



PELANGIO EXPLORATION INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

Independent Auditor's Report

To the Shareholders of Pelangio Exploration Inc.

Opinion

We have audited the consolidated financial statements of **Pelangio Exploration Inc.** and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity (deficit), 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 Group as at December 31, 2025 and December 31, 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 audits 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 Group in accordance with the ethical requirements that are relevant to our audits 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group has net losses of **\$886,138** (2024 - \$755,514), an accumulated deficit of **\$62,514,067** (2024 - \$61,885,214), and a working capital of **\$5,328,931** (2024 - deficit of \$478,400). As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the consolidated financial statements of the Group for the years ended December 31, 2025 and December 31, 2024. These matters were addressed in the context of our audits 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. We have identified no other key audit matters other than the matter described in the Material Uncertainty Related to Going Concern section of our report.

Independent Auditor's Report

To the Shareholders of Pelangio Exploration Inc. (Continued)

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for other information. Other information comprises the information included in Management's Discussion and Analysis for the years ended December 31, 2025 and December 31, 2024 to be filed with the relevant Canadian Securities Commissions. Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above 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. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' 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 Accounting Standards as issued by the IASB 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 it 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 a 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as a 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 Group's internal control.

Independent Auditor's Report

To the Shareholders of Pelangio Exploration Inc. (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- 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 Group'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 Group 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 Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit 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 on the audit resulting in this independent auditor's report is Wayne O'Connell.

Jones & O'Connell LLP

Jones & O'Connell LLP
Chartered Professional Accountants
Licensed Public Accountants
St. Catharines, Ontario
April 27, 2026



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**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

As at	Note	December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash		\$4,675,317	\$225,341
Amounts receivable	6	37,430	12,111
Prepaid expenses		70,894	20,413
Investments	7	689,969	185,115
Total current assets		\$5,473,610	\$442,980
Non-Current assets			
Property, plant and equipment	5	54,459	—
Total non-current assets		\$54,459	\$—
Total assets		\$5,528,069	\$442,980
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	\$134,804	\$921,380
Shares to be issued	9	9,875	—
Total liabilities		\$144,679	\$921,380
Shareholders' Equity (Deficiency)			
Share capital	9	67,089,678	60,410,877
Reserve for warrants	10	481,256	472,678
Reserve for share-based payments	10	326,523	523,259
Accumulated deficit		(62,514,067)	(61,885,214)
Total equity (deficiency)		5,383,390	(478,400)
Total liabilities and equity		\$5,528,069	\$442,980

Nature of operations and going concern (note 1)

Commitments and contingencies (note 12)

Subsequent events (note 16)

Approved on behalf of the Board:

"Ingrid Hibbard" Director"JC St-Amour" Director

See accompanying notes to the consolidated financial statements



CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

For the years ended December 31,	Note	2025	2024 ⁽¹⁾
Operating expenses			
Exploration and evaluation expenses	8,11	\$577,434	\$210,762
Professional and consulting fees		332,495	178,633
Investor relations and business development		153,177	46,826
Management compensation	11,12	148,328	136,255
Office and general		75,207	125,320
Regulatory and transfer agent fees		45,811	45,384
Share-based compensation	10,11	81,432	3,946
Depreciation	5	326	–
Loss before the under-noted items:		\$1,414,210	\$747,126
Interest (income) expense		–	754
Other (income) expense		(5,468)	(10,000)
Foreign exchange (gain) loss		11,633	70,335
Property option income	8	(174,500)	(43,750)
Unrealized (gain) on investments	7	(359,855)	(10,788)
Accrual write-off		118	(23,501)
Loss on disposal of investments		–	25,338
Net loss and comprehensive loss for the period		\$886,138	\$755,514
Net loss per share - basic and diluted		\$(0.00)	\$(0.00)
Weighted average number of shares outstanding during the period – basic and diluted		204,796,542	146,457,297

(1) Certain comparative figures have been reclassified to conform to the current year's presentation. See note 15 – *Comparative figures*.

See accompanying notes to the consolidated financial statements.



CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

(Expressed in Canadian Dollars)

	Share capital		Reserves		Equity (Deficiency)	
	Number of shares	Amount	Warrants	Share-based payments	Accumulated Deficit	Attributable to shareholders
Balance – December 31, 2023	121,326,887	\$59,595,030	\$1,440,631	\$547,153	\$(62,215,224)	\$(632,410)
Private placements, net	49,333,332	865,578	—	—	—	865,578
Warrants issued	—	(56,000)	56,000	—	—	—
Broker warrants issued	—	(33,731)	33,731	—	—	—
Litigation settlement	2,000,000	40,000	—	—	—	40,000
Expiry of warrants	—	—	(1,057,684)	—	1,057,684	—
Share-based compensation	—	—	—	3,946	—	3,946
Expiry of options	—	—	—	(27,840)	27,840	—
Net loss for the year	—	—	—	—	(755,514)	(755,514)
Balance – December 31, 2024	172,660,219	\$60,410,877	\$472,678	\$523,259	\$(61,885,214)	\$(478,400)
Private placements, <i>note 9</i>	50,000,000	5,500,000	—	—	—	5,500,000
Share issue costs	—	(256,732)	—	—	—	(256,732)
Broker warrants issued	—	(234,253)	234,253	—	—	—
Warrants exercised, <i>note 10</i>	27,918,660	1,619,679	(223,726)	—	—	1,395,953
Options exercised, <i>note 10</i>	167,500	50,107	—	(22,832)	—	27,275
Expiry of options, <i>note 10</i>	—	—	—	(255,336)	255,336	—
Expiry of warrants, <i>note 10</i>	—	—	(1,949)	—	1,949	—
Share-based compensation, <i>note 10, 11</i>	—	—	—	81,432	—	81,432
Net loss for the year	—	—	—	—	(886,138)	(886,138)
Balance – December 31, 2025	250,746,379	\$67,089,678	\$481,256	\$326,523	\$(62,514,063)	\$5,383,394

See accompanying notes to the consolidated financial statements.



CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

For the years ended December 31,	Note	2025	2024
Cash flows used in operating activities			
Net loss for the period		\$(886,138)	\$(755,514)
Adjustments to non-cash items:			
Share-based compensation expense	10,11	81,432	3,946
Unrealized (gain) on investments	7	(359,854)	(8,981)
Depreciation	5	326	
Realized loss on investments		—	23,530
Shares issued for option income	7	(145,000)	(33,750)
Legal settlement payable		—	(79,509)
Working capital adjustments:			
Amounts receivable		(25,318)	(4,863)
Prepaid expenses		(50,480)	(4,117)
Accounts payable and accrued liabilities	11,12	(786,577)	(48,958)
Net cash flows used in operating activities		\$(2,171,609)	\$(908,216)
Cash flows provided by financing activities			
Proceeds from private placement financing	9	5,500,000	865,578
Share issue costs		(256,732)	—
Repayment of CEBA loan		—	(40,000)
Warrants exercised	10	1,395,953	—
Options exercised	10	27,275	—
Subscriptions receivable	9	9,875	—
Net cash flows provided by financing		\$6,676,370	\$825,578
Cash flows provided by investing activities			
Proceeds from sale of investments		—	73,629
Purchase of capital assets	5	(54,785)	
Net cash flows (used by) provided by investing		\$(54,785)	\$73,629
Change in cash		4,449,976	(9,009)
Cash, beginning of the year		225,341	234,350
Cash, end of the year		\$4,675,317	\$225,341

See accompanying notes to the consolidated financial statements.



Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise noted)

1. Nature of Operations and Going Concern

Pelangio Exploration Inc. (the "Company" or "Pelangio") was incorporated on February 27, 2008, under the Alberta Business Corporations Act and continued under the Canada Business Corporations Act (the "CBCA") on June 25, 2009. The business of the Company is the acquisition, exploration and development of mineral property interests in Ghana, Africa and Canada. The corporate office is located at 1800 – 372 Bay St., Toronto, Ontario M5H 2W9.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of amounts expended on exploration and evaluation activities is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development and future profitable production or upon disposition of such properties at a profit. The Company may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation, currency exchange fluctuations and restrictions, and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, unregistered prior claims and agreements, aboriginal claims, social license requirements, and non-compliance with regulatory requirements.

For the year ended December 31, 2025, the Company has net losses of \$886,138 (2024 - \$755,514) and has an accumulated deficit of \$62,514,067 (December 31, 2024 - \$61,885,214) and a working capital of \$5,328,931 (December 31, 2024 – deficit of \$478,400). Management believes the Company has sufficient funds to meet Pelangio's exploration and corporate costs in the short term, however in order to advance exploration and/or acquire new projects, the Company will need to secure additional funding. Although the Company has been successful in raising capital in the past, there is no guarantee it will be successful in the future and therefore these conditions indicate the existence of material uncertainties that cast significant doubt on the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is further dependent upon the attainment of profitable mining operations, and, or the receipt of proceeds from the disposition of its mineral properties. The outcome of these matters cannot be predicted at this time.

There is no assurance that funds will be available on terms acceptable to the Company or at all. These financial statements for the years ended December 31 2025 and 2024 (the "Annual Financial Statements") do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company was unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.



Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise noted)

2. Basis of Presentation

(a) Statement of compliance

The Annual Financial Statements, including comparatives, have been prepared in accordance and in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of preparation

The Annual Financial Statements have been prepared on a historical cost basis except for investments recorded at fair value and were authorized for issuance by the Board of Directors on April 27, 2026.

(c) Accounting standards

Recent accounting pronouncements

Current accounting changes

In May 2024, the IASB issued During the year ended December 31, 2025, the Company adopted a number of amendments and improvement of existing standards. These included amendments to IAS 1 and IFRS 10. These included amendments to IAS 1 and IFRS 10. These new standards and changes did not have any material impact on the Company's financial statements.

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on January 1, 2026:

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

In May 2024, the IASB issued 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 also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required, and early adoption is permitted.



Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise noted)

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued **IFRS 18 Presentation and Disclosure in Financial Statements** to improve reporting of financial performance. The new standards replace IAS 1 - Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required, and early adoption is permitted.

Sale of Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined; however, early adoption is permitted.

3. Material Accounting Policies

(a) Currency translation

The functional and reporting currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss.

(b) Basis of consolidation

The Annual Financial Statements include the accounts of the Company and its wholly owned subsidiaries – *See Subsidiaries*. All material intercompany transactions and balances are eliminated on consolidation. For partly owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest.

(c) Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.



Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise noted)

The subsidiaries of the Company are as follows:

Company	Registered	Ownership	Principal activity
Pelangio Mines (B) Inc.	Barbados	100%	Holdco
Pelangio Adansi Asaasi (G) Limited	Ghana	100%	Exploration
Pelangio Kyerebosu Mining (G) Limited	Ghana	100%	Exploration
Pelangio Adansi Gold (G) Limited	Ghana	100%	Exploration
Pelangio Ahafo (B) Inc.	Barbados	100%	Holdco
Pelangio Ahafo (G) Limited	Ghana	100%	Exploration
5007223 Ontario Inc.	Canada	100%	Inactive

(d) Property, plant and equipment

Property, plant and equipment are carried at cost, less accumulated amortization and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the assets to a working condition for their intended use, the initial estimate of the rehabilitation provisions, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Where an item of property, plant and equipment comprises significant components with different useful lives, the components are accounted for as separate items of property, plant and equipment. The property, plant and equipment noted below are depreciated over their estimated useful lives using the following consolidated rates and methods. The assets' residual values, useful lives and methods of amortization are reviewed at each reporting period and adjusted prospectively if appropriate.

- Motor Vehicles 30% declining balance

Property, plant and equipment are derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of loss and comprehensive loss.

(e) Exploration and evaluation costs

Exploration and evaluation costs are expensed as incurred and included in the statement of operations and comprehensive loss until technical feasibility and commercial viability of extraction of reserves are demonstrable. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mineral properties. Exploration costs include an allocation of administration and salary costs as determined by management.



Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise noted)

(f) Provision for closure and reclamation

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate and the liability is recognized at the time environmental disturbance occurs.

The Company does not currently have any significant legal or constructive obligations relating to reclamation of its exploration property interests; and therefore, no closure and reclamation liabilities have been recorded as at December 31, 2025 and 2024.

(g) Income tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource-related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Equity

Share capital represents the amount received on the issue of shares. Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital.

Proceeds from unit placements are allocated between shares and warrants issued according to their fair value using the residual method.

Common shares issued for consideration other than cash are valued based on their market value at the date they were issued. Warrants include charges related to the issuance of warrants until such equity instruments are exercised or expire.

(i) Share-based payments

The Company has a share option plan that is described in note 10. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. The offset to the recorded cost is to equity reserves. Consideration received on the exercise of stock options is recorded as issued capital and the related equity reserve is transferred to issued capital. Charges for options that are forfeited before vesting are reversed from equity reserves. Upon expiry, the recorded value is reclassified to accumulated to deficit.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise noted)

(j) Loss per share

Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss available to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company's case, diluted loss per share is the same as basic loss per share as the effects of including all outstanding options and warrants would be anti-dilutive.

(k) Impairment of non-financial assets

The carrying value of equipment is 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.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is charged to profit or loss so as to reduce the carrying amount to its recoverable amount.

A previously recognized 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 recognized. 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, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

(l) Critical judgments and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires Management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated 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. Refer to note 1 – Going Concern.

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

- 1) *Assets' carrying values and impairment charges.* In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.
- 2) *Mineral reserve estimates.* The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise noted)

a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operations.

3) *Estimation of closure and reclamation costs and the timing of expenditure.* The cost estimates are updated annually during the life of a mine 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. Closure, reclamation and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of closure, reclamation or similar liabilities that may occur upon closure of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.

4) *Income, value added, withholding and other taxes.* 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.

5) *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 and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

6) *Contingencies.* Refer to note 12 for details on all contingencies.

