GOLD CANDLE LTD.

ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

Independent auditor's report

To the Shareholders of
Gold Candle Ltd.

Opinion

We have audited the consolidated financial statements of **Gold Candle Ltd.** and its subsidiary [the "Company"], which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, the consolidated statements of loss and comprehensive loss, the consolidated statements of changes in equity and the 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 International Financial Reporting Standards ["IFRS"].

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, and 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.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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.

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 in this auditor's report. 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, 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 to 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 the 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 judgment 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 risk 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 group 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 the 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.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 30, 2026

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars rounded to the nearest thousand)

	At December 31 2025	At December 31 2024
ASSETS		
Current		
Cash and cash equivalents	$ 77,061,000	$ 13,187,000
Other receivables (note 6)	1,813,000	729,000
Prepaids	237,000	-
	79,111,000	13,916,000
Non-Current		
Property, plant and equipment (note 7)	1,281,000	644,000
Total assets	$ 80,392,000	$ 14,560,000
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 8)	$ 6,070,000	$ 2,254,000
Flow-through share premium (note 11)	11,815,000	-
	17,885,000	2,254,000
Non-Current		
Closure cost provision (note 9)	4,838,000	4,819,000
Total liabilities	22,723,000	7,073,000
EQUITY		
Share capital (note 11)	159,007,000	73,271,000
Shares to be issued (note 11)	-	1,000,000
Contributed surplus	10,779,000	8,401,000
Warrants (note 13)	3,346,000	3,346,000
Deficit	(115,463,000)	(78,531,000)
Total equity	57,669,000	7,487,000
Total liabilities and equity	$ 80,392,000	$ 14,560,000

Commitments and contingencies (note 16)
Subsequent events (note 17)

Approved on behalf of the Board of Directors

Signed: “Richard Howes” — **Chief Executive Officer**

Signed: “Sunny Lowe” — **Director**

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian dollars rounded to the nearest thousand, except for share and per share amounts)

	Years Ended December 31	
	2025	2024
OPERATING EXPENSES		
Mineral property expenditures		
Exploration activity	$ 21,318,000	$ 12,081,000
Assaying	2,667,000	1,219,000
Geological and engineering services	2,305,000	2,305,000
Share based payments (note 12)	1,156,000	1,564,000
Salaries and wages	2,274,000	1,501,000
Environmental and community relations	1,173,000	579,000
Other mineral property expenses	566,000	162,000
Operating and administrative		
Salary, wages and consulting fees	3,774,000	1,628,000
Share based payments (note 12)	1,222,000	44,000
Professional fees	982,000	313,000
Other operating and administrative expenses	488,000	359,000
	37,925,000	21,755,000
OTHER INCOME (EXPENSE)		
Interest income	790,000	599,000
Foreign exchange (loss) gain	(181,000)	342,000
Accretion and revisions to closure cost provision (note 9)	(19,000)	(113,000)
Renunciation of flow-through share premium (note 11)	403,000	-
	993,000	828,000
Net loss and comprehensive loss	$ (36,932,000)	$ (20,927,000)
Basic and diluted net loss per share	(0.20)	(0.13)
Weighted average number of common shares outstanding – basic and diluted	183,293,000	163,537,000

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian dollars rounded to nearest the thousand, except share amounts)

	Share capital common shares	Share Capital	Shares to be issued	Contributed Surplus	Warrant Reserve	Deficit	Total Equity
	#	$	$	$	$	$	$
Balance, December 31, 2023	**155,147,629**	**55,895,000**	**-**	**6,793,000**	**1,590,000**	**(57,604,000)**	**6,674,000**
Private placement (note 11)	7,868,907	8,656,000	-	-	-	-	8,656,000
Private placement (note 11)	4,478,103	7,837,000	-	-	-	-	7,837,000
Private placement (note 11)	1,377,500	2,755,000	-	-	-	-	2,755,000
Revaluation of warrants (note 13)	-	(1,756,000)	-	-	1,756,000	-	-
Shares to be issued (note 11)	-	-	1,000,000	-	-	-	1,000,000
Share based payments (note 12)	-	-	-	1,608,000	-	-	1,608,000
Share issue costs	-	(116,000)	-	-	-	-	(116,000)
Net loss for the year	-	-	-	-	-	(20,927,000)	(20,927,000)
Balance, December 31, 2024	**168,872,139**	**73,271,000**	**1,000,000**	**8,401,000**	**3,346,000**	**(78,531,000)**	**7,487,000**
Private placement (note 11)	4,877,851	9,756,000	(1,000,000)	-	-	-	8,756,000
Private placement (note 11)	16,054,554	44,150,000	-	-	-	-	44,150,000
Private placement (note 11)	11,636,364	44,218,000	-	-	-	-	44,218,000
Flow-through share premium (note 11)		(12,218,000)					(12,218,000)
Share based payments (note 12)	-	-	-	2,378,000	-	-	2,378,000
Share issue costs	-	(170,000)	-	-	-	-	(170,000)
Net loss for the year	-	-	-	-	-	(36,932,000)	(36,932,000)
Balance, December 31, 2025	**201,440,908**	**159,007,000**	**-**	**10,779,000**	**3,346,000**	**(115,463,000)**	**57,669,000**

