to have economic potential when it is expected that the technical feasibility and commercial viability of extraction of the mineral resource can be demonstrated considering long-term metal prices. Therefore, prior to capitalizing such costs, management determines that the following conditions have been met.

- There is a probable future benefit that will contribute to future cash inflows;
- The Company can obtain the benefit and control access to it; and
- The transaction or event giving rise to the benefit has already occurred.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### f) Exploration, evaluation costs and development costs (continued)

##### Evaluation (continued)

The evaluation phase is complete once technical feasibility of the extraction of the mineral deposit has been determined through preparation of a reserve and resource statement, including a mining plan as well as receipt of required permits and approval of the Board of Directors to proceed with development of the project. On such date, capitalized evaluation costs are assessed for impairment and reclassified to development costs

##### Development

Development expenditures are those that are incurred during the phase of preparing a mineral deposit for extraction and processing. These include pre-stripping costs and underground development costs to gain access to the ore that is suitable for sustaining commercial mining, preparing land, construction of plant, equipment and buildings and costs of commissioning the mine and processing facilities.

Expenditures incurred on development projects continue to be capitalized until the mine and mill move into the production stage. The Company assesses each mine construction project to determine when a mine moves into the production stage. The criteria used to assess the start date are determined based on the nature of each mine construction project, such as the complexity of a plant or its location. Before such date, sales proceeds and their related production costs from the mine construction project are recognized in profit or loss.

Various relevant criteria are considered to assess when the mine is substantially complete and ready for its intended use and moved into the production stage. The criteria considered include, but are not limited to, the following:

- the level of capital expenditures compared to construction cost estimates;
- the completion of a reasonable period of testing of mine plant and equipment;
- the ability to produce minerals in saleable form (within specification); and
- the ability to sustain ongoing production of minerals.

#### g) Deferred stripping

In open pit mining operations, overburden and other waste materials must be removed to access ore from which minerals can be extracted economically. The process of removing overburden and waste materials is referred to as stripping. During the development of a mine (or, in some instances, a pit; see below), before production commences, stripping costs related to a component of an ore body are capitalized as part of the cost of construction of the mine (or pit) and are subsequently amortized over the life of the mine (or pit) on a units-of-production ("UOP") basis.

Where a mine operates several open pits that are regarded as separate operations for the purpose of mine planning, initial stripping costs are accounted for separately by reference to the ore from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning, the second and subsequent pits are regarded as extensions of the first pit in accounting for stripping costs. In such cases, the initial stripping (i.e. overburden and other waste removal) of the second and subsequent pits is considered to be production phase stripping (see below).

It is the Company's judgment as to whether multiple pit mines are considered separate or integrated operations depends on each mine's specific circumstances.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### g) Deferred stripping (continued)

The following factors would point towards the initial stripping costs for the individual pits being accounted for separately:

- If mining of the second and subsequent pits is conducted consecutively following that of the first pit, rather than concurrently;
- If separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset;
- If the pits are operated as separate units in terms of mine planning and the sequencing of overburden removal and ore mining, rather than as an integrated unit;
- If expenditures for additional infrastructure to support the second and subsequent pits are relatively large;
- If the pits extract ore from separate and distinct orebodies, rather than from a single ore body; and
- If the designs of the second and subsequent pits are significantly influenced by opportunities to optimize output from several pits combined, including the co-treatment or blending of the output from the pits, then this would point to treatment as an integrated operation for the purposes of accounting for initial stripping costs. The relative importance of each of the above factors is considered in each case.

In order for production phase stripping costs to qualify for capitalization as a stripping activity asset, three criteria must be met.

- It must be probable that there will be an economic benefit in a future accounting period because the stripping activity has improved access to the orebody;
- It must be possible to identify the “component” of the orebody for which access has been improved; and
- It must be possible to reliably measure the costs that relate to the stripping activity.

A “component” is a specific section of the orebody that is made more accessible by the stripping activity. It will typically be a subset of the larger orebody that is distinguished by a separate useful economic life (for example, a pushback).

Stripping costs incurred during the production phase of an open pit mine are considered production costs and are included in the cost of inventory produced during the period in which stripping costs are incurred, unless the stripping activity can be shown to be a betterment of the mineral property in which case they are capitalized.

Betterment occurs when it is probable that the stripping activity will increase future economic benefit (improved access to the ore body), the Company can identify the component of the ore body for which access has been improved, and the costs relating to the stripping activity associated with that component can be measured reliably.

Stripping costs capitalized during the production phase and those incurred to prepare the ore body for extraction, are capitalized as components of mineral interests and are amortized on a UOP basis over the reserves and a portion of measured and indicated resources that are reasonably expected to be converted to proven and probable reserves that are expected to directly benefit from the specific stripping activity. Costs incurred for regular waste removal that do not give rise to future economic benefits are included in operating expense.

The stripping activity asset is initially measured at cost and is classified as part of property, plant and equipment.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### g) Deferred stripping (continued)

When the costs of stripping activity cannot be separately identified from the costs of producing current inventories, the costs are allocated between inventories and the stripping activity asset based on a relevant production measure using a life-of-component strip ratio.

The life-of-component strip ratio is determined based on proven and probable mineral reserves and, where appropriate, other mineral resources and the related mining plan. The ratio is reviewed periodically and revised prospectively to reflect changes in mine design, reserves, resources, or economic assumptions.

Stripping activity assets are reviewed for impairment in accordance with IAS 36 Impairment of Assets when indicators of impairment exist.

#### h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition or construction of the asset, including the purchase price, costs of delivery and installation, professional fees, and an initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located.

Property, plant and equipment are depreciated over their estimated useful lives using methods that reflect the pattern in which the asset's future economic benefits are expected to be consumed. Where significant parts of an asset have different useful lives, they are accounted for as separate components and depreciated separately. Depreciation methods, useful lives and residual values are reviewed at least annually and adjusted prospectively, where appropriate.

Gains and losses on disposal are determined as the difference between the proceeds received and the carrying amount of the asset and are recognized in profit or loss. Property, plant and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from their continued use.

The principal depreciation methods and estimated useful lives are as follows:

Asset category	Method	Useful life
Mineral property and project costs	Units of production	Based on mineral resource estimates
Mining and processing equipment	Straight-line	5 to 10 years
Office equipment	Straight-line / declining balance	4 to 10 years
Vehicles	Straight-line / declining balance	4 years
Leasehold improvements	Straight-line	Lesser of useful life or lease term
Right-of-use assets	Straight-line	Lesser of useful life or lease term

Property, plant and equipment are reviewed for impairment in accordance with IAS 36 Impairment of Assets when events or changes in circumstances indicate that the carrying amount may not be recoverable.

### **3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **i) Impairment of non-current assets**

The carrying amounts of non-current assets, including property, plant and equipment, right-of-use assets, mineral properties, and exploration and evaluation assets, are reviewed at each reporting date to determine whether there is any indication of impairment. In assessing indicators of impairment for the Santana project, a key consideration was the status of the leach pad expansion and environmental permits and the Company's assessment is that there is no reasonable basis that such permits will not ultimately be granted.

When an indicator of impairment exists, the recoverable amount of the individual asset or cash-generating unit ("CGU") to which the asset belongs is estimated in accordance with IAS 36 Impairment of Assets. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal represent the amount obtainable from the sale of an asset or CGU in an orderly transaction between market participants at the measurement date, less the costs of disposal. Value in use is determined by estimating the future cash flows expected to be derived from the asset or CGU and discounting them to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For assets that do not generate largely independent cash inflows, recoverable amount is determined for the related CGU. Exploration and evaluation assets are allocated to CGUs or groups of CGUs consistent with the manner in which management monitors and assesses performance of exploration activities.

Impairment losses are recognized in profit or loss when the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses recognized in prior periods are reviewed at each reporting date for any indication that the loss may no longer exist or may have decreased. When such an indication exists, the recoverable amount is re-estimated. A previously recognized impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized. Reversals of impairment losses are recognized in profit or loss.

#### **j) Borrowing costs**

Borrowing costs that are directly attributable to the acquisition and construction or development of a qualifying asset are capitalized as part of the cost of the asset when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably. Management applies judgement on a case-by-case basis to determine whether an asset is a qualifying asset, which is defined as an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognized as finance expense in the period in which they are incurred.

The Company begins capitalization of borrowing costs when all of the following conditions are first met: (i) it incurs capitalized expenditures for the asset that have resulted in the payment of cash, transfer of other assets or the assumption of interest-bearing liabilities; (ii) it incurs borrowing costs; and (iii) it undertakes activities that are necessary to prepare the asset for its intended use. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. To the extent that the Company borrows funds specifically for the purpose of obtaining a specific qualifying asset, the amount of borrowing costs eligible for capitalization is the actual net borrowing costs incurred on that borrowing during the period. To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the cumulative expenditures on that asset. The capitalization rate is calculated as the weighted average of the borrowing costs applicable to all borrowings of the Company, other than specific borrowings, that are outstanding during the period.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### k) Financial instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognized at fair value and are subsequently measured in accordance with IFRS 9 Financial Instruments.

#### Financial assets

At initial recognition, financial assets are classified as subsequently measured at:

- amortized cost;
- fair value through other comprehensive income ("FVOCI"); or
- fair value through profit or loss ("FVTPL").

The classification is based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Financial assets are measured at amortized cost if they are held within a business model whose objective is to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at FVOCI if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual cash flows represent solely payments of principal and interest.

Financial assets are measured at FVTPL if they are not classified as measured at amortized cost or FVOCI. Gains and losses on financial assets measured at FVTPL are recognized in profit or loss.

Equity instruments are classified as FVTPL unless, on initial recognition, the Company makes an irrevocable election to present subsequent changes in fair value in other comprehensive income.