(m) Financial Instruments

Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash, amounts receivable, public investments, private investments, accounts payable and accrued liabilities, legal settlement payable, and the loan repayable.



Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars unless otherwise noted)

(i) Investments

Purchases and sales of investments are recognized on a trade date basis. Public and private investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in profit (loss).

At each financial reporting period, the Company's management estimates the fair value of its investments based on the criteria below and reflects such valuations in the financial statements.

Transaction costs are expensed as incurred in the statements of operations. The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such changes in valuations in the statements of operations. The Company is also required to present its investments (and other financial assets and liabilities reported at fair value) into three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith.

The three levels are defined as follows:

Level 1 – investment with quoted market price;

Level 2 – investment which valuation technique is based on observable market inputs; and

Level 3 – investment which valuation technique is based on non-observable market inputs.

Publicly traded investments

(i) Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing prices at the statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 as disclosed in note 13.

(ii) Securities which are traded on a recognized securities exchange, but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value. Shares that are received as part of a private placement that are subject to a standard four-month hold period are not discounted. In determining the discount for such investments, the Company considers the nature and length of the restriction, business risk of the investee corporation, relative trading volume and price volatility and any other factors that may be relevant to the ongoing and realizable value of the investments. There are no level 2 publicly traded investments.

(iii) Warrants or options of publicly traded securities which do not have a quoted price are carried at an estimated fair value calculated using the Black-Scholes option pricing model if sufficient and reliable observable market inputs are available.

The amounts at which the Company's publicly traded investments could be disposed of may differ from carrying values based on market quotes, as the value at which significant ownership positions are sold is often different than the quoted market price due to a variety of factors such as premiums paid for large blocks or discounts due to illiquidity. Such differences could be material.



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(iv) Financial assets other than investments at fair value and liabilities

Financial assets

Initial recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as “financial assets at fair value”, as either fair value through profit or loss (“FVPL”) or fair value through other comprehensive income (“FVOCI”), and “financial assets at amortized costs”, as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company’s business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Amounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate (“EIR”) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. Cash and amounts receivable were held at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of loss. The Company’s marketable securities are classified as financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading, and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Dividends from such investments are recognized in other income in the consolidated statements of loss when the right to receive payments is established.



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Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

The Company's only financial assets subject to impairment are amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, amounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, legal settlement payable and loan repayable, which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of operations.

Record Resources

On September 2, 2020, the Company entered into an option agreement with Jubilee Minerals Inc. on its Birch Lake property. Consideration received for this option was 4,667,940 common shares of Record Gold. During 2022, a total of 798,044 (private) shares of Record Gold were exchanged for 798,044 (public) shares of Record Resources.

On March 12, 2024, the TSX-V provided Record Resources and Record Gold approval for the second share exchange. The Company received 3,508,277 shares of Record Resources in exchange for the same number of shares the Company held in Record Gold.



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In the fourth quarter of 2024 it was mutually understood and agreed that the final tranche of the remaining 361,619 shares of Record Gold (the “Remaining Shares”) would never be exchanged. The Company disposed of the Remaining Shares for the nominal consideration of \$1.00 in order to conclude the option agreement with Record Gold.

4. Operating Segments

Geographical information

The Company operates in the gold exploration industry with its activities focused on the exploration and development of gold-bearing properties located in Ghana and Canada.

5. Property, Plant and Equipment

During the year ended December 31, 2025, the Company acquired the following capital assets:

Property, Plant & Equipment	Motor Vehicles
Balance - December 31, 2024	\$—
Additions	54,785
Balance, December 31, 2025	\$54,785
Accumulated Depreciation	
Balance, December 31, 2024	\$—
Additions	(326)
Balance - December 31, 2025	\$(326)
Balance – December 31, 2024	\$—
Balance – December 31, 2025	\$54,459

6. Amounts receivable

As at December 31, 2025, the Company had \$37,430 (2024 - \$12,111) in amounts receivable. This is comprised of harmonized sales taxes (“HST”) of \$22,985 (\$12,111) and reimbursable expenditures totaling \$14,445 (2024 - \$nil) to be recovered from MFD as a part of an earn-in option agreement for the Manfo project, entered into on August 27, 2024.

7. Investments

The Company owns shares in certain public companies (“Investments”) operating in the mining industry. As at December 31, 2025, the Company’s investments have a fair market value of \$689,969 (December 31, 2024 - \$185,115) based on quoted market prices. See note 13 – *Capital Management*.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise noted)

The following table summarizes the trading activity regarding the Investments for the years ended December 31, 2025 and 2024:

As at	December 31, 2025	December 31, 2024
Balance, beginning of the period	\$185,115	\$123,447
Acquisitions, option income	145,000	33,750
Transfer from private shares	—	105,248
Disposals	—	(73,629)
Realized (loss)	—	(12,682)
Change in fair value	359,854	8,981
Balance, end of the period	\$689,969	\$185,115

During the year ended December 31, 2024 the Company disposed of a certain private company's shares for the consideration of \$1.00. See note 13 – *Capital Management*.