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOW

(Expressed in Canadian dollars rounded to the nearest thousand)

	Years Ended December 31	
	2025	2024
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Net loss for the year	$ (36,932,000)	$ (20,927,000)
Share based payments (note 12)	2,378,000	1,608,000
Renunciation of flow-through share premium (note 11)	(403,000)	-
Foreign exchange loss (gain)	181,000	(342,000)
Depreciation (note 7)	96,000	72,000
Accretion and revisions to closure cost provision (note 9)	19,000	113,000
	(34,661,000)	(19,476,000)
Changes in non-cash working capital		
Other receivables	(1,084,000)	295,000
Prepaids	(237,000)	-
Accounts payable and accrued liabilities	3,816,000	264,000
Net cash used in operating activities	(32,166,000)	(18,917,000)
INVESTING ACTIVITIES		
Additions of property, plant and equipment (note 7)	(733,000)	-
Net cash used in investing activities	(733,000)	-
FINANCING ACTIVITIES		
Proceeds from private placements (note 11)	97,124,000	19,248,000
Proceeds from shares to be issued (note 11)	-	1,000,000
Share issue costs	(170,000)	(116,000)
Net cash provided by financing activities	96,954,000	20,132,000
Increase in cash and cash equivalents	64,055,000	1,215,000
Foreign exchange effect on cash and cash equivalents	(181,000)	342,000
Cash and cash equivalents, beginning of year	13,187,000	11,630,000
Cash and cash equivalents, end of year	$ 77,061,000	$ 13,187,000
Cash and cash equivalents are comprised of:		
Cash	$ 11,870,000	$ 4,711,000
Term deposit	65,191,000	8,476,000
Cash and cash equivalents, end of period	$ 77,061,000	$ 13,187,000

The accompanying notes are an integral part of the consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024

(Expressed in Canadian dollars rounded to the nearest thousands, except for shares and per share amounts)

1. NATURE OF OPERATIONS

Gold Candle Ltd. (the "Company" or "GCL") was incorporated on December 23, 2014 under the Ontario Business Corporations Act. The address of its registered head office is 123 Front Street West, Suite 905, Toronto, Ontario, Canada, M5J 2M2.

At December 31, 2025, the Company is a privately held, exploration-stage mining company that is engaged in the acquisition, exploration and development of mineral properties. The Company has no producing properties and has not established any mineral reserves. Its activities are focused on advancing its principal asset, the Kerr-Addison Mine project. The Company's property consists of a 44 km^2 land package located within the Larder Lake Mining District.

2. BASIS OF PREPARATION

Statement of Compliance

These annual consolidated financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The accounting policies set out below have been applied consistently to all periods presented in these annual consolidated financial statements. These annual consolidated financial statements were authorized for issuance by the Board of Directors of the Company on April 30, 2026.

Basis of Preparation and Presentation

These annual consolidated financial statements have been prepared on a historical cost basis, other than those assets and liabilities that are measured at revalued amounts or fair values at the end of each reporting period and which are measured in accordance with the policies disclosed in Note 3. The annual consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

3. MATERIAL ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, 2637407 Ontario Inc. For the years ended December 31, 2025 and 2024, 2637407 Ontario Inc. was inactive. All intercompany balances and transactions have been eliminated upon consolidation. Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash at the bank and in hand, money market deposits and other short term, highly liquid investments with maturities of three months or less from the acquisition date. Cash and cash equivalents are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Property, Plant and Equipment

Property, plant and equipment are recorded at acquisition cost or cost to construct and stated at net of depreciation. Cost includes the purchase price or construction costs, and any costs that are directly attributable to bringing the asset to the location and condition necessary for its intended use.