#### Financial liabilities

Financial liabilities are classified at initial recognition as measured at amortized cost or at FVTPL.

Financial liabilities measured at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured using the effective interest method. Financial liabilities measured at FVTPL are subsequently measured at fair value, with gains and losses recognized in profit or loss.

#### Transaction costs

Transaction costs that are directly attributable to the acquisition or issue of financial instruments are included in the initial measurement of financial assets and financial liabilities measured at amortized cost and FVOCI. Transaction costs relating to financial instruments measured at FVTPL are expensed as incurred.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### k) Financial instruments (continued)

##### Impairment of financial assets

The Company applies the expected credit loss (“ECL”) model in accordance with IFRS 9 to financial assets measured at amortized cost and debt instruments measured at FVOCI.

For trade receivables, the Company applies the simplified approach and recognizes lifetime expected credit losses from initial recognition. For other financial assets, the Company applies the general approach and recognizes 12-month or lifetime expected credit losses depending on changes in credit risk.

##### Classification of financial instruments

The classification of the Company’s financial instruments as at December 31, 2025 is as follows:

<u>Financial instrument</u>	<u>Classification</u>
Cash and cash equivalents	Amortized cost
Restricted cash	Amortized cost
Trade and other receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liabilities	Amortized cost
Debt	Amortized cost

##### Fair values

The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm’s length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and pricing models. Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

**Level 1** – fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

**Level 2** – fair value measurements are derived from inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

**Level 3** – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### k) Financial Instruments (continued)

##### **Impairment of financial assets**

The Company assesses, on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, Financial Instruments ("IFRS 9"), which requires lifetime expected credit losses to be recognized from initial recognition of the receivables.

##### **Modification of contractual cash flows**

An exchange of financial instruments with substantially different terms or a substantial modification of the terms of a financial instrument is accounted for as a derecognition of the existing financial instrument and the recognition of a new financial instrument.

For financial liabilities or financial assets, terms are considered substantially different or substantially modified when the present value of contractual cash flows or expected cash flows under the new terms discounted using the original Effective Interest Rate (EIR) is at least 10 per cent different from the present value of the remaining contractual cash flows or expected cash flows under the original terms. The Company initially performs a quantitative evaluation to determine whether a modification of contractual cash flows is considered a substantial modification resulting in the de-recognition of the existing financial liability or financial asset and the recognition of a new financial liability or a new financial asset, as applicable. If the quantitative evaluation results in a difference of less than 10 per cent, the Company does not perform a follow-on qualitative evaluation.

When the contractual cash flows of a financial asset or financial liability are renegotiated or otherwise modified and the renegotiation or modification does not result in the de-recognition of the financial asset or financial liability, the Company recalculates the gross carrying amount of the financial asset or financial liability and recognizes a modification gain or loss in net income or loss or capitalizes such modification gain or loss if such modification relates to a financial liability that has resulted in capitalized borrowing costs.

##### **Derecognition**

A financial asset is derecognized when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset, then derecognition is appropriate.

A financial liability is derecognized when the associated obligation is discharged, or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of operations and comprehensive income.

### **3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **l) Revenue recognition**

The Company earns revenue primarily from the sale of gold. Other metals, such as silver, produced as part of the extraction process are considered to be by-products arising from the production of gold. Revenue relating to the sale of metals is recognized when control of the metal is transferred to the customer in an amount that reflects the consideration the Company expects to receive in exchange for the metal. On transfer of control, economic benefits associated with the transaction will flow to the Company as payment is received on the date of or within a few days of transfer of control.

The Company records deferred revenue relating to an advance sale of gold in an unrefined form (gold “in-process”) once it has been extracted from the mine leaching operations and sent off-site for further refinement. The gross proceeds are recorded as deferred revenue from the time the advanced payment is received by the company until the time when the refinement process is complete and the final gold is delivered, in full, to the customer.

When considering whether the Company has satisfied its performance obligation, it considers performance indicators of the transfer of control, which include, but are not limited to, whether the Company has a present right to payment; the customer has legal title to the metal; the Company has transferred physical possession of the metal to the customer; and the customer has the significant risks and rewards of ownership of the metal.

#### **Nature of revenues**

Gold sales represent the Company’s only significant source of revenue for the year ended December 31, 2025. Revenue is generated from sales to third-party customers under offtake or sales agreements that provide for physical delivery of refined or doré gold.

Revenue is recognized in accordance with IFRS 15 Revenue from Contracts with Customers and is measured at the consideration specified in the relevant sales contracts, net of any applicable adjustments.

#### **Geographic information**

For the year ended December 31, 2025, revenue was generated from operations located in the United States and Mexico and for the year ended December 31, 2024, revenue was generated from operations located in Mexico. Revenue is attributed to geographic areas based on the location of the producing assets.

#### **m) Interest income**

Interest income is recognized using the effective interest method on financial assets measured at amortized cost in accordance with IFRS 9 Financial Instruments. Interest income is accrued based on the principal outstanding and the applicable effective interest rate and is recognized in profit or loss.

#### **n) Deferred revenue**

Upfront cash deposits received as prepayments for future gold sales have been accounted for as deferred revenue on the consolidated statement of financial position in accordance with IFRS 15, Revenue from Contracts with Customers (“IFRS 15”). Deferred revenue represents payments received from a customer by the Company in exchange for the Company’s future commitment to deliver a specified number of gold ounces over a defined period.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### n) Deferred revenue (continued)

As gold deliveries occur, control of the gold transfers to the customer, and the Company recognizes a corresponding portion of the deferred revenue associated with such sales as revenue in the consolidated statements of operations and comprehensive income. Deferred revenue is generally classified as either current or non-current, depending on the expected timing of revenue recognition.

Under IFRS 15, the Company assesses whether a significant financing component exists in contracts where payment terms differ significantly from the timing of the transfer of goods or services. A financing component is considered significant if the timing of payments provides a financing benefit that is not already reflected in the transaction price.

If the financing component is significant, the revenue recognized is adjusted to reflect the present value of the expected future payments, with the corresponding interest recognized separately in the consolidated statements of operations and comprehensive income. If a financing component is deemed insignificant, the contract is accounted for without adjusting for the time value of money and the interest expense is either recognized in the consolidated statements of operations and comprehensive income or capitalized as part of assets under construction, in accordance with the Company's policy on capitalized borrowing costs.

#### o) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Determination of operating segments are based on the reports reviewed by the chief operating decision makers that are used to make strategic decisions about resources to be allocated to the segment and performance assessment, and for which discrete financial information is available. Unallocated items not directly attributable to a segment comprise mainly of corporate assets and head office expenses.

#### p) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease by determining whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance expense. The finance expense is charged to the consolidated statements of operations and comprehensive income over the lease period. The right-of-use asset is depreciated over the shorter of the asset's useful life or the lease term on a straight-line basis.

Right-of-use assets, presented within property, plant and equipment, include the amount of the initial measurement of lease liability; any lease payments made at or before the commencement date less any lease incentives received; any initial direct costs; and restoration costs. Right-of-use assets are initially measured at cost and subsequently at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for the remeasurements of the lease liability.

Lease liabilities are presented in the consolidated statements of financial position and include fixed payments (including payments that are substantially fixed, even if they vary under certain conditions), less any lease incentives received; variable lease payments that are based on an index or a rate; amounts expected to be payable by the lessee under residual value guarantees; the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

### 3) MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### p) Leases (continued)

The lease liability is initially recognized at the present value of future minimum lease payments during the lease term and is discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate if the implicit rate cannot be determined. Subsequently, the lease liability is increased by the interest on the liability, measured using the discount rate at the lease commencement date, and decreased by lease payments made during the period.

The lease liability is remeasured:

- i. when there is a change in future lease payments arising from a change in an index or rate, the liability is remeasured using the original discount rate (the rate applied at the lease commencement date); or
- ii. if there is a change in the assessment of whether a purchase or extension option is reasonably certain to be exercised, or a termination option is reasonably certain not to be exercised, the liability is remeasured using a revised discount rate reflecting the updated lease term.

Variable lease payments that do not depend on an index or rate (such as performance-based or usage-based payments) are not included in the measurement of the lease liability and are recognized as an expense in the period in which the triggering event occurs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis over the lease term as an expense in the consolidated statements of operations and comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

#### q) Asset retirement obligations

Asset retirement obligations ("AROs") represent the present value of estimated future costs associated with the reclamation, rehabilitation, and closure of mining and processing sites and the dismantling and removal of related infrastructure, which arise as a result of exploration, development, and production activities.

AROs are recognized when the obligation is incurred and can be reliably estimated. The initial measurement of an ARO is recorded at the present value of the estimated future cash flows required to settle the obligation, discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The corresponding cost is capitalized as part of the carrying amount of the related asset and is depreciated over the estimated useful life of the asset in accordance with the Company's depreciation policies.

Subsequent to initial recognition, AROs are increased to reflect the unwinding of the discount through finance costs and are remeasured for changes in estimated cash flows, timing of settlement, or discount rates in accordance with IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities. Revisions to the estimated obligation are added to or deducted from the carrying amount of the related asset, to the extent that the asset is still in use.

Where a reduction in the ARO exceeds the carrying amount of the related asset, the excess is recognized in profit or loss.

### **3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **r) Income taxes**

Income tax expense comprises current and deferred income taxes.

Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income.

Current income tax is recognized and measured at the amount expected to be paid to or recovered from taxation authorities, using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax includes adjustments in respect of prior periods.

Deferred income tax is recognized in accordance with IAS 12 Income Taxes on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their corresponding tax bases.

Deferred income tax assets and liabilities are measured using tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets are recognized only to the extent that it is probable that sufficient future taxable profit will be available against which deductible temporary differences, unused tax losses and tax credits can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss in the same component of comprehensive income or equity as the underlying transaction.

