CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2026

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian dollars rounded to the nearest thousand)

	At March 31 2026	At December 31 2025
ASSETS		
Current		
Cash and cash equivalents	$ 66,043,000	$ 77,061,000
Other receivables (note 3)	3,220,000	1,813,000
Prepaids and other assets	1,016,000	237,000
	70,279,000	79,111,000
Non-Current		
Property, plant and equipment (note 4)	1,950,000	1,281,000
Total assets	$ 72,229,000	$ 80,392,000
LIABILITIES		
Current		
Accounts payable and accrued liabilities (note 5)	$ 9,289,000	$ 6,070,000
Flow-through share premium (note 10)	8,943,000	11,815,000
	18,232,000	17,885,000
Non-Current		
Closure cost provision	4,873,000	4,838,000
Total liabilities	23,105,000	22,723,000
EQUITY		
Share capital (note 6)	159,282,000	159,007,000
Shares to be issued (note 6)	1,403,000	-
Contributed surplus	12,425,000	10,779,000
Warrants	3,346,000	3,346,000
Deficit	(127,332,000)	(115,463,000)
Total equity	49,124,000	57,669,000
Total liabilities and equity	$ 72,229,000	$ 80,392,000

Subsequent events (note 11)

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

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

	Three Months Ended March 31	
	2026	2025
OPERATING EXPENSES		
Mineral property expenditures		
Exploration drilling	$ 7,424,000	$ 3,773,000
Assaying	1,577,000	279,000
Geological and engineering services	632,000	451,000
Share based payments (note 7)	103,000	322,000
Salaries and wages	904,000	456,000
Environmental and community relations	545,000	179,000
Site facilities and maintenance	335,000	10,000
Other mineral property expenses	278,000	78,000
Operating and administrative		
Management and consulting fees	1,181,000	667,000
Share based payments (note 7)	1,543,000	341,000
Professional fees	187,000	107,000
Other operating and administrative expenses	194,000	137,000
	14,903,000	6,800,000
OTHER INCOME (EXPENSE)		
Interest income	318,000	119,000
Foreign exchange gain (loss)	48,000	(1,000)
Closure cost provision accretion	(35,000)	(35,000)
Part XII.6 tax expense (note 10)	(170,000)	-
Renunciation of flow-through share premium (note 10)	2,873,000	-
	3,034,000	83,000
Net loss and comprehensive loss	$ (11,869,000)	$ (6,717,000)
Basic and diluted net loss per share	(0.06)	(0.04)
Weighted average number of common shares outstanding – basic and diluted	201,462,000	172,499,000

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Unaudited - 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, 2024	**168,872,139**	**73,271,000**	**1,000,000**	**8,401,000**	**3,346,000**	**(78,531,000)**	**7,487,000**
Private placement	4,877,851	9,756,000	(1,000,000)	-	-	-	8,756,000
Share based payments (note 7)	-	-	-	663,000	-	-	663,000
Share issue costs	-	(13,000)	-	-	-	-	(13,000)
Net loss for the period	-	-	-	-	-	(6,717,000)	(6,717,000)
Balance, March 31, 2025	**173,749,990**	**83,014,000**	**-**	**9,064,000**	**3,346,000**	**(85,248,000)**	**10,176,000**
Balance, December 31, 2025	**201,440,908**	**159,007,000**	**-**	**10,779,000**	**3,346,000**	**(115,463,000)**	**57,669,000**
Exercise of stock options	-	-	1,403,000	-	-	-	1,403,000
Issuance of shares (note 6)	100,000	275,000	-	-	-	-	275,000
Share based payments (note 7)	-	-	-	1,646,000	-	-	1,646,000
Net loss for the period	-	-	-	-	-	(11,869,000)	(11,869,000)
Balance, March 31, 2026	**201,540,908**	**159,282,000**	**1,403,000**	**12,425,000**	**3,346,000**	**(127,332,000)**	**49,124,000**

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

(Unaudited - Expressed in CAD dollars rounded to the nearest thousand)