The carrying amounts of equipment are depreciated to their estimated residual value over the estimated useful lives of the asset. Depreciation starts on the date when the asset is ready for its intended use.

Buildings	- 10 years straight line
Equipment and tools	- 5 years straight line

Exploration and Evaluation Expenditures

Exploration and Evaluation expenditures incurred prior to the determination of technical feasibility and commercial viability are expensed in accordance with IFRS 6, Exploration and Evaluation of Mineral Resources. Expenditures directly related to exploration and evaluation activities including, but not limited to, researching and analyzing existing exploration data, conducting geological studies, exploration drilling and sampling, and payments made to contractors and consultants in connection with the exploration and evaluation of the property, are expensed in the period in which they are incurred as exploration and evaluation costs on the consolidated statements of loss and comprehensive loss. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed as administrative costs in the period in which they occur.

Once management has determined that project is both technically feasible and commercially viable, the project will be considered a mine in development, at which point the assets and further costs will no longer be accounted for under IFRS 6. At this point, the Company performs an impairment test, based on the recoverable amount, prior to the reclassification of exploration and evaluation assets to mine development costs will be accounted for under IAS 16, Property, plant and Equipment.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, if it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Closure Cost Provision

The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. An obligation to incur restoration, rehabilitation, or environmental costs may arise when environmental disturbance is caused by the exploration and evaluation of a mineral property interest and is charged to operations. The value of the liability is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon reclamation of the site. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Foreign Currency Translation

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. The functional currency of the entity and its subsidiaries is the Canadian dollar, which is also the presentation currency of the consolidated financial statements. Transactions in foreign currencies are translated to the functional currency at exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in a currency other than the Canadian dollar are translated into Canadian dollars at the exchange rate as at the end of the reporting period. Non-monetary assets and liabilities are translated at historical exchange rates at the transaction date. The calculated exchange gains and losses are included in net loss for the period.

Financial Instruments

<u>Classification</u>

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses recognized in other comprehensive loss. The Company does not have any assets or liabilities measured at FVTOCI.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively. Financial assets and liabilities measured at amortized cost are subsequently measured at the end of each reporting period of amortized cost using the effective interest rate ("EIR") method. Amortized cost is calculated by taking into account any discounts to premiums on acquisitions and any fees or costs that are an integral part of the EIR. The EIR amortization is included in accretion in the consolidated statements of loss. Financial assets and liabilities at amortized costs includes cash and cash equivalents, other receivables, accounts payable and accrued liabilities.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss. The Company does not have any assets or liabilities measured at FVTPL.

Impairment of financial assets at amortized cost

The Company's only financial assets subject to impairment are the receivables, which are measured at amortized costs. The Company recognizes an allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in operations, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

A financial asset is derecognized when the contractual right to the asset's cash flows expire or if the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

The Company derecognizes a financial liability when its obligations are discharged, cancelled or expired.

Loss per Share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs a loss in a fiscal year, basic and diluted losses per share are calculated in the same manner. All warrants and stock options outstanding during the years ended December 31, 2025 and 2024 were excluded from the loss per share calculation as they were anti-dilutive.

Income Taxes

Income tax on the net loss for the years presented comprises current and deferred tax. Current income tax expense is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regard to previous periods. Deferred income tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

No deferred income tax is recognized for temporary differences arising from the initial recognition of assets or liabilities that affect either accounting or taxable profit or loss.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted that are expected to be applied to taxable income in the years in which the temporary differences are expected to be recovered or settled.

A deferred income tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it provides a valuation allowance against that excess.

Share Based Payments

The fair values of employee share option plan issuances are measured at the date of grant of the options using the Black-Scholes pricing model, taking into consideration the terms and conditions upon which the options were granted. The resulting cost, as adjusted for the expected and actual level of vesting of the options, is charged to income over the period in which the options vest. At the end of each reporting period before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the number of equity instruments that will ultimately vest. Equity-settled share-based payment transactions with parties other than employees are measured at fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments grants, measured at the date the entity obtains the goods or the counterparty renders the service. The value of options outstanding is recorded in contributed surplus. The value of expired options and warrants classified as equity instruments are transferred to deficit.