#### **s) Share capital**

The Company records proceeds from share issuances net of issuance costs. The Company records proceeds from the exercise of stock options and warrants as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at the fair value of the non-monetary consideration received, or at the fair value of the shares issued if the fair value of the non-monetary consideration cannot be measured reliably, on the date of issue.

#### **t) Share-based payment**

The Company operates equity-settled share-based compensation plans under which stock options and other equity instruments may be granted to directors, officers, employees and consultants.

Share-based payments are accounted for in accordance with IFRS 2 Share-based Payment. The fair value of equity instruments granted is measured at the grant date and is recognized as compensation expense over the applicable vesting period, with a corresponding increase in equity.

The fair value of stock options is estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted, including expected volatility, expected life, dividend yield, risk-free interest rate and expected forfeiture rates.

Share-based compensation expense is adjusted to reflect the number of equity instruments expected to vest. Compensation expense is recognized only for awards that are expected to vest. Vesting conditions that are based on service or non-market performance conditions are not reflected in the grant date fair value, but are considered in estimating the number of awards expected to vest.

When stock options are exercised, the proceeds received, together with the related amount previously recognized in equity, are credited to share capital. No subsequent adjustment is made to the fair value of equity-settled awards after the grant date.

### **3) MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **u) Earning (loss) per share**

Basic earnings (loss) per share is calculated in accordance with IAS 33 Earnings per Share by dividing the profit (loss) attributable to owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted earnings (loss) per share is calculated by adjusting the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, including stock options, warrants, and other convertible instruments.

Potential common shares are considered dilutive when, and only when, their conversion would decrease earnings per share or increase loss per share. In periods in which the Company reports a net loss, all potential common shares are considered anti-dilutive and are therefore excluded from the calculation of diluted loss per share.

#### **v) Equity instruments**

Equity instruments issued by the Company are classified as equity in accordance with IAS 32 Financial Instruments: Presentation when the contractual arrangements evidence a residual interest in the Company's assets after deducting all of its liabilities.

Common shares are recognized at the fair value of the consideration received, net of directly attributable transaction costs. Transaction costs related to the issuance of equity instruments are accounted for as a deduction from equity, net of any related income tax benefits.

Proceeds from the exercise of share-based payment awards are credited to share capital together with the related amounts previously recognized in equity.

Where applicable, the cost of any shares repurchased and held as treasury shares is deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

#### **w) Other provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at each reporting date and adjusted to reflect current best estimates. A provision for onerous contracts is recognized when the unavoidable costs of meeting the obligations under a contract exceed the expected economic benefits to be received.

### **4) SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and in any future periods affected.

The most significant areas requiring management judgement and estimation, and which are subject to a high degree of uncertainty, are described below.

#### 4) SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

##### a) Income taxes

The Company operates in multiple tax jurisdictions, including Canada, the United States, and Mexico, and is subject to differing income tax, withholding tax, and indirect tax regimes.

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction.

The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Judgement is required in determining current and deferred income tax provisions, including the recognition and measurement of deferred tax assets arising from tax losses, temporary differences, and tax credits.

The recognition of deferred tax assets depends on management's assessment of the timing and amount of future taxable profits expected to be generated from the Company's producing and development assets, including the Pan Operating Complex and Copperstone project. This assessment requires assumptions regarding commodity prices, production profiles, operating costs, and capital requirements.

Tax filings are subject to review by taxation authorities and may be reassessed. Differences between actual outcomes and management's estimates may result in adjustments to income tax expense in future periods.

#### **4) SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)**

##### **b) Share based payments**

Management determines costs for share-based payments using market based valuation techniques. The fair value of the market based and performance based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates (if applicable), and future employee stock option exercise behaviors and corporate performance (if applicable). Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

##### **c) Estimated useful life of property, plant and equipment**

Management estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use in the Company's mining and processing operations. These estimates take into account expected mine plans, production profiles, maintenance programs, operating conditions, and anticipated closure or transition timelines for each operation.

The estimated useful lives of mining and processing equipment, mobile fleet, plant infrastructure, and site facilities are influenced by factors such as ore characteristics, production rates, operating practices, environmental conditions, technological changes, and regulatory requirements. In particular, the useful lives of assets associated with heap leach facilities, crushing and processing plants, and mobile equipment are closely linked to the remaining life of the underlying mineral reserves and resources.

Depreciation and depletion expense are sensitive to changes in estimated useful lives, production forecasts, and reserve and resource estimates. Accordingly, revisions to mine plans, production schedules, or reserve and resource estimates may result in changes to depreciation and depletion rates and could have a material impact on the Company's results of operations and carrying values of property, plant and equipment.

Management reviews estimated useful lives, residual values, and depreciation methods at each reporting date and adjusts them prospectively where expectations differ from previous estimates, as a result of physical wear and tear, technical or commercial obsolescence, changes in operating strategy, or other factors.

##### **d) Impairment of non-current assets**

The Company assesses at each reporting date whether there are indicators of impairment for property, plant and equipment and mineral properties.

Impairment indicators may arise from changes in gold prices, operating costs, reserve and resource estimates, permitting status, mine plans, or regulatory conditions.

Where indicators exist, the recoverable amount of the relevant cash-generating unit is estimated using discounted cash flow models or market based valuation techniques. Cash-generating units are generally aligned with individual operating and development assets, including Pan, Gold Rock, Copperstone, and the Company's principal Mexican projects.

Key assumptions include forecast gold prices, production volumes, metallurgical recoveries, operating and capital costs, closure costs, and discount rates.

Changes in these assumptions may result in future impairment charges or reversals.

#### **4) SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)**

##### **e) Asset retirement obligation**

The Company has legal and constructive obligations to rehabilitate and close its mining and processing facilities, including heap leach pads, waste dumps, and infrastructure at Pan, Copperstone, and its Mexican projects.

The measurement of asset retirement obligations requires management to estimate future reclamation and closure costs, timing of expenditures, regulatory requirements, inflation rates, and discount rates.

These estimates are subject to uncertainty due to changes in environmental regulations, remediation standards, site conditions, and market pricing for closure activities. Changes in these assumptions may result in significant adjustments to the related assets and liabilities.

##### **f) Deferred stripping**

The Company incurs stripping costs in connection with its open-pit heap leach operations.

The identification of ore body components and the determination of life-of-component strip ratios are based on detailed mine plans and geological models. These determinations require judgement and are influenced by changes in pit design, reserve and resource estimates, and operating strategies.

Changes in these assumptions may affect the carrying value and amortization of stripping activity assets.

##### **g) Mineral reserves and resources**

Mineral reserve and resource estimates are prepared by qualified persons in accordance with National Instrument 43-101 and form the basis for mine planning, impairment testing, depreciation, and rehabilitation provisions.

These estimates depend on geological interpretations, drilling results, metallurgical testing, commodity price assumptions, operating costs, capital costs, and regulatory approvals.

Changes in reserve and resource estimates for Pan, Copperstone, and the Company's Mexican assets may materially affect asset carrying values, depreciation expense, and closure obligation.

##### **h) Inventory valuation and metal recoveries**

The Company's inventories consist primarily of ore on leach pads, work-in-process, and gold in circuit.

The valuation of inventories requires estimates of recoverable ounces, metallurgical recoveries, processing costs, and net realizable value. These estimates are based on historical operating data, laboratory testing, and production forecasts.

Changes in recovery rates, processing performance, or gold prices may result in changes to inventory values and cost of sales.

##### **i) Foreign currency and net investment in foreign operations**

The Company operates in multiple currencies, including Canadian dollar, US dollar, and Mexican pesos.

Management applies judgement in determining the functional currencies of its entities and in assessing whether intercompany balances form part of the Company's net investment in foreign operations.

Where intercompany balances are not expected to be settled in the foreseeable future, related foreign exchange differences are recognized in other comprehensive income. Otherwise, such differences are recognized in profit or loss.

#### 4) SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

##### j) Own use commodity contracts

The Company enters into gold sales and related commodity contracts in the normal course of business.

Management applies judgement in determining whether such contracts qualify for the own-use exemption under IFRS 9 and are therefore accounted for as executory contracts rather than derivatives. This assessment is based on expected production levels, delivery practices, and contractual terms, particularly in relation to production from the Pan mine.

Failure to meet production requirements could result in such contracts being accounted for as derivatives at fair value.

##### k) Going concern and liquidity

Management's assessment of the Company's ability to continue as a going concern involves judgement regarding forecast operating cash flows, planned capital expenditures, financing arrangements, and commodity price assumptions. This assessment is influenced by production performance at Pan, the advancement of Copperstone, and development and evaluation activities in Mexico, as well as access to capital markets.

#### 5) ACQUISITION OF SABRE GOLD MINES CORP.

On February 6, 2025, the Company completed the acquisition of Sabre Gold Mines Corp. ("Sabre") pursuant to a definitive agreement dated October 27, 2024, which was approved by Sabre shareholders on January 14, 2025. The transaction resulted in the acquisition of the Copperstone gold project in Arizona, United States.

Under the terms of the agreement, each Sabre shareholder received 0.693 of a common share of the Company for each Sabre share held, resulting in the issuance of 7,649,911 common shares. In addition, the Company issued 254,677 share purchase options in connection with the transaction.

Management determined that the transaction did not meet the definition of a business combination under IFRS 3 Business Combinations, as Sabre did not meet the definition of a business.

Accordingly, the transaction was accounted for as an acquisition of assets.