	Three Months Ended March 31	
	2026	2025
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Net loss for the period	$ (11,869,000)	$ (6,717,000)
Share based payments (note 7)	1,646,000	663,000
Renunciation of flow-through share premium (note 10)	(2,873,000)	-
Foreign exchange (gain) loss	(48,000)	1,000
Depreciation	74,000	18,000
Closure cost provision accretion	35,000	35,000
	(13,035,000)	(6,000,000)
Changes in non-cash working capital		
Other receivables	(1,407,000)	210,000
Prepaids	(91,000)	-
Accounts payable and accrued liabilities	2,532,000	511,000
Net cash used in operating activities	(12,001,000)	(5,279,000)
INVESTING ACTIVITIES		
Additions of capital assets	(468,000)	-
Net cash used in investing activities	(468,000)	-
FINANCING ACTIVITIES		
Proceeds from private placements	-	8,756,000
Proceeds from exercise of stock options	1,403,000	-
Share issue costs	-	(13,000)
Net cash provided by financing activities	1,403,000	8,743,000
(Decrease) increase in cash and cash equivalents	(11,066,000)	3,464,000
Foreign exchange effect on cash and cash equivalents	48,000	(1,000)
Cash and cash equivalents, beginning of period	77,061,000	13,187,000
Cash and cash equivalents, end of period	$ 66,043,000	$ 16,650,000
Cash and cash equivalents are comprised of:		
Cash	$ 15,812,000	$ 234,000
Term deposit	50,231,000	16,416,000
Cash and cash equivalents, end of period	$ 66,043,000	$ 16,650,000

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2026

(Unaudited - Expressed in CAD 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.

As at March 31, 2026, 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. STATEMENT OF COMPLIANCE AND ACCOUNTING POLICIES

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. The condensed consolidated interim financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2025. The Company's presentation currency is Canadian dollars ("CAD").

These financial statements were approved by the Board of Directors on May 13, 2026.

Accounting Policies

The material accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2025.

The Company has considered the amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments – Disclosures*. The amendments clarify the derecognition of financial liabilities and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments are effective for annual periods starting on or after January 1, 2026 and the Company has concluded that this amendment has no impact on the Company's condensed consolidated interim financial statements.

3. OTHER RECEIVABLES

Other receivables balance consists of:

	At March 31 2026	At December 31 2025
Sales tax receivable	$ 3,220,000	$ 1,813,000
	$ 3,220,000	$ 1,813,000

4. PROPERTY, PLANT AND EQUIPMENT

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

		Total PP&E
Cost:		
Balance-January 1, 2025	$	716,000
Additions		733,000
Balance-December 31, 2025	$	1,449,000
Additions		743,000
Balance-March 31, 2026	$	2,192,000
Accumulated depreciation:		
Balance-January 1, 2025	$	72,000
Depreciation		96,000
Balance-December 31, 2025	$	168,000
Depreciation		74,000
Balance-March 31, 2026	$	242,000
Carrying value:		
Balance-December 31, 2025	$	1,281,000
Balance-March 31, 2026	$	1,950,000

Depreciation is included within other mineral property expenditures.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance consists of:

		At March 31 2026		At December 31 2025
Trade payables	$	5,011,000	$	2,329,000
Accrued liabilities		4,278,000		3,741,000
	$	9,289,000	$	6,070,000

6. SHARE CAPITAL

Authorized and Outstanding

Common shares – unlimited without par value. The Company has 201,540,908 common shares outstanding as of March 31, 2026 (December 31, 2025 – 201,440,908).

	Number of Common Shares		Share Capital
Balance, January 1, 2025	168,872,139	$	73,271,000
Shares issued through:			
Private placement	4,877,851		9,756,000
Private placement	16,054,554		44,150,000
Private placement	11,636,364		44,218,000
Flow-through share premium	-		(12,218,000)
Share issue costs	-		(170,000)
Balance, December 31, 2025	201,440,908	$	159,007,000
Shares issued through:			
Private placement (i)	100,000		275,000
Balance, March 31, 2026	201,540,908	$	159,282,000

Share issuances

i. In March 2026, the Company issued 100,000 common shares at $2.75 per share in connection with the purchase of property within the McGarry Township. This amount has been capitalized as property, plant and equipment in note 4.

Subsequent to quarter end, the Company issued 23,636,364 common shares via private placement at $2.75 per share for gross proceeds of $65.0 million, partly to purchase all of the issued and outstanding shares of Fokus Mining Corporation ("Fokus") that closed-on April 22, 2026.

Shares to be issued

During the three months ending March 31, 2026, the Company received $1,403,000 in proceeds related to the exercise of 1,275,000 stock options. The common shares were issued after quarter end in April 2026.

7. SHARE-BASED COMPENSATION

Share based compensation

Share-based compensation arrangements include share options, and performance share units. Share-based compensation is recorded over the vesting period, as follows for the three months ended March 31:

		2026		2025
Share based compensation expense for:				
Mineral property expenses	$	103,000	$	322,000
Operating and administrative expense				
Stock options		504,000		341,000
Performance share units		1,039,000		-
Share based compensation expense	$	1,646,000	$	663,000

On March 31, 2026, a member of senior management departed resulted in the reversal of $219,000 of share-based compensation related to unvested stock options.