Share Purchase Warrants

Share purchase warrants are classified as a component of equity.

Proceeds from unit issuances by the Company consisting of shares and warrants are allocated based on the fair value method, whereby the carrying amount of the warrants is determined using a Black-Scholes pricing model, taking into consideration the terms and conditions upon which the warrants were granted. The difference between gross proceeds and the estimated fair market value of warrants is allocated to the shares.

Flow-Through Shares

The Company may, from time to time, issue flow-through common shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditure to investors. On the date of issuance of the flow-through shares, the premium relating to the proceeds received in excess of the fair value of the Company's common shares is allocated to premium on flow-through shares liability. The reduction to the premium liability in the period of renunciation is recognized through operations.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the lookback rule, in accordance with Government of Canada flow-through regulations. When applicable, the tax is reflected as a financial expense.

Impairment of Non-Financial Assets

The carrying values of capital assets are assessed for impairment when indicators of such impairment exist. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs to sell for the asset and the asset's value in use. Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other groups of assets. This generally results in the Company evaluating its non-financial assets on a geographical basis. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of operations so as to reduce the carrying amount to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of operations.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Measurement Uncertainty

The preparation of these annual consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These annual consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods, if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments and Estimation Uncertainties

The preparation of annual consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the annual consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates, and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Going Concern

The Company, being in the exploration stage, is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the challenges of securing adequate capital for exploration, development and operational risks inherent in the mining industry, global economic and metal price volatility, and there is no assurance management will be successful in its endeavors. As at December 31, 2025, the Company has neither a source of operating cash flows, nor any credit line currently in place. The Company incurred a net loss of $36,932,000 for the period ended December 31, 2025 and has accumulated a deficit of $115,463,000 since its inception, and the Company's ability to continue as a going concern is dependent upon its ability to raise additional capital to continue to develop mineral properties.

In the preparation of financial statements, management is required to identify when events or conditions indicate that significant doubt may exist about the Company's ability to continue as a going concern. Significant doubt about the Company's ability to continue as a going concern would exist when relevant conditions and events, considered in the aggregate, indicate that the Company will not be able to meet its obligations as they become due for a period of at least, but not limited to, twelve months from the balance sheet date. When the Company identifies conditions or events that raise potential for significant doubt about its ability to continue as a going concern, the Company considers whether its plans that are intended to mitigate those relevant conditions or events will alleviate the potential significant doubt.

The Company's ability to continue as a going concern for the next twelve months involves significant judgment and is dependent on its ability to raise adequate funding for the operation. After considering its plans to mitigate the potential for significant doubt about the Company's ability to continue as a going concern, management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern for a period of twelve months from the balance sheet date.

Estimation of decommissioning and restoration costs and the timing of expenditure

The cost estimates are updated annually to reflect known developments (e.g. revisions to cost estimates and to the estimated lives of operations) and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations, and are measured at their estimated cost. The valuation of the liability is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the project. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

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 a Black-Scholes option pricing model. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the current stock price based on recent transactions, future volatility of the stock price based on comparable entities, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain.

5. CHANGES IN ACCOUNTING STANDARDS

As at December 31, 2025, there are a number of standards issued but not yet adopted.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments ("IFRS 9" and "IFRS 7"). The IFRS 9 amendments provide clarification on the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system, whereas the IFRS 7 amendments introduce additional disclosure requirements relating to investments in equity instruments designated at FVOCI. These amendments are effective for periods commencing on or after January 1, 2026, with early adoption permitted. The Company does not expect there to be a material impact of these amendments on the consolidated financial statements.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in the Financial Statements* ("IFRS 18") replacing IAS 1. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company continues to assess the impact of the standard on its consolidated financial statements.