##### Consideration Paid

Common shares issued in exchange for Sabre net assets @ 0.693 of a common share	7,649,911
Price per share	0.34
Total common share consideration	<u>\$ 26,010</u>
Options issued	139
Cash advance payments	258
<b>Total consideration</b>	<b><u>\$ 26,407</u></b>

##### Purchase Price allocation is as follows:

Current assets acquired	\$ 1,238
Plant and equipment acquired	8,893
Exploration projects acquired	30,475
Current liabilities assumed	(3,212)
Deferred revenue on stream arrangement assumed	(8,409)
Provision for asset retirement liability assumed	(2,578)
	<b><u>\$ 26,407</u></b>

## 5) ACQUISITION OF SABRE GOLD MINES CORP. (CONTINUED)

The consideration was allocated to the identifiable assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. Exploration and evaluation assets acquired that did not meet the criteria for capitalization in accordance with the Company's accounting policies were expensed during the year.

## 6) ACQUISITION OF CALIBRE USA HOLDINGS INC. ASSETS

On October 1, 2025, the Company completed the acquisition of Equinox Gold Corp.'s Calibre USA Holdings Inc. which owned the Pan gold mine, Gold Rock project and Illipah project located in White Pine County, Nevada, U.S. (together, the "Nevada Assets") pursuant to a definitive asset purchase agreement (the "Acquisition"). The acquisition was accounted for as a business combination under IFRS 3 Business Combinations.

On closing of the Acquisition, the Company paid \$164,923 for the assets comprised of cash consideration of \$125,555 less net working capital adjustments and the issuance of 9,680,282 common shares at \$4.23 per common share, being the quoted market price of the Company's shares at the time of closing.

The Company has determined that this acquisition is a business combination for accounting purposes under IFRS 3 Business Combinations. The identifiable assets acquired and liabilities assumed were recognized at their fair values as at October 1, 2025, the acquisition date.

Management applied significant judgment in estimating the fair value of inventories, mineral properties, plant and equipment. To estimate the fair value of the mineral interest management used discounted cash flow models, market based price to net asset value multiples and in-situ values. Key assumptions developed by management used to determine the fair value of the mineral interest included future metal prices, production based on current estimates of Mineral Reserves and recoverable Mineral Resources, future operating costs and capital expenditures, discount rates, price to net asset value multiples and in-situ multiples. The Company's estimates of Mineral Reserves and recoverable Mineral Resources are based on information prepared by qualified persons as defined in accordance with NI 43-101 issued by the Canadian Securities Administrators (management's experts).

### Purchase Consideration

The following tables summarize the fair value of the consideration paid and the fair values of identified assets and liabilities recognized as a result of the Transaction.

Cash consideration	\$ 125,555
Common shares issued of 9,680,282 shares at fair value per share of \$4.23	40,899
Less: Net working capital adjustments	(1,531)
<b>Total consideration</b>	<b>\$ 164,923</b>

### Fair value of identified assets acquired and liabilities assumed

The following table summarizes the fair values of identifiable assets acquired and liabilities assumed at the acquisition date:

## 6) ACQUISITION OF CALIBRE USA HOLDINGS INC. ASSETS (CONTINUED)

<b>Assets</b>	
Inventories	\$ 100,682
Mineral properties, plant and equipment	117,197
Prepays and other current assets	1,962
Other long term assets	140
<b>Total assets acquired</b>	<b>\$ 219,981</b>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	\$ (13,683)
Provision for asset retirement obligations	(21,517)
Deferred tax liabilities	(19,874)
<b>Total liabilities assumed</b>	<b>(55,058)</b>
<b>Net assets acquired</b>	<b>\$ 164,923</b>

Business combination costs, which included advisory, legal, regulatory and other professional fees totalled \$6,525 which were expensed as other expenses in the consolidated statements of loss and comprehensive loss during the year ended December 31, 2025. The acquisition contributed \$43,084 of revenues and \$15,696 of earnings from mine operations to the Company for the period from October 1 to December 31, 2025.

The following pro forma financial information presents information as if the acquisition had been completed on January 1, 2025. This pro forma financial information is for illustrative purposes only and is not necessarily indicative of the results that would have occurred had the acquisition been completed on January 1, 2025, nor of future operating results. Management estimates that if the acquisition had occurred on January 1, 2025, the acquired business would have contributed estimated pro forma revenues and net income of \$143,127 and \$26,129, respectively for the year ended December 31, 2025. These amounts have been calculated using the subsidiary's results with adjustments for depreciation and amortization that would have been incurred assuming the fair value adjustments to mineral properties, plant and equipment had been applied from January 1, 2025.

In January 2026, the Company paid to Equinox \$13,627 to settle the working capital adjustment from the acquisition.

## 7) REVENUE

<b>Description</b>	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Gold revenue	51,158	8,916

During the year ended December 31, 2025, the company recognized revenue of \$51,158, related to the delivery of 10,244 ounces of gold, from the combined US and Mexican operations at an average gold price of \$3,563 per ounce.

## 8) PRODUCTION COSTS

	Year ended December 31,	
	2025	2024
	\$	\$
Raw material and consumables	9,121	2,366
Salaries and employee benefits	3,146	339
Contracted services	9,714	5,180
Electricity and power	825	373
Site administration and other	1,636	-
Refining and transportation	257	149
Change in inventories	1,815	-
	<b>26,514</b>	<b>6,722</b>

## 9) GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31	
	2025	2024
	\$	\$
Salaries, wages and benefits	3,113	1,570
Consulting and professional fees	4,332	1,454
Corporate administration and other	2,128	1,979
	<b>9,573</b>	<b>5,003</b>

## 10) EXPLORATION EXPENSES

	Year ended December 31	
	2025	2024
	\$	\$
Exploration costs expensed on acquisition of Sabre Gold Mines (See Note 5)	30,475	-
Exploration expenses	5,275	4,561
Royalty sale on Cerro de Oro project	(5,507)	-
	<b>30,243</b>	<b>4,561</b>

## 11) OTHER EXPENSES

	Year ended December 31	
	2025	2024
	\$	\$
Acquisition costs	7,277	-
Costs associated with settlement of debt commitments	12,329	(293)
Sale of royalty on non core project	(368)	-
	<b>19,238</b>	<b>(293)</b>

## 12) FINANCE EXPENSES

	Year ended December 31,	
	2025	2024
	\$	\$
Accretion of mine restoration provision	300	53
Accretion on loan facility	3,148	1,589
Accretion on deferred revenue stream	1,671	-
Interest (income) expense and other finance costs	(255)	(355)
	<b>4,864</b>	<b>1,287</b>

## 13) DEFERRED REVENUE

As at December 31, 2025, the Company had received payments that were recorded as deferred revenue of \$11,829 (December 31, 2024 – \$1,861) in respect of gold sales for which control had not yet transferred to customers. These amounts are recognized as deferred revenue and are included in current liabilities. Revenue is recognized when the related performance obligations are satisfied in accordance with the Company's revenue recognition policy.

## 14) LONG TERM DEPOSITS

As at December 31, 2025, the Company's long term deposits were \$8,384 (December 31, 2024 - \$Nil) which relates to reclamation deposits which serve as security against any current and future estimated reclamation obligations with the Pan mine, Gold Rock project and the Copperstone project.

## 15) INVENTORIES

As at December 31, 2025, the Company received payments that were recorded as deferred revenue of \$11,829 (December 31, 2024 - \$1,861) in exchange for the sale of gold which had been extracted from the leach pads and was undergoing further refinement. The gross proceeds are recorded as deferred revenue until the gold has been recovered through the stripping and refinement process and then delivered, in full, to the customer. The carrying value of the related inventory included in work-in-process at December 31, 2025 was \$1,569 (December 31, 2024 – \$1,057). Inventories are measured at cost in accordance with IAS 2 Inventories.

The composition of inventories was as follows:

	Year ended December 31,	
	2025	2024
	\$	\$
<b>Inventory:</b>		
Leach pad mineralized material	108,093	8,878
Work-in-process	1,569	1,057
Supplies	1,966	371
<b>Total</b>	<b>111,628</b>	<b>10,306</b>

The amount of cost of sales expensed from inventory for gold dore ore on leach pads and ore stockpiles was \$24,291 during the year ended December 31, 2025 (December 31, 2024 - \$4,285).

## 16) MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENSE EXPENDITURE

During the years ended December 31, 2025 and 2024, the Company incurred exploration and evaluation expenditures in respect of its mineral properties.

Exploration and evaluation expenditures expensed during the year were as follows:

Project (i)	December 31, 2025 \$	December 31, 2024 \$
Pan and Gold Rock, Nevada	1,584	-
Copperstone, Arizona (see note 5) <sup>(iii)</sup>	32,159	-
Santana, Mexico	104	1,250
Cerro de Oro, Mexico (ii)	(4,319)	2,761
La Fortuna, Mexico	360	310
Los Verdes, Mexico	355	240
<b>Total</b>	<b>30,243</b>	<b>4,561</b>

(i) The amounts above include property holding costs and other site-related expenditures.

(ii) Inclusive of the sale of a 1% royalty on Cerro de Oro for net value received of \$5,507.

(iii) Upon the acquisition of Sabre Gold Mines, the Company recorded \$30,475 in exploration expenditures that were expensed in accordance with the Company's policy.

## 17) MINERAL PROPERTIES AND PROPERTY PLANT AND EQUIPMENT

### Pan Operating Complex

#### Pan Mine, Nevada, US

The 100% owned Pan Mine was acquired through the Company's acquisition of Calibre from Equinox on October 1, 2025. The mine is located in east-central Nevada along the Battle Mountain-Eureka gold trend, from where gold is mined from and is an open pit, heap-leach operation. (see Note 7)

#### Gold Rock Project, Nevada, US

The 100% owned Gold Rock Project was acquired through the Company's acquisition of Calibre from Equinox on October 1, 2025. The project is located in east central Nevada along the Battle Mountain-Eureka gold trend and is a former open-pit, heap-leach gold project. (see Note 7)

#### Illipah Gold Project, Nevada, US

The 100% owned Illipah Gold Project was acquired through the Company's acquisition of Calibre from Equinox on October 1, 2025. The past producing project is located in east-central Nevada approximately 16 miles northeast of the Pan Operating Complex along the Battle Mountain-Eureka gold trend. (see Note 7)

### Copperstone Project, Arizona, US

The 100% owned Copperstone Project, located in La Paz County, Arizona, U.S., is a brownfield underground gold project. The Copperstone Project, which encompasses mineral rights related to certain federal unpatented mining claims, was acquired with the acquisition of Sabre (see Note 6).