8. Mineral Properties and Exploration and Evaluation Expenses (“E&E”)

Total E&E for year ended December 31, 2025 was \$577,434 (2024 – \$210,762) comprised as follows:

	2025	2024
Ghana		
Land holding costs	\$281,273	\$78,912
Exploration and evaluation expenditures	321,768	122,789
Reimbursable costs ⁽²⁾	(40,127)	—
Total Ghana	\$562,914	\$201,701
Canada		
Exploration and evaluation expenditures	\$4,603	\$625
Total Canada	\$4,603	\$625
Other		
Exploration and evaluation expenditures	\$9,917	\$8,436
Total Other	\$9,917	\$8,436
Total E&E	\$577,434	\$210,762



Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian dollars unless otherwise noted)

A. GHANA PROPERTIES

As at December 31, 2025, the Company holds interests in several exploration properties in Ghana.

Manfo

During 2011, the Company satisfied the terms of three (2010) definitive option agreements in respect of certain concessions comprising the Manfo Property, pursuant to which the Company had an option to acquire a 100% interest (the "Manfo Option"). The Manfo Option is subject to a) 5% royalty interest, b) a free carried 10% interest held by the Ghanaian government, and c) the right of the Ghanaian government to acquire a further 20% interest on mutually agreed terms, in each of the concessions (the "Government Interest"). The Manfo Property is comprised of the Subriso, Twabidi and Sempekrom concessions. These concession renewals are pending, and such renewals are not assured.

The Manfo Property is also subject to a 2% net smelter royalty ("NSR"), and the Company has the right to repurchase 1% of the NSR for a payment of US\$4,000,000. The Company (or its successor or permitted assignee) shall pay a discovery bonus totaling the sum of (i) US\$1,000,000 plus (ii) US\$1.00 per ounce of proven and probable gold reserves set out in the first positive feasibility study published or released in respect of the Manfo Property, to the Optionor.

On August 27, 2024, Pelangio entered into a binding letter of intent ("LOI") with MFD Holdings S.A. ("MFD"). The LOI was amended on March 27, 2025 and December 31, 2025, granting MFD the right to acquire a 10% interest in the Manfo Project, by procuring a Preliminary Economic Assessment ("PEA") by a consultant pre-approved by Pelangio on or before March 31, 2026, and either:

- i) Incurring a total of \$1,000,000 in expenditures on or before December 31, 2025;
or
- ii) Overseeing the development of the Manfo Project resulting in the first gold pour on or before December 31, 2027.

A further extension of time to complete the above requirements is under negotiation.

Nkosuo

- i) On February 24, 2025, the Company signed an option agreement to acquire up to an 83% interest in the Nkosuo Project, located adjacent to Pelangio's Manfo Project in the Ashanti Region of Ghana. Consideration for the acquisition includes a) the transfer of a 17% interest in the Manfo Project to the Vendor (the "Nkosuo Option"). If the Nkosuo Option is exercised a joint venture will be formed to hold title to both the Manfo and Nkosuo Projects, with Pelangio holding an 83% interest, and the Vendor holding a 17% interest in both projects (the "Combined Project"). Effective December 15, 2025 the Nkosuo Option was terminated.
- ii) The Company has also granted an option to a third party to acquire a 10% interest in the Combined Project (the "Nathawo Option"). Consideration for the Nathawo Option includes the payment of US\$1,000,000 to Pelangio on or before July 5, 2025 ("Option Expiry



Notes to the Consolidated Financial Statements

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Date” or “OED”). If the Company does not exercise the Nkosuo Option, it may either return the funds or use them for the Manfo Project, and the Vendor will earn a 10% interest in the Manfo Project. If the funds are returned, the third party will not earn any interest. Although the OED has passed, the parties to this transaction continue to negotiate the Nathawo Option. Effective December 15, 2025 the Nathawo Option was terminated.

Dankran

On November 12, 2020, the Company entered into an Option Agreement with BNT Resources Ghana Ltd., (“BNT”) to acquire 100% interest in the Subriso-Kokotro concession (“Dankran”), located adjacent to the Company's Obuasi project. To acquire a 100% interest in the Dankran, the Company must a) make aggregate cash payments of US\$300,000 to BNT (paid), b) issue 2,250,000 Pelangio common shares to BNT (issued) (“Option Shares”) and c) grant to BNT, a 2% NSR within 10 days of fulfilling all of the cash payments and share issuances. The Option shares were valued at \$97,500 based on the quoted market price on the date of issuance. On April 1, 2023, the Company granted BNT the 2% NSR.