6. OTHER RECEIVABLES

Other receivables balance consists of:

	At December 31 2025	At December 31 2024
Sales tax receivable	$ 1,813,000	$ 729,000
	$ 1,813,000	$ 729,000

7. PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment continuity summary is as follows:

	Total
Cost:	
Balance-January 1, 2024	$ 716,000
Additions	-
Balance-December 31, 2024	$ 716,000
Additions	733,000
Balance-December 31, 2025	$ 1,449,000
Accumulated depreciation:	
Balance-January 1, 2024	$ -
Depreciation	72,000
Balance-December 31, 2024	$ 72,000
Depreciation	96,000
Balance-December 31, 2025	$ 168,000
Carrying value:	
Balance-December 31, 2024	$ 644,000
Balance-December 31, 2025	$ 1,281,000

Property, plant and equipment primarily consist of a building and equipment, used in the Company's exploration activities. Depreciation is included within other mineral property expenditures.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance consists of:

	At December 31 2025	At December 31 2024
Trade payables	$ 2,329,000	$ 1,729,000
Accrued liabilities	3,741,000	525,000
	$ 6,070,000	$ 2,254,000

9. CLOSURE COST PROVISION

The closure cost provision balance consists of:

		At December 31 2025	At December 31 2024
Balance, January 1	$	4,819,000 $	4,706,000
Accretion		141,000	148,000
Liability adjustment		(122,000)	(35,000)
Balance, December 31	$	4,838,000 $	4,819,000

The Company recognized a provision for potential future estimated reclamation costs associated with on-site activities conducted at the Kerr-Addison property by the Company and predecessor organizations. As at December 31, 2025 and 2024, the estimated future undiscounted liability is approximately $5,002,500. The Company is currently exploring the Kerr-Addison mine with the objective of establishing an economic mine development scenario through the completion of various technical and economic studies over the next 2-3 years. As this work is being completed, the Ministry of Mines has given the Company until 2028 to submit its formal Closure Plan for the project. In the event the work associated with current exploration and economic studies does not result in a positive development decision, or decision to continue advancing the project, in the next approximately three years, it is anticipated that the current closure estimate would form the basis for the Closure Plan submission and closure activities could commence in 2028 with certain aspects of the closure taking one year and ongoing monitoring lasting for 10 or more years.

Based on the projected timeframe for the potential start of closure activities and their respective expected durations, the undiscounted cost estimates were adjusted for inflation at an average annual rate of 2.0%, and discounted at an average rate of 3.0% for the number of years it is expected to take for the closure activities to be completed (2024 average inflation rate of 2.1% and average discount rate of 3.0%).

10. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 25.0% (2024- 25.0%) to the effective tax rate is as follows for the years ended December 31:

		2025	2024
Loss Income before taxes	$	(36,932,000) $	(20,927,000)
Combined Canadian tax rate		25.0%	25.0%
Income tax recovery at combined rate		(9,233,000)	(5,232,000)
Share based compensation		595,000	402,000
Non-deductible amounts		-	20,000
Flow-through renunciation		3,877,000	2,086,000
Change in benefit of tax assets not recognized		4,761,000	2,724,000
Income tax recovery	$	- $	-

Deferred income taxes are result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

		At December 31 2025	At December 31 2024
Deductible temporary differences			
Non-capital loss carried forward	$	14,935,000 $	8,654,000
Mineral property costs		53,500,000	40,713,000
Share issue costs		274,000	241,000
Other temporary differences		5,005,000	4,890,000
Total	$	73,714,000 $	54,498,000

The tax losses expire from 2035 to 2045. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

11. SHARE CAPITAL

Authorized and Outstanding

Common shares – unlimited without par value. The Company has 201,440,908 common shares outstanding as of December 31, 2025 (2024 – 168,872,139).

	Number of Common Shares		Share Capital
Balance, January 1, 2024	155,147,629	$	55,895,000
Shares issued through:			
Private placement (iv)	7,868,907		8,656,000
Private placement (v)	4,478,103		7,837,000
Private placement (vi)	1,377,500		2,755,000
Revaluation of warrants (note 13)	-		(1,756,000)
Share issue costs	-		(116,000)
Balance, December 31, 2024	168,872,139	$	73,271,000
Shares issued through:			
Private placement (i)	4,877,851		9,756,000
Private placement (ii)	16,054,554		44,150,000
Private placement (iii)	11,636,364		44,218,000
Flow-through share premium (iii)	-		(12,218,000)
Share issue costs	-		(170,000)
Balance, December 31, 2025	201,440,908	$	159,007,000