## 17) MINERAL PROPERTIES AND PROPERTY PLANT AND EQUIPMENT (CONTINUED)

### **Santana Project – Sonora, Mexico**

The 100% owned Santana project is located in the State of Sonora, Mexico and is comprised of contiguous mining concessions, including the Santana, Santa Lucia, and Hilda 35 Fraccion 1 concessions. The Hilda 35 Fraccion 1 concession is subject to a 1% net smelter return royalty.

During the year ended December 31, 2025, the Company continued mining activities, development, and exploration activities at Santana, including drilling, site optimization, and infrastructure support activities aimed at supporting ongoing production and development. The Company suspended mining activities in 2025 while it awaits permit amendment approvals.

### **Cerro de Oro Project – Zacatecas, Mexico**

The 100% owned Cerro de Oro project is located near Concepción del Oro in the State of Zacatecas, Mexico and is held through a wholly owned subsidiary. The Company acquired a 100% interest in the project pursuant to option agreements entered into in September 2020, which provided for staged cash payments and share issuances. The final earn-in payment was completed in 2024, and, as at December 31, 2025, the Company holds a 100% interest in the project with no underlying royalties. Under the option agreements, an additional contingent payment of US\$1,000 is payable upon the production of 50,000 ounces of gold from the project. As the triggering event had not occurred as at December 31, 2025, no liability has been recognized in respect of this obligation.

### **La Fortuna Project – Durango, Mexico**

The 100% owned La Fortuna project is located in the State of Durango, Mexico and is held through a wholly owned subsidiary.

### **Los Verdes Project – Sonora, Mexico**

The 100% owned Los Verdes project is a molybdenum-copper property located in the State of Sonora, Mexico and is held through a wholly owned subsidiary. Certain claims within the project area are subject to a 2% net smelter returns royalty. The Company also holds interests in the adjacent Potreritos concessions, which form part of the broader Los Verdes mineral system.

### **Cobre 4H – Sonora, Mexico**

In 2024, the Company entered into a merger agreement with Minera Gold Copper de Sonora, S.DE R.L. de CC (“Minera Gold Copper”), an unrelated third party to form a joint share ownership through Cobre 4H de Sonora de Mexico, pursuant to which ownership will be held 50% by each party.

The joint operation is intended to hold certain copper exploration properties contributed by both parties. As at December 31, 2025, the transfer of certain mineral property interests had been substantially completed.

Mineral properties and property, plant and equipment are recorded at cost less accumulated depreciation, depletion, and accumulated impairment losses.

Mineral properties include capitalized development expenditures and assets under construction that are not yet available for use. Property, plant and equipment include mining, processing, office, and site infrastructure assets, vehicles, and right-of-use assets.

Depreciation and depletion are calculated in accordance with the Company's accounting policies and are recognized in cost of sales and operating expenses, as applicable. Depletion of mineral properties is calculated using the units of production method based on proven and probable mineral reserves.

Right-of-use assets are depreciated over the shorter of their estimated useful lives and lease terms.

## 17) MINERAL PROPERTIES AND PROPERTY PLANT AND EQUIPMENT (CONTINUED)

Cost	Mineral Interest	Property, Plant and Equipment	Right of Use Building (i)	Total
Balance at December 31, 2023	\$ 21,687	\$ 2,065	\$ 739	\$ 24,491
Additions (disposals)	343	5	-	348
Disposals	-	(84)	-	(84)
Effect of changes in foreign exchange	(2,330)	(130)	-	(2,460)
Balance at December 31, 2024	19,700	1,856	739	22,295
Additions (disposals)	6,285	165	-	6,450
Assets acquired upon acquisition of Calibre USA Holdings	86,694	30,503	-	117,197
Assets acquired upon acquisition of Sabre Gold Mines	-	8,893	-	8,893
Effect of changes in foreign exchange	(1,537)	(827)	-	(2,364)
Balance at December 31, 2025	111,142	40,590	739	152,471
Accumulated depreciation				
Balance at December 31, 2023	1,174	554	481	2,209
Depreciation and depletion	-	135	89	224
Depletion	534	-	-	534
Disposals	-	(84)	-	(84)
Effect of changes in foreign exchange	(133)	(12)	-	(145)
Balance at December 31, 2024	1,575	593	570	2,738
Depreciation and depletion	2,212	106	89	2,407
Effect of changes in foreign exchange	108	59	-	167
Balance at December 31, 2025	3,895	758	659	5,312
Carrying amounts				
Balance at December 31, 2023	20,513	1,511	258	22,282
Balance at December 31, 2024	18,125	1,263	169	19,556
Balance at December 31, 2025	\$ 107,247	\$ 39,832	\$ 80	\$ 147,159

### Additional information:

Mineral interest of \$19,630 relating to Santana Project operations are subject to leach pad expansion and environmental approvals being granted.

Mineral properties include assets under construction and development expenditures that are not yet available for use totaling \$9,521.

Depreciation related to right-of-use assets is included in office and administration expenses.

As at December 31, 2025, the Company has recorded deferred stripping costs of \$6,044 (2024 - \$315).

## 18) LEASES

The Company leases office and site facilities and certain equipment under non-cancellable operating lease arrangements. Lease liabilities are recognized in accordance with IFRS 16 Leases and are measured at the present value of future lease payments discounted using the Company's incremental borrowing rate.

The following table presents the contractual undiscounted cash flows related to lease liabilities:

	December 31, 2025	December 31, 2024
	\$	\$
Less than one year	102	112
Remaining life	-	102
<b>Total undiscounted lease liabilities</b>	<b>102</b>	<b>214</b>
Effect of discounting	(3)	(15)
<b>Present value of lease payments</b>	<b>99</b>	<b>199</b>
Less: current portion	(99)	(100)
<b>Non-current portion</b>	<b>-</b>	<b>99</b>

## 18) LEASES (CONTINUED)

The following table summarizes the movement in lease liabilities during the year:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of year	199	289
Interest accretion	12	20
Lease payments	(112)	(110)
<b>Balance, end of year</b>	<b>99</b>	<b>199</b>

## 19) DEBT

As at December 31, 2025, the Company's debt obligations comprised of a gold prepay loan secured against the Nevada assets and a deferred revenue stream arrangement secured against the Copperstone assets. As at December 31, 2024 the Company's debt obligation comprised of a loan facility that was repaid effective October 1, 2025. All borrowings are measured at amortized cost using the effective interest method.

The carrying amounts of the Company's debt obligations were as follows:

	Gold Prepay (a)	Loan Facility (b)
	\$	\$
Balance, December 31, 2023		5,982
Interest and accretion		1,589
Gain on modification		(293)
Transaction costs		(630)
Effect of foreign exchange		(462)
Balance, December 31, 2024		6,186
Debt proceeds	34,883	-
Transaction costs	(936)	-
Interest and accretion	1,364	1,692
Effect of foreign exchange	(627)	(902)
Repayment	-	(6,976)
<b>Balance, December 31, 2025</b>	<b>34,684</b>	-
Less: current portion	(15,579)	-
<b>Long term debt December 31, 2025</b>	<b>19,105</b>	-

### a) Gold prepay (Nevada assets)

On October 1, 2025, the Company entered into a gold prepay loan agreement with Auramet International, Inc. for gross proceeds of US\$25,000 (\$34,883). The facility is secured by the Nevada assets and is repayable through the delivery of approximately 7,830 ounces of gold over an 18-month period following a six-month grace period commencing on April 30, 2026. The Company has assessed that the agreement qualifies as revenue arrangement based on the own-use exemption and, as such revenue has been deferred and is recognized upon delivery of the gold ounces. The facility is measured at amortized cost and accrues interest at a rate of 15% per annum. Management expects that the gold prepay agreement be settled through future production and as such it meets the own-use exception and falls outside the scope of IFRS 9 - "Financial Instruments". As a result, this agreement has been accounted for under the rules of IFRS 15 - "Revenue from Contracts with Customers".

## 19) DEBT (CONTINUED)

### b) Loan Facility

On October 30, 2023, the Company executed the documentation on a funding package for the Cerro de Oro project with Auramet International Inc. and Auramet Capital Partners LP ("Auramet"). The funding package was comprised of a loan facility for up to USD\$15,000 and a USD\$10,000 royalty facility for a 2.75% Net Smelter Royalty ("NSR"). Upon the execution of the documentation the Company completed a drawdown of an initial USD\$5,000 under the loan facility. The outstanding principal amount drawn under the loan facility accrued interest and was payable monthly at a rate of 15% per annum calculated in arrears. On October 30, 2024 and November 29, 2024, the Company and Auramet amended the loan facility to extend the term of the maturity date from October 30, 2024 to May 29, 2025 with the Company committing to paying Auramet an extension fee of USD\$400. In January 2025, the extension amount of USD\$400 was settled with the issuance of 190,165 common shares of the Company, which as at December 31, 2024 is included in accounts payable and accrued liabilities.

As at December 31, 2024, the balance of the debt was \$6,186. The Company did not execute on the remainder of the funding package and subsequent to the receipt of the funds from the gold prepay loan agreement on October 1, 2025 repaid the outstanding balance of the debt of \$6,976.