On November 11, 2023, the Subriso-Kokotro concession expired. The Company has requested that BNT apply for the renewal of this concession prior to the expiry date. As at December 31, 2025 the concession renewal is pending, and such renewal is not assured.

Obuasi

Pursuant to an option agreement dated May 3, 2006, and satisfied by the Company in 2011, certain Company subsidiaries acquired 100% of a property situated in southwest Ghana, West Africa. (The “Obuasi Property”). The Obuasi Property consists of the Kyereboso #2, Kyereboso #3, Meduma and Adokwae concessions. The Obuasi Property is subject to a) a sliding scale royalty interest to a maximum of 12% b) a 10% interest currently held by the Ghanaian government and c) the right of the Ghanaian government to acquire a further 20% interest on mutually agreed terms (the “Government Interest”). In addition, the Obuasi Property is subject to a 2% NSR royalty in favour of the Optionor. The renewal applications for the Obuasi Property are pending, and such renewals are not assured. See note 9 (iii) – *Share Capital* and note 12 – *Commitments and Contingencies*.

In July of 2023 Pelangio entered into an agreement with TuNya Mineral Resources Ltd. to earn an 80% interest in the southern Tarkwaian portion of the Obuasi property (32% of the total area of Pelangio’s Obuasi property) in exchange for a US\$250,000 technical review of Pelangio’s project, US\$150,000 in cash and the completion of 2,000-meters of drilling. Work is ongoing and this agreement is in good standing.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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E&E expenditures for the Ghana properties for years ended December 31, 2025 and 2024, were as follows:

For the years ended December 31,	2025	2024
Manfo		
Land holding costs ⁽¹⁾⁽²⁾	\$96,882	\$78,912
Exploration and evaluation expenditures	261,539	105,716
Recovery costs ⁽²⁾	(13,818)	—
Total Manfo	\$344,603	\$184,088
Nkosuo		
Exploration and evaluation expenditures	\$30,782	\$—
Total Nkosuo expenses	\$30,782	\$—
Dankran		
Land holding costs ⁽¹⁾⁽²⁾	\$14,755	\$—
Exploration and evaluation expenditures	8,459	3,659
Recovery Cost	(1,282)	—
Total Dankran	\$21,929	\$3,659
Obuasi		
Land holding costs ⁽¹⁾⁽²⁾	\$169,636	\$—
Exploration and evaluation expenditures	15,580	13,954
Recovery Cost	(25,027)	—
Total Obuasi	\$160,189	\$13,954
Other Ghana Projects		
New business opportunities	\$5,410	\$—
Total Other Ghana Projects	\$5,410	\$—
Total Ghana E&E	\$562,914	\$201,701

(1) Included in E&E for Ghana are the annual mining rights costs assessed to Pelangio. The assessment for fiscal 2025 is US\$135,020 (2024 – US\$132,050 received later in the year). The figures for the year ended December 31, 2025 include catch-up payments for fees owing for prior years.

(2) The reimbursement of Pelangio expenditures relates to the LOI with MFD whereby MFD has committed to spending \$1,000,000 on the Ghana properties as part of its earn-in option.



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B. CANADA PROPERTIES

As at December 31, 2025, the Company has two significant and several less significant mineral property interests in Canada.

Grenfell

The Grenfell Property consists of certain leases and claims located in Grenfell Township. In 2022 the Company entered into an earn-in agreement with a private exploration company on the Grenfell Property, however the Optionee did not meet the terms of the earn-in option, and the agreement expired. Pelangio retains 100% interest in the property.

Birch Lake/Birch Lake West

Birch Lake consists of the following:

- (i) a 100% interest in 28 unpatented mining claims in Keigat Lake and Casummit Lake Townships, Ontario. The property is subject to net smelter return royalties of 2%; and
- (ii) a 100% interest in 10 unpatented mining claims in Keigat Lake and Casummit Lake Townships, Ontario.

The Birch Lake West property consists of certain unpatented claims in the Casummit Lake Township, Ontario, west of and adjacent to the Company's Birch Lake property.

Earn-in Agreement Birch Lake and Birch Lake West

On October 4, 2021, the Company entered into an earn-in agreement with First Mining Gold Corp. ("First Mining") and Gold Canyon Resources Inc. ("Gold Canyon"), a wholly owned subsidiary of First Mining, on Pelangio's Birch Lake and Birch Lake West properties. Gold Canyon may earn up to a 51% interest in the Birch Lake properties with a) cash payments of \$350,000, b) the issuance of 1,300,000 First Mining common shares and c) incurring \$1,750,000 (\$250,000 in 2022 and \$1,500,000 in 2025) of exploration expenditures.