Share issuances

During the year ended December 31, 2025:

i. In January 2025, the Company completed a private placement that included flow through shares for gross proceeds of $3,397,000 by issuing 1,698,355 common shares at a price of $2.00 per share, and non-flow through shares for gross proceeds of $6,359,000 by issuing 3,179,496 common shares at a price of $2.00 per share. No flow through share premium has been recognized with this transaction. The Company received $1,000,000 of these proceeds before December 31, 2024, with the shares subsequently issued in January 2025. Directors of the Company participated in the private placement and purchased 210,000 flow through and non-flow through common shares for proceeds of $420,000.

ii. Through August to December 2025, the Company completed a private placement that included flow through shares for gross proceeds of $9,048,000 by issuing 3,290,081 common shares at a price of $2.75 per share, and non-flow through shares for gross proceeds of $35,102,000 by issuing 12,764,473 common shares at a price of $2.75 per share. No flow through share premium has been recognized with this transaction. Directors and Officers of the Company participated in the private placement and purchased 2,181,818 flow through and non-flow through common shares for proceeds of $6,000,000.

iii. In August 2025, the Company completed a private placement of charity flow through shares for gross proceeds of $44,218,000 by issuing 11,636,364 common shares at a premium price of $3.80 per share. The charity flow through shares were issued at a 38% premium above the immediately preceding day share issuance price. The related flow through share premium, resulted in a liability of $12,218,000, that will be extinguished as eligible exploration expenses are incurred. During the year ended December 31, 2025, the Company reduced the obligation to renounce flow through exploration expenditures by $403,000. The Company will fulfill its obligation, and the liability will be extinguished in 2026.

During the year ended December 31, 2024:

iv. Through a series of tranches that closed from February to March 2024, the Company completed a private placement that included flow through shares for gross proceeds of $4,903,000 by issuing 4,457,322 common shares at a price of $1.10 per share, and non-flow through shares for gross proceeds of $3,753,000 by issuing 3,411,585 common shares at a price of $1.10 per share. No flow through share premium has been recognized with this transaction. Directors of the Company participated in the private placement and purchased 629,542 flow through and non-flow through common shares for proceeds of $692,496.

v. Through a series of tranches that closed from July to August 2024, the Company completed a private placement that included flow through shares for gross proceeds of $3,441,000 by issuing 1,966,159 common shares at a price of $1.75 per share, and non-flow through shares for gross proceeds of $4,396,000 by issuing 2,511,944 common shares at a price of $1.75 per share. No flow through share premium has been recognized with this transaction. Directors of the Company participated in the private placement and purchased 165,714 flow through common shares for proceeds of $290,000.

vi. Through a series of tranches that closed in December 2024, the Company completed a private placement that included flow through shares for gross proceeds of $1,605,000 by issuing 802,500 common shares at a price of $2.00 per share, and non-flow through shares for gross proceeds of $1,150,000 by issuing 575,000 common shares at a price of $2.00 per share. No flow share premium has been recognized with this transaction. One Director of the Company participated in the private placement and purchased 25,000 flow through common shares for proceeds of $50,000.

12. STOCK OPTIONS

The Company has a stock option plan (the "Plan"), under which the Company may grant stock options to directors, officers, employees, and third party service providers. The purpose of the Plan is to reward, attract, retain and motivate directors, officers, and certain third party service providers by providing them with the opportunity to acquire a proprietary interest in the Company and benefit from its growth. The stock options granted under the Plan are non assignable, have a term of up to 7 years, and vest over periods of up to four years from the date of issue.

A continuity summary of the stock options is presented below:

	2025		2024	
	Number of Common Shares	Weighted Average Exercise Price per Share (CAD)	Number of Common Shares	Weighted Average Exercise Price per Share (CAD)
Stock options outstanding-January 1	14,680,000	$ 1.10	12,780,000	$ 1.06
Grants	4,121,000	2.31	1,900,000	1.31
Stock options outstanding-December 31	18,801,000	$ 1.36	14,680,000	$ 1.10

Stock options to purchase common shares outstanding at December 31, 2025 carry exercise prices and remaining terms to maturity as follows:

	Options Outstanding			Options Exercisable	
Exercise price ($/option)	Number of options	Weighted average exercise price per option	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price per option
$ 0.50 to $ 0.99	1,325,000	0.76	1.48	1,325,000	0.76
$ 1.00 to $ 1.49	12,755,000	1.10	2.35	12,271,665	1.10
$ 1.50 to $ 1.99	600,000	1.75	3.83	400,000	1.75
$ 2.00 to $ 2.49	2,421,000	2.00	3.61	383,334	2.00
$ 2.50 to $ 2.75	1,700,000	2.75	3.61	-	-
Stock options outstanding	18,801,000	1.36	2.61	14,379,999	1.11

All stock options are set to expire in 3 years from the occurrence of a liquidity event. Management estimates the liquidity event date at the time of option grant or the modification date.