### c) Deferred revenue on Stream Arrangement

The Company recorded a deferred revenue long term liability of \$8,409 upon the acquisition of Sabre who had entered into a Gold Purchase Sale Agreement with Star Royalties ("the GPSA") in November 2020. On October 31, 2023, the GPSA was Amended to fix the gold entitlement at 4% of the payable gold ounces produced for the life of mine. On February 6, 2025, the GPSA was restated and amended to reflect the acquisition by Minera. The Company granted to Star security over the Sabre shares issued by Minera in addition to the security interests held currently over substantially all of Sabre's assets. Management expects that the GPSA will be settled through future production and as such it meets the own-use exception and falls outside the scope of IFRS 9 - "Financial Instruments". As a result, this Stream liability has been accounted for under the rules of IFRS 15 - "Revenue from Contracts with Customers".

The movements in the Company's deferred revenue are presented below:

	\$
Balance, February 6, 2025 on acquisition of Sabre	8,409
Accretion	805
Change in estimate and foreign exchange	(368)
<b>Balance, December 31, 2025</b>	<b>8,846</b>

## 20) SHARE CAPITAL

### Authorized and Issued Share Capital

On December 31, 2025 and 2024, the Company had 108,044,074 and 49,901,685 million common shares issued and outstanding, respectively. The authorized share capital consists of unlimited common shares without par value.

### Recent issuances of Share Capital

<i>(Number of common shares)</i>	Year ended December 31,	
	2025	2024
Outstanding, beginning of year	49,901,685	46,288,385
Shares issued on acquisition of Calibre USA Holdings Inc.	9,680,282	-
Shares issued on acquisition of Sabre Gold Mines	7,649,911	-
Shares issued on equity financings	38,903,254	2,833,300
Shares issued on exercise of options	-	730,000
Shares issued on settlement of debt	2,255,889	-
Shares issued on acquisition of mineral property	-	50,000
Shares returned to capital	(346,948)	-
<b>Outstanding December 31, 2025</b>	<b>108,044,074</b>	<b>49,901,685</b>

During the year ended December 31, 2025, the Company completed a bought deal financing for gross proceeds of \$135,000 and issued 38,028,254 common shares at a price of \$3.55 per common share and issued common share purchase warrants of 38,028,254 at a price of \$7.05 and a private placement for gross proceeds of \$3,500 and issued 875,000 common shares at a price of \$4.00 per common share and issued common share purchase warrants of 875,000 at a price of \$7.05 per common share purchase warrant. During the year ended December 31, 2024, the Company completed a bought deal private placement for gross proceeds of \$8,500 and issued 2,833,300 common shares at a price of \$3.00 and the Company issued 500,000 common shares in relation to the Cerro de Oro Project acquisition agreement with a fair value of \$147,500.

## 21) WARRANTS

A summary of the Company's warrant activities for the years ended December 31, 2025 and 2024 is presented below:

Description	2025		2024	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, beginning of year	-	-	-	-
Warrants issued on equity financings	38,903,254	\$7.05	-	-
Issued on settlement of debt	1,000,000	\$4.40	-	-
Outstanding, end of year	39,903,254	\$6.98	-	-

  

Issue Date	Number	Weighted Average Exercise Price	Expiration Date
September 17, 2025	38,028,254	\$7.05	September 17, 2028
October 1, 2025	1,000,000	\$4.40	September 30, 2027
December 8, 2025	875,000	\$7.05	December 8, 2028
Outstanding as at December 31, 2025	39,903,254	\$6.98	

## 22) SHARE-BASED PAYMENTS – STOCK OPTION PLAN

### a) Stock option plan

The Company maintains a stock option plan (the “Plan”) for directors, officers, employees, and consultants. The Plan was most recently approved and amended by shareholders on July 16, 2025.

Under the Plan, the maximum number of common shares reserved for issuance is limited to 10% of the Company’s issued and outstanding common shares at the time of grant.

Options are granted at an exercise price not less than the market price of the Company’s common shares on the date of grant and generally vest over defined service or performance periods.

### Share-based compensation expense

During the year ended December 31, 2025, the Company recognized share-based compensation expense of \$4,986 (2024 – net recoverable expense of (\$605)).

Reversals of share-based compensation expense during the prior year period were primarily attributable to changes in management’s estimates relating to unvested stock options with performance-based vesting conditions linked to production milestones.

### Outstanding stock options

The following table summarizes stock options outstanding as at December 31, 2025:

Grant Date	Number of Stock Options	Weighted Average Exercise Price	Expiration	Remaining Years	Number Exercisable Stock Options (thousands)
18-Mar-21*	725,000	\$ 7.20	18-Mar-26	0.21	-
26-Jul-21*	50,000	\$ 7.20	26-Jul-26	0.21	-
23-Feb-23	225,000	\$ 5.10	23-Feb-28	2.15	225,000
23-Feb-23	690,000	\$ 4.50	23-Feb-28	2.15	690,000
06-Feb-25	3,465	\$ 14.40	01-May-27	1.33	3,465
06-Feb-25	13,860	\$ 2.60	03-Apr-28	2.26	13,860
06-Feb-25	565,000	\$ 3.30	06-Feb-30	4.1	620,000
06-Feb-25	80,000	\$ 6.00	06-Feb-30	4.1	80,000
28-Nov-25**	4,830,000	\$ 4.25	28-Nov-28	2.91	1,610,000
	7,182,325	\$ 4.60			3,242,325

\* Performance-based vesting: one quarter of the granted options vest upon achievement of each incremental 50,000 ounces of gold production. Subsequent to December 31, 2025, the 725,000 options expired unexercised.

\*\* Vesting terms on the grant of options are as follows: 1/3 upon grant; 1/3 on the first anniversary of the grant and the remaining 1/3 on the second anniversary of the grant.

## 22) SHARE BASED PAYMENTS – STOCK OPTION PLAN (CONTINUED)

### a) Stock option plan (continued)

#### Stock option activity

The following table summarizes stock option activity during the years ended December 31, 2025 and 2024:

Description	2025		2024	
	Number (thousands)	Avg. price	Number (thousands)	Avg. price
Outstanding, beginning of year	1,820,000	\$5.80	2,570,000	\$4.60
Granted	5,530,000	\$4.20	-	-
Issued on acquisition	254,678	\$1.90	-	-
Forfeited	(55,000)	(\$7.50)	-	-
Expired	(367,353)	(\$7.50)	(20,000)	\$1.60
Exercised	-	-	(730,000)	\$1.60
Outstanding as at December 31, 2025	7,182,325	\$4.60	1,820,000	\$5.80

#### Fair value measurement

The Company issued replacement stock options with the acquisition of Sabre of 254,678 at a price range of between \$2.60 and \$20.20 per common share. The fair value of stock options granted is estimated at the issue date using the Black-Scholes option pricing model risk-free rate of 2.63%; expected volatility of 58% - 64% with an expected life of 0.25 years and dividend yield of 0%.

On February 6, 2025, the Company granted stock options of 700,000 at a price range of between \$3.30 and \$6.00 per common share. The fair value of stock options granted is estimated at the issue date using the Black-Scholes option pricing model risk-free rate of 2.43%; expected volatility of 64% with an expected life of 5 years and dividend yield of 0%.

On November 28, 2025, the Company granted stock options 4,830,000 at a price of \$4.20 per common share. The fair value of stock options granted is estimated at the issue date using the Black-Scholes option pricing model risk-free rate of 2.63%; expected volatility of 59.58% with an expected life of 3 years and dividend yield of 0%.

Share-based compensation expense is recognized over the vesting period and adjusted for forfeitures as they occur.

Options exercised during the year resulted in proceeds of \$Nil (2024 – \$1,168).

### b) Restricted Stock Units (“RSU”)

On October 23, 2025, 702,582 RSU's were granted to an officer and director at a grant price of \$4.27.

The RSU's shall vest one year after the date of grant and are settleable in cash or common shares of the Company, at the option of the holder, once vested.

A summary of the vesting schedule of the RSUs currently outstanding is outlined in the table below:

	Number of RSU's
Granted as at December 31, 2025	702,582

## 23) PROVISIONS FOR ASSET RETIREMENT OBLIGATION

The Company recognizes provisions for asset retirement obligations (“ARO”) in respect of legal and constructive obligations associated with the future decommissioning, reclamation, and closure of its mining operations and related infrastructure.

ARO liabilities are initially measured at the present value of estimated future cash flows required to settle the obligation and are capitalized as part of the related asset’s carrying amount. The liabilities are subsequently increased for the accretion of interest and adjusted for changes in estimates, discount rates, and foreign exchange, in accordance with the Company’s accounting policies.

### Movement in asset retirement obligations

The following table summarizes the movement in the ARO provisions:

Description	2025	2024
	\$	\$
Balance, beginning of year	670	604
Provision assumed on acquisition of Sabre	2,577	-
Provision assumed on acquisition of Calibre	21,517	-
Accretion expense	300	53
Changes in estimates and foreign exchange	63	13
<b>Balance, end of year</b>	<b>25,127</b>	<b>670</b>

Accretion expense is recognized in finance costs in profit or loss.

### Nature of obligations

The provision for site reclamation and closure includes estimated costs associated with:

- dismantling and removal of mining and processing facilities;
- remediation and rehabilitation of disturbed land;
- environmental restoration; and
- closure of waste and leach facilities.

The Company’s ARO obligations relate to the Pan Mine, Gold Rock project, Copperstone project and the Santana project.

### Measurement and key assumptions

The ARO provision represents management’s best estimate of the present value of future reclamation and closure costs as at the reporting date.

As at December 31, 2025, the estimated present value of the future rehabilitation liability relating to reclamation and closure activities were \$25,127 (2024 – \$670).