Upon completion of the 51% earn-in, Gold Canyon has the right to earn a further 29% interest for a period of 2 years from the date of exercise of the 51% earn-in right. Gold Canyon may earn an additional 29% interest by: a) making an option payment of \$400,000 in cash or the equivalent in shares of First Mining (at First Mining's option) and b) incurring an additional \$1,750,000 of exploration expenditures.

On October 10, 2023, the Company amended the terms of the option agreement with Gold Canyon to include a) the extension of the expiry of the 51% earn-in option from October 2025 to October 2028, b) the total shares to be issued by First Mining were increased to 2,100,000 and c) the total cash payments decreased to \$220,000. Exploration expenditures were reduced to \$1,500,000 of which \$500,000 is to be expended by October 31, 2026.



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On October 10, 2023, the Company received the third cash option payment of \$10,000 and 250,000 shares of First Mining. The Company recognized \$30,000 option income based on the market value of the shares on the date these shares were received.

On July 4, 2024, the Company received the fourth cash option payment of \$10,000.

On October 19, 2024, the Company received 250,000 additional shares of First Mining. The Company recognized \$30,000 option income based on the market value of the shares on the date these shares were received.

On October 10, 2025, the Company received a fifth cash option payment of \$25,000 and 500,000 additional shares of First Mining. The Company recognized \$145,000 option income based on the market value of the shares on the date these shares were received.

Gowan

The Gowan Property consists of certain claims located in Gowan Township.

On January 20, 2022, the Company entered into a earn-in letter agreement with 11530313 Canada Inc. ("Privco"), whereby Privco could earn up to a 50% interest in the Gowan Property by making payments in aggregate of \$500,000 over 18 months and completing \$1,500,000 of exploration expenditures over 30 months. An option payment in the amount of \$400,000 was received in the year ended December 31, 2022. During the year ended December 31, 2023, the Company did not receive an option payment. As at December 31, 2025, as the Optionee has not satisfied the remaining earn-in obligations, the Company has terminated the agreement, and the Company retains a 100% interest. At this time the Company is not contemplating further work in the near term.

Poirier Gold

Poirier Gold consists of one mining lease made up of two mining claims in Bristol Township, Ontario. The property is subject to net smelter return royalties of 2%.

Hailstone

On July 15, 2019, the Company entered into an option agreement, amended October 1, 2019, and satisfied in 2021, in which it acquired a 90% interest in the Hailstone property, comprised of certain mineral claims located in La Ronge, Northern Mining District, Saskatchewan pursuant to an agreement between First Geolas Consulting and the Company. The property is subject to a 1.5% net smelter royalty ("NSR").

On June 12, 2025 the Company agreed to sell, transfer and convey to a third-party purchaser, all of Pelangio's rights, title and interest in and to the Hailstone property (the "Project") for the sum of \$1.00. Pelangio shall retain a 1.5% NSR on all mineral products produced from the Project.



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Kenogaming

On April 28, 2022, the Company agreed to acquire a 100% interest in the Kenogaming Property for 350,000 common shares of the Company. The shares issued were valued at \$35,000 based on the quoted market price on the date of issuance. The property consists of certain claims located in Kenogaming Township and is subject to a 3% NSR, of which 70% is held by a wholly owned subsidiary of the Company. One-third of the 3% NSR can be purchased at any time for \$1,000,000.

On March 11, 2025, the Kenogaming Property was sold to GFG Resources Inc. for \$4,500 and the retention of the 3% royalty subject to a 2% buy-out for \$2,000,000.

Dome West

The Dome West Property consists of certain mining cells in Tisdale Township. Pursuant to an agreement dated January 29, 2019, the Company has a right to earn a 100% interest in the property by issuing an aggregate of 500,000 shares, making cash payments of \$220,000 and \$750,000 of exploration expenses. As at December 31, 2023, the Company made cash payments of \$220,000, issued 500,000 shares and incurred \$450,000 of exploration expenditures. The shares issued were valued at \$99,000 based on the quoted market price on the date of issuance. In March 2024, it was agreed between all the parties that the option agreement would be terminated effective December 31, 2023.

Mann

Pelangio has held an interest in twelve patented claims (mining and surface rights) at the Mann Property since December 10, 2018 (closing date of amalgamation with 5SDCapital) (the "Mann Claims"). The Mann Claims are located in Mann Township, 50 km northeast of the City of Timmins and covers an area of approximately 2km². They cover a portion of a large ultramafic intrusive complex that is prospective for nickel, copper, cobalt, chromium, PGE's and gold. The Company is not actively exploring on this project however Management is monitoring exploration activity on the neighbouring Mann West and Mann Central deposits (claims held by Canada Nickel Company).