During the year ended December 31, 2025, the Company granted 4,121,000 (2024 – 1,900,000) stock options with vesting terms ranging from immediate to over 3 years. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option pricing model. The following table outlines the weighted average assumptions used in the model to determine the fair value of stock options granted:

	2025	2024
Risk-free interest rate	2.85%	3.58%
Expected stock price volatility	70%	80%
Expected life	4.1 years	4.8 years
Expected dividend yield	–	–
Fair value per options granted	$1.27	$0.86

The fair values of share options with vesting provisions are amortized on a graded method basis as share-based compensation expense over the applicable vesting periods. The Company estimates volatility for valuation purposes using an average of peer-company data, as it is not publicly traded. The peer group selected consisted of mining companies with similar staged assets. The share price used in the grants were priced in-line with private placement share issuances.

Share-Based Compensation

Share-based compensation is recorded over the vesting period, and a summary of share-based compensation expense recognized in the statement of loss is as follows for the years ended December 31:

	2025	2024
Share-based compensation expense for:		
Mineral property expenses	$ 1,156,000	$ 1,564,000
Operating and administrative expense	1,222,000	44,000
Share based compensation expense	$ 2,378,000	$ 1,608,000

An additional $3,656,000 in share-based compensation expense remains to be recognized, up until October 2028, on outstanding share options and share units at December 31, 2025.

13. WARRANT RESERVE

The Company historically issued share purchase warrants in connection with the equity raises. The following is a continuity of the warrants.

	2025		2024	
	Number Outstanding	Weighted Average Exercise Price $	Number Outstanding	Weighted Average Exercise Price $
Warrants outstanding-January 1	5,390,910 $	0.82	3,767,003 $	0.96
Issuance of warrants	-	-	1,623,907	0.50
Warrants outstanding-December 31	5,390,910 $	0.82	5,390,910 $	0.82

The exercise price, expiry date, and the fair value assigned to warrants issued and outstanding as at December 31, 2025 are as follows:

Expiry Date	Warrants Outstanding	Exercise Price $	Grant Date Fair Value
July 31, 2028	2,500,000 $	0.50 $	2,108,000
October 28, 2028	2,890,910	1.10	1,238,000
Warrants outstanding-December 31	5,390,910 $	0.82 $	3,346,000

The fair value of the warrant was estimated using the Black Scholes option pricing model. Warrant pricing models require the input of subjective assumptions regarding the expected volatility. Expected volatility is estimated based on historical volatility of comparable entities. Changes in assumptions can materially affect the estimate of fair value, and therefore, use of Black Scholes option pricing model may not provide a realistic measure of the fair value of the Company's options at the date of issue.

In 2024, an existing warrant agreement was amended, and replacement warrants were issued. This led to the revaluation of the warrants resulting in a reclassification from share capital to warrant reserve.

14. RELATED PARTY TRANSACTIONS

Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers, vice-presidents and members of its Board of Directors.

The following compensation was awarded to key management personnel for the year ended December 31:

	2025	2024
Salary, wages and consulting fees	$ 3,122,000 $	1,589,000
Share-based compensation	1,932,000	1,319,000
Key management personnel compensation	$ 5,054,000 $	2,908,000

During the year ended December 31, 2025, 3,546,000 (2024 – 1,400,000) stock options with an aggregate fair value of $4,566,000 (2024 - $1,272,000) were issued to related parties.

15. CAPITAL MANAGEMENT AND FINANCIAL RISK

Capital Management

The Company considers its capital to include all of the components of its shareholders' equity.

The Company's objectives in managing its capital are: to maintain adequate levels of funding to support its expenditures arising from the Company's investments; to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its properties; to maintain a flexible capital structure for its projects for the benefit of its stakeholders; to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions and to seek out and acquire new projects of merit.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company's investment policy is to invest excess cash in low risk, highly liquid, short-term interest bearing investments, selected with regards to the expected timing of upcoming expenditures.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. No changes were made in the approach to capital management during the years presented.