The Company’s restoration provisions at December 31, 2025 for the US projects were calculated as the present value of the expected future cash flows estimated using inflation rates from 1.94% to 2.29% and discount rates of 3.73% to 3.79% depending on the property in which the costs will be incurred and the Mexican project restoration provision were calculated using inflation rate of 5% and discount rate of 7% (2024 – 5.0% and 7%, respectively).

## 24) FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, including credit risk, liquidity risk, market risk, and foreign exchange risk.

The Company's risk management policies are established to identify, analyze, and manage risks arising from its operations and financing activities. Management monitors these risks and seeks to minimize potential adverse effects on the Company's financial performance and cash flows.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

### a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations.

The Company's credit risk exposure arises primarily from:

- cash and cash equivalents held with financial institutions;
- trade and other receivables; and
- recoverable indirect taxes.

The Company places its cash and cash equivalents with high-credit-quality financial institutions and does not have significant concentrations of credit risk.

Management considers the Company's exposure to credit risk to be low. The maximum exposure to credit risk at the reporting date is the carrying amount of the Company's financial assets.

### b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due.

The Company manages liquidity risk by maintaining adequate cash balances, forecasting cash flows, and monitoring operating and capital expenditure requirements.

The Company may seek additional financing through equity issuances, debt arrangements, or strategic transactions. There can be no assurance that such financing will be available on acceptable terms.

As at December 31, 2025, the Company had cash and cash equivalents of \$60,255 and other current assets of \$118,004 (2024 – \$11,760 and \$14,894 respectively) to settle current liabilities of \$66,262 (2024 – \$5,090).

### Contractual maturity analysis

The following table summarizes the Company's contractual undiscounted cash flows for financial liabilities as at December 31, 2025:

Description	Contractual cash flow	Less than 1 year	1–3 years	4–5 years	After 5 years
Accounts payable and accrued liabilities	38,755	38,755	–	–	–
Lease liabilities	99	99	-	–	–
Deferred revenue	11,829	11,829	-	-	-
Debt	34,684	15,579	19,105	-	–
<b>Total</b>	<b>85,367</b>	<b>66,262</b>	<b>19,105</b>	<b>-</b>	<b>–</b>

## 24) FINANCIAL RISK MANAGEMENT (CONTINUED)

### c) Market risk

Market risk is the risk that changes in market prices will affect the Company's financial performance and cash flows.

Market risk includes commodity price risk and foreign exchange risk.

#### (i) Commodity price risk

The Company is exposed to commodity price risk primarily through fluctuations in the market price of gold.

Gold prices directly affect revenue, operating margins, and cash flows.

The Company does not currently use derivative instruments to hedge commodity price risk.

#### Sensitivity analysis

A 10% increase or decrease in the gold price during the year ended December 31, 2025 would have resulted in a change in revenue of approximately \$3,650 (2024 – \$655), assuming all other variables remained constant.

#### (ii) Foreign exchange risk

The Company is exposed to foreign exchange risk as it incurs expenditures and holds certain assets and liabilities denominated in U.S. dollars and Mexican pesos.

The functional currency of the Company's Canadian parent company is the Canadian dollar. The functional currencies of the Company's foreign subsidiaries are primarily the United States dollar ("USD") and the Mexican peso ("MXN"), reflecting the primary economic environments in which they operate.

As at December 31, 2025, the Company has not used derivative instruments to hedge foreign exchange risk.

#### Sensitivity analysis

As at December 31, 2025, the Company held monetary assets denominated in U.S. dollars of approximately US\$39,700 (2024 – US\$2,076). A 10% change in the exchange rate would have resulted in a change in net income of approximately \$5,446 (2024 – \$299).

As at December 31, 2025, the Company had U.S. dollar-denominated liabilities and debt of approximately US\$43,800 (2024 – US\$5,000). A 10% change in the exchange rate would have resulted in a change in net income of approximately \$6,010 (2024 – \$720).

In addition, the Company has intercompany balances that do not form part of its net investment in foreign operations. A 10% change in the Canadian dollar relative to the Mexican peso would have resulted in unrealized foreign exchange gains or losses of approximately \$8,300 (2024 - \$7,700).

## 24) FINANCIAL RISK MANAGEMENT (CONTINUED)

### d) Fair value of financial instruments

The Company's financial assets and liabilities include:

- cash and cash equivalents;
- restricted cash;
- accounts receivable;
- accounts payable and accrued liabilities;
- lease liabilities; and
- debt.

Due to their short-term nature, the carrying amounts of cash, receivables, and payables approximate their fair values.

Debt and lease liabilities are measured at amortized cost and their carrying amounts approximate fair value based on prevailing market conditions.

Fair value hierarchy

IFRS 13 Fair Value Measurement establishes a fair value hierarchy as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – observable inputs other than quoted prices;
- Level 3 – unobservable inputs.

As at December 31, 2025 and 2024, the Company did not have any financial instruments measured at fair value on a recurring basis that required classification within the fair value hierarchy

## 25) SEGMENT REPORTING

The Company's operating segments are identified based on internal reports that are regularly reviewed by the Chief Operating Decision Maker ("CODM") for the purposes of allocating resources and assessing performance, in accordance with IFRS 8 – Operating Segments. The CODM has been identified as the Company's Chief Executive Officer.

The Company's operations are organized and managed by geographic jurisdiction, reflecting the differing regulatory, operating, and economic environments in which the Company operates. For the year ended December 31, 2025, the Company has identified the following reportable operating segments:

- **United States** – producing and development assets located in Nevada and Arizona;
- **Mexico** – producing and development assets located in Sonora, Zacatecas, and Durango; and
- **Corporate** – corporate administration, financing activities, and strategic oversight conducted primarily in Canada.

The CODM reviews financial information on a consolidated basis and by jurisdiction. Operating segments have been aggregated where they exhibit similar economic characteristics and meet the aggregation criteria under IFRS 8.

## 25) SEGMENT REPORTING (CONTINUED)

### Segment performance

Segment performance is evaluated based on operating results before finance costs, income taxes, and non-recurring items. Accounting policies of the operating segments are consistent with those applied in the consolidated financial statements.

The following table summarizes financial information by reportable segment for the year ended December 31, 2025:

	United States \$	Mexico	Corporate \$	Total \$
Revenue	43,084	8,114	–	51,198
Cost of sales	(27,388)	(7,337)	–	(34,725)
Income (loss) from mine operations	19,372	777	–	20,149
Exploration and evaluation (expense)	(33,746)	3,503	–	(30,243)
Total assets	264,463	36,744	34,071	335,278
Capital expenditures	6,354	210	–	6,564

Corporate segment amounts primarily include corporate personnel costs, professional fees, investor relations, share-based compensation, and financing-related expenditures that are not directly attributable to an operating segment.

## 26) CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to:

- safeguard the Company's ability to continue as a going concern;
- support the development, operation, and expansion of its mineral assets;
- fund exploration, evaluation, and sustaining and growth capital expenditures; and
- maximize long-term shareholder value.

The Company defines capital as equity attributable to shareholders, together with debt and lease liabilities, net of cash and cash equivalents.

### Capital structure and monitoring

The Company manages its capital structure and makes adjustments in response to changes in economic conditions, operational performance, and strategic opportunities.

In managing capital, the Company may:

- issue new equity instruments;
- refinance or repay existing borrowings;
- adjust capital expenditure programs;
- enter into strategic financing arrangements; and
- dispose of non-core assets.

Management monitors capital on the basis of net debt, working capital, and forecasted cash flows and reviews capital structure regularly in conjunction with the Board of Directors.

## 26) CAPITAL RISK MANAGEMENT (CONTINUED)

### Capital requirements and compliance

Neither the Company nor its subsidiaries are subject to externally imposed capital requirements, other than those of the TSX Venture Exchange ("TSXV").

The TSXV requires listed issuers to maintain adequate financial resources, defined as the greater of:

- \$50,000; and
- an amount sufficient to maintain operations and cover general and administrative expenditures for a minimum period of six months.

As at December 31, 2025, management believes that the Company was in compliance with these requirements.

### Financing strategy

The Company's capital requirements are driven primarily by:

- operating and sustaining capital at producing assets;
- development and expansion activities;
- exploration and evaluation programs; and
- debt servicing and lease obligations.

The Company funds its capital requirements through a combination of operating cash flows, equity financings, debt arrangements, and strategic transactions, including royalty, streaming, and prepayment facilities.

## 27) COMMITMENTS AND CONTINGENCIES

The Company is committed to certain obligations under normal course of operations including capital expenditure commitments and contractual commitments.

The Company is subject to certain contractual commitments and contingent liabilities arising in the ordinary course of business.

### a) Precious metals purchase and sale agreement

On October 3, 2025, the Company entered into a Master Purchase and Sale Agreement with Auramet International ("Auramet"). Under this agreement, the Company agreed to sell precious metals produced by its subsidiaries, to Auramet on a spot, forward, in-process, or prepayment basis for a three year period or until delivery obligations have been met.

The agreement remains in effect in accordance with its contractual terms.

### b) Call option agreement

On September 29, 2025, the Company converted the previous call option agreement, with Auramet into a gold forward sales agreement to sell a total of 7,000 ounces of gold at a strike price of up to US\$2,175 until November 30, 2026. This agreement replaced the previous agreement entered into in October 2023. As of December 31, 2025, the commitment was to deliver 6,000 ounces of gold outstanding against the agreement. As at December 31, 2025, no liability has been recognized in respect of this arrangement, as the Company continues to meet its contractual obligations.

## 27) COMMITMENTS AND CONTINGENCIES (CONTINUED)

### c) Royalty agreements

The Company is subject to certain royalty obligations and annual lease payments on its projects.