An additional $10,801,000 in share-based compensation expense remains to be recognized, until March 2029, on outstanding stock options and performance share units at March 31, 2026.

Stock Options

The Company has a stock option plan (the "Plan"), under which the Company may grant 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 options granted under the Plan are non assignable, have a term of up to 7 years, and vest over periods of up to three years from the date of issue.

A continuity summary of the stock options is presented below:

	2026	
	Number of Common Shares	Weighted Average Exercise Price per Share (CAD)
Stock options outstanding-January 1	18,801,000	$ 1.36
Grants	1,090,000	2.75
Forfeitures	(341,560)	1.89
Stock options outstanding-March 31	19,549,440	$ 1.43

Options to purchase common shares outstanding at March 31, 2026 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	1.23	1,325,000	0.76
$ 1.00 to $ 1.49	12,755,000	1.10	2.10	12,271,665	1.10
$ 1.50 to $ 1.99	454,440	1.75	3.58	454,440	1.75
$ 2.00 to $ 2.49	2,225,000	2.00	3.37	466,667	2.00
$ 2.50 to $ 2.75	2,790,000	2.75	3.37	-	-
Stock options outstanding	19,549,440	1.43	2.40	14,517,772	1.12

During the three months ended March 31, 2026, the Company granted 1,090,000 stock options. In the prior year period, no stock options were granted by the Company. 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.

	2026
Risk-free interest rate	2.99%
Expected stock price volatility	70.0%
Expected life	3.5 years
Expected dividend yield	–
Fair value per options granted	$1.40

Performance Share Units

The Company granted performance share units (“PSU”) to certain executives in the first quarter of 2026. Each share unit represents the right to receive one common share, and vest only if the Company achieves a certain share price. The Company expects the PSUs to vest once the Company goes public, which is expected in the second half of 2026. Therefore, the expense is recognized over expected vesting period.

During the three months ended March 31, 2026, the Company granted 3,000,000 PSUs, with half vesting if the share price reaches $3.00 and the remainder vesting if the share price reaches $4.00. No PSUs were issued in 2025 or prior years. The PSUs are valued using a Monte Carlo model. 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. The assumptions used in the valuation are:

Share price	$2.75
Trigger price	$3.00 / $4.00
Risk-free interest rate	2.76%
Expected stock price volatility	70%
Expiry date	3.7 years
Expected dividend yield	–

The valuation resulted in a PSU fair value of $7,740,000, of which $1,039,000 was recorded in share-based compensation for the three months ended March 31, 2026. The remaining amount will be recognized through 2026.

8. 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 three months ended March 31:

	2026	2025
Salary, wages and consulting fees	$ 684,000	$ 529,000
Share-based compensation		
Stock options	725,000	497,000
Performance share units	1,039,000	-
Key management personnel compensation	$ 2,448,000	$ 1,026,000

The performance share units are equity settled instruments payable only if the Company’s share price achieves specific share price targets and therefore payment is not guaranteed. Refer to note 7 for information on the valuation approach.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 approximate their fair value due to the short-term nature of these instruments.

10. FLOW-THROUGH COMMITMENTS

As a result of the Company's flow-through financings in 2025, the Company is committed to incur qualifying resource expenditures. As of March 31, 2026, Company had not fulfilled its obligation related to the charity flow through shares issued in August 2025, expects to satisfy its commitment through 2026. The amount of unspent qualifying resource expenditures as of March 31, 2026 is $32,364,000.

In conjunction with the August 2025 charity flow-through share issuance, the Company initially recorded a liability of $12,218,000, related to the share price premium realized upon issuance. During the three months ended March 31, 2026, the Company incurred eligible exploration expenditures and recorded a $2,873,000 of flow-through share premium amortization. Additionally, as the Company fully renounced the expenditures in 2025, the Company is required to accrue an interest expense payable to the Canadian Government on unspent funds and recorded $170,000 of Part XII.6 tax expense.

11. 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. To fund the acquisition, the Company issued 23,636,364 common shares via private placement at $2.75 per share for gross proceeds of $65.0 million.

On May 8, 2026, Gold Candle announced that it has entered into a binding asset purchase agreement with Pan American Silver Corp. ("Pan American") pursuant to which Gold Candle will acquire all of the assets that comprise Pan American's Larder Property in exchange for 15,000,000 common shares of Gold Candle. Assuming the timely satisfaction of all closing conditions, the Transaction is expected to close during the third quarter of 2026.