Financial Risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed as follows:

Credit risk

Credit risk is the risk of loss due to a counterparty's inability to meet its obligations under a financial instrument that will result in a financial loss to the Company. The financial instrument which potentially exposes the Company to credit risk mainly consists of cash and cash equivalents and other receivables. The Company limits the risk of holding cash and cash equivalents by dealing with credit-worthy financial institutions. Other receivables consist of recoverable sales taxes with the provincial government, which has no significant credit risk. The carrying value of the financial assets represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. As at December 31, 2025, the Company had a cash and cash equivalents balance of $77,061,000 to settle accounts payable and accrued liabilities of $6,070,000. Management expects that the Company has sufficient cash reserves to fund its administrative and exploration and evaluation costs for the next year, but will require additional financing to fully fund all project exploration and evaluation initiatives. Management is actively involved in seeking new equity financing to enable it to fund project exploration and evaluation initiatives and its ongoing administrative costs. There can be no assurance that the Company will be successful in these initiatives.

Market risk

(a) Interest rate risk
The Company has cash equivalents earning interest at a variable interest rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company does not have significant exposure to interest rate risk.

(b) Foreign currency risk
The Company's functional currency is the Canadian dollar. Major purchases are transacted in Canadian dollars. The Company funds certain operations and administrative expenses using United States dollars. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

(c) Price risk
The Company is not exposed to significant price risk with respect to commodity prices, as the Company is not currently generating revenue.

Fair value measurement

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

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

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

The carrying value of cash and cash equivalents, other receivables, accounts payable and accrued liabilities which are classified as and subsequently measured at amortized cost, and are classified as a Level 1 under the fair value hierarchy. The carrying values of cash and cash equivalents and accounts payable and accrued liabilities approximate their fair values because of their short-term nature.

16. COMMITMENTS AND CONTINGENCIES

Environmental Contingency

The Company’s mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through Commitments

As a result of the Company’s flow-through financings in 2025, the Company is committed to incur qualifying resource expenditures. The Company has satisfied its requirement for both the January and August flow through share issuance. As of December 31, 2025, Company had not fulfilled its obligation related to the charity flow through shares issued in August 2025, and has the ability to complete the commitment through 2026. The amount of unspent qualifying resource expenditures that the Company plans to spend and renounce in 2026 amounts to $42,761,000.

As a result of the Company’s flow-through financings in 2024, the Company was committed to incur qualifying resource expenditures. The Company filed the renunciation forms in January 2025, renouncing these expenditures effective December 31, 2024.

In connection with the flow-through financings, the Company indemnifies the subscribers against certain tax related amounts that may become payable by the subscribers should the Company not meet its flow through expenditure commitments.

Royalties

The Kerr-Addison Mine Project (the “Project”) is comprised of various mineral rights in Ontario, Canada. The Project is subject to the net smelter royalties and the Company has the right to acquire certain of these royalties by exercising its right-of-first-refusal respecting bona fide third party offers to acquire the royalties.

As at December 31, 2025, the Company has the following royalties outstanding on the Kerr Addison Mine Project:

Pursuant to a royalty agreement dated April 14, 2023 between the Company and Agnico Eagle Mines Inc. ("Agnico") the Company granted a 1.0% net smelter returns royalty in consideration for the payment of US$10,000,000 ($13,362,000) to the Company.

Pursuant to a royalty agreement dated April 14, 2023 between the Company and Franco-Nevada Corporation. (“Franco-Nevada”) the Company granted a 1.0% net smelter returns royalty in consideration for the payment of US$10,000,000 ($13,362,000) to the Company.

Additionally, certain mineral claims are subject to a 2% net smelter returns royalty.

No payments have been made, as the project is not in production.

17. SUBSEQUENT EVENT

On April 22, 2026, Gold Candle acquired all of the issued and outstanding shares of Fokus Mining Corporation (“Fokus”) in an all-cash transaction at an equity value for Fokus of $63 million in accordance with an arrangement agreement dated February 11, 2026 by way of a plan of arrangement. Management determined that the acquisition of Fokus did not meet the definition of a business combination in accordance with IFRS 3 - *Business Combinations*. Accordingly, the Company will account for the transaction as an asset acquisition.