The Company is required to make certain advanced royalty payments for the Pan and Gold Rock projects. The advanced royalty is recorded within other current assets based on expected production from the property over the next twelve months and the remaining amount is recorded within other long-term assets. The advanced royalties balance will be expensed through production costs based on actual gold or equivalent production from the projects.

#### ***Pan Project***

On or before January 5<sup>th</sup> of each year, the Company must pay an advance minimum royalty to Osisko Mining (USA) Inc. of the greater of \$0.06 million or the dollar equivalent of 174 ounces of gold valued by the average of the London afternoon fixing price for the third calendar quarter preceding January 1<sup>st</sup> of the year in which the payment is due. The minimum advance royalties are creditable against the sliding scale production royalty at Pan of between 2.5% and 4%. At December 31, 2025 and 2024 the Pan Project advance royalty balance is \$0, as all payments have been expensed through production costs.

#### ***Gold Rock Project***

##### *Osisko Mining (USA)*

Annually the Company must pay an advance minimum royalty of the greater of \$0.06 million or the dollar equivalent of 108.05 ounces of gold valued by the average of the London afternoon fixing for the third calendar quarter proceeding January 1<sup>st</sup> of the year in which the payment is due.

- The minimum advance royalties will be creditable against a sliding scale net smelter returns (“NSR”) production royalty between 2.5% and 4%.
- The Company must incur a minimum of \$0.06 million per year for work expenditures, including claim maintenance fees, during the term of the mining lease.

##### *Anchor Minerals, Inc.*

- Annually the Company must pay an advanced minimum royalty of approximately \$0.07 million.
- The minimum advanced royalties will be credited against a 3.5% NSR production royalty.

##### *Messers. Peart, Pankow and Jordan of Nevada*

- The Company is required to make annual minimum royalty payments of \$0.10 million for years 2019 and thereafter.
- The minimum advance royalty payments may be creditable against a production NSR sliding scale royalty ranging from 2% to 6% based on the gold price.

#### ***Copperstone Project***

The Company is party to a Gold Purchase Sale Agreement with Star Royalties (“the GPISA”) which has a fixed gold entitlement at 4% of the payable gold ounces produced. The Company is also subject to a gross royalty of 1.5% of the gold ounces produced and a requirement to pay an annual lease payment of \$40.

## 27) COMMITMENTS AND CONTINGENCIES (CONTINUED)

### c) Royalty agreements (continued)

#### *Mexico Projects*

The Company is also party to royalty agreements in respect of certain mineral properties. In particular, Osisko Gold Royalties holds a 3% net smelter return royalty on the Santana property. Royalties are recognized as cost of sales when the related production is sold. The Company is also party to a royalty agreement with Auramet International which holds a 1% net smelter return royalty on the Cerro de Oro project.

### d) Management agreements

As at December 31, 2025, the Company is party to employment and management agreements with certain key management personnel. These agreements do not include minimum service commitments but contain clauses requiring additional payments of approximately \$4,200 upon the occurrence of certain events, including a change of control or termination. As no triggering event had occurred as at December 31, 2025, no provision has been recognized in respect of these arrangements.

### e) Legal and regulatory matters

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity. During the year ended December 31, 2023, the Company's Mexican subsidiary Corex Global S de RL de SV received a notice for an imposed fine of 8,299 MXN (approximately \$633 at December 31, 2025) from the Ministry of Labour and Social Welfare on the basis of misunderstood terms of the employment relationship between its subcontractor and the Company. The Company believes this is a frivolous fine and has submitted the claim against the Federal Court of Administrative Justice to be resolved. As such, no amounts were accrued. In April 2025, the Company deposited a cash guarantee of the imposed fine plus inflation of 632 MXN (approximately \$48) with the Ministry of Finance of Sonora State which would be returned with the dismissal of the fine.

## 28) RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include members of the Board of Directors, executive officers, close family members of such individuals, and entities controlled or significantly influenced by these individuals.

Key management personnel include directors and senior executives who have authority and responsibility for planning, directing, and controlling the activities of the Company.

### a) Key Management compensation

The remuneration of directors and key management personnel for the years ended December 31 was as follows:

Description	2025 \$	2024 \$
Aggregate compensation	1,506	685
Share-based compensation	4,046	334
<b>Total compensation</b>	<b>5,552</b>	<b>1,011</b>

Short-term employee benefits include salaries, bonuses, and directors' fees. Share-based compensation is recognized in accordance with the Company's share-based payment policy.

## 28) RELATED PARTY TRANSACTIONS AND BALANCES

### b) Related party balances

Included in accounts payable and accrued liabilities at December 31, 2025 was an amount of \$959 (2024 – \$155) payable to key management personnel in respect of outstanding compensation and reimbursable expenses. These amounts are unsecured, non-interest bearing, and due on demand.

Included in accounts receivable at December 31, 2025 was an amount of \$88 (2024 – \$87) due from key management personnel. These amounts are unsecured, non-interest bearing, and due on demand.

During the year ended December 31, 2025, related parties were; i) issued shares of 527,665 with a fair value of \$1,665 and issued warrants of 527,665 with a fair value of \$321 by participating in the Company financings, ii) issued stock options of 4,495,000 with a fair value of \$8,670, iii) were issued RSU's of 702,582 with a fair value of \$2,740.

## 29) INCOME TAXES

Income tax expense (recovery) comprises current and deferred income taxes. The Company is subject to income taxes in Canada and Mexico.

### a) Reconciliation of statutory and effective tax rates

The reconciliation of the combined Canadian federal and provincial statutory income tax rate to the effective tax rate is as follows:

Description	2025	2024
Loss before income taxes	(39,883)	(17,568)
Expected income tax (recovery)	(10,468)	(4,656)
Tax rate changes and other adjustments	(1,203)	(157)
Non-deductible expenses	12,241	2,896
Adjustments in respect of prior periods	5,160	–
Change in tax benefits not recognized	(749)	1,988
Other	(2,231)	(71)
<b>Income tax (recovery)</b>	<b>2,750</b>	<b>–</b>

### b) Deferred income taxes

Deferred income tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities and their corresponding tax bases. Deferred tax balances are offset where the Company has a legally enforceable right to offset and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

29) **INCOME TAXES (CONTINUED)**

**b) Deferred income taxes (continued)**

Deferred tax assets and liabilities

<b>Description</b>	<b>2025</b>	<b>2024</b>
Property, plant and equipment	(2,892)	(607)
Resource properties	(21,327)	-
Right of use assets	(22)	(45)
Intercompany loan	(207)	(207)
Tax reserves	(3,135)	-
Asset retirement obligation	4,132	-
Other	(4,874)	-
Non-capital losses	6,758	859
Capital losses	598	-
<b>Total unrecognized deferred tax liability</b>	<b>(20,969)</b>	<b>-</b>

**c) Unrecognized deferred tax assets and liabilities**

The following deferred tax assets and liabilities have not been recognized:

<b>Description</b>	<b>2025</b>	<b>2024</b>
Non-capital losses	47,350	11,712
Net capital losses available for future years	915	-
Property, plant and equipment	628	-
Resource properties	1,845	339
Lease obligations	26	53
Share issuance costs	2,285	271
Provisions and reserves	9,583	1,160
<b>Total unrecognized deferred tax assets</b>	<b>62,632</b>	<b>13,535</b>

**d) Temporary differences**

	<b>2025</b>	<b>2024</b>
Non-capital losses available for future years	197,280	42,060
Net capital losses available for future years	3,452	-
Property, plant and equipment	2,371	-
Resource properties	7,065	1,278
Capital lease obligation	99	199
Share issuance costs	8,622	1,022
Reserves	16,126	3,867
Pre-production investment tax credit	1,339	-
Asset retirement obligations	2,652	-
	<b>239,006</b>	<b>48,246</b>
Canada	113,978	34,284
Mexico	20,147	14,142
USA	104,881	-
	<b>239,006</b>	<b>48,426</b>

## 29) INCOME TAXES (CONTINUED)

### e) Loss carry forwards

The Company has the following tax loss carry-forwards available for future use:

Jurisdiction	Expiry period	2025	2024
Canada	2026–2045	83,214	33,556
Mexico	2026–2036	16,279	12,265
USA	2026-2045	97,786	-

These losses have not been recognized as deferred tax assets as their realization is uncertain.

Certain deductible temporary differences may be carried forward indefinitely.

### f) Tax uncertainties

The determination of income tax expense is subject to uncertainty regarding the interpretation of complex tax legislation and regulations in the jurisdictions in which the Company operates. Management regularly evaluates the Company's tax positions and recognizes provisions where appropriate.

## 30) SUBSEQUENT EVENTS

- a) On January 5, 2026, the Company completed a consolidation of its common shares on the basis of ten (10) pre-consolidation shares for one (1) post-consolidation share.

Following the consolidation, all outstanding common shares, stock options, warrants, and other convertible securities were adjusted in accordance with their respective terms. The effect of this consolidation has been reflected retroactively in these consolidated financial statements.

- b) On January 19, 2026, 10,000 stock options to acquire common shares were exercised at a price of \$3.30 per share for net proceeds of \$33.
- c) On March 6, 2026, the Company issued 1,000,000 common shares upon exercise of warrants at a price of \$4.40 per share for net proceeds of \$4,400.
- d) On March 18, 2026, 725,000 stock options to acquire common shares at a price of \$7.20 per share and during March 2026, 90,000 stock options to acquire common shares at a price of \$4.50 per share were forfeited.
- e) On March 25, 2026, the Company executed a term sheet with The Bank of Nova Scotia and National Bank of Canada on a US\$75 million revolving credit facility. The terms are as follows: term of 3 years from closing; interest rate of SOFR plus margin spread between 3.25% and 4.25% based on certain Company ratios; certain customary covenants and senior security over the Company's material assets. There is not certainty that this arrangement will be completed as described.