For the years ended December 31,	2025	2024
Kenogaming		
Exploration and evaluation expenditures	\$500	\$625
Total Kenogaming expenses	500	625
Other Projects		
Mining property rents and taxes	4,103	—
Total Canada E&E	\$4,603	\$625

Total E&E for the Canadian properties for the year ended December 31, 2025 was \$4,603 (2024- \$625) which included \$4,103 for Canadian mining lease rents and municipal property taxes.



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C. OTHER – EVALUATIONS

During the years ended December 31, 2025 and 2024 the Company incurred \$9,917 and \$8,436 evaluating potential projects for which the Company has no proprietary interest.

9. Share Capital

(i) Authorized

Authorized share capital consists of an unlimited number of common shares without par value.

(ii) Non-brokered private placements:

(a) On March 28, 2024, the Company completed the first tranche of a non-brokered private placement financing (“March Offering”) with the issuance of 7,566,666 units, at a price of \$0.015 per unit (“March Unit”), for gross proceeds of \$113,500 (“March Offering”). Each March Unit is comprised of one common share and one common share purchase warrant (“March Warrant”). Each March Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05, until March 28, 2029. The Company paid a finder's fee of \$500 in cash and issued 33,333 finders' warrants. The finders' warrants have the same terms as the March Warrants.

See note 10 – Warrants. Certain insiders of the Company participated in the March Offering for an aggregate total of \$85,500.

(b) On April 16, 2024, the Company completed the second and final tranche of the March Offering with the issuance of 25,766,666 March Units, a price of \$0.015 per unit, for gross proceeds of \$386,500. The warrants issued in connection with this tranche have an exercise price of \$0.05 per common share and expiry date of April 16, 2029. The Company paid a finders' fees of \$22,500 in cash and issued 1,500,000 April finders' warrants. The April finders' warrants have the same terms as the March Warrants. *See note 10 – Warrants.*

(c) On October 10, 2024, the Company completed the first tranche of a non-brokered private placement financing (the “October Offering”) with the issuance of 11,200,000 units, at a price of \$0.025 per unit (“October Unit”) for gross proceeds of \$280,000. Each October Unit is comprised of one common share and one common share purchase warrant (“October Warrant”). Each October Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05, until October 10, 2027. *See note 10 – Warrants.*

(d) On October 17, 2024, the Company completed the second and final tranche of the October Offering with the issuance of 4,800,000 October Units, at a price of \$0.025 per Unit, for gross proceeds of \$120,000. Each warrant in this second tranche entitles the holder thereof to purchase one common share of the Company at a price of \$0.05 per common share until October 17, 2027.

See note 10 – Warrants. An officer/director of the Company participated in the final tranche of the October Offering for an aggregate total of \$59,000.



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(e) On March 29, 2025, the Company completed a non-brokered private placement financing with the issuance of 25,000,000 units ("March 2025 Unit"), at a price of \$0.04 per March 2025 Unit, for gross proceeds of \$1,000,000 (the "March 2025 Offering"). Each March 2025 Unit consists of one common share and one common share purchase warrant for the purchase of one common share at a price of \$0.05 for a period of 36 months from the closing date of the financing. See note 10 (vi) – *Warrants*.

(f) On October 9, 2025 and October 22, 2025, the Company completed a non-brokered private placement, in two tranches, with the issuance of an aggregate of 25,000,000 units ("October 2025 Unit"), at a price of \$0.18 per unit, for gross proceeds of \$4,500,000 (the "October 2025 Offering"). Each October 2025 Unit consists of one common share and one-half of one common share purchase warrant that is valid for a period of 24 months from the above-noted closing dates of the Offering. See note 10 (vii) – *Warrants*.

(iii) Shares issued for Obuasi Settlement

On February 6, 2024, the Company issued 500,000 common shares to settle the second instalment of \$10,000 to be paid in shares under the terms of the Settlement Agreement.

On July 9, 2024, the Company issued 1,500,000 common shares to settle the third and final instalment of \$30,000 to be paid in shares under the terms of the Settlement Agreement.

(iv) Shares to be issued

During December 2025, an Optionee exercised 75,000 stock options priced at \$0.115 per share and 25,000 stock options priced at \$0.05 for proceeds of \$9,875. The resulting common shares were issued to the Optionee on January 8, 2026.

10. Equity Reserves

Warrants

(i) On March 28, 2024, in connection with the March Offering, the Company issued a total of 7,566,666 warrants ("March Warrants"). Each March Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05, until March 28, 2029. The Company also issued 33,333 finders' warrants as finders' fees. The finders' warrants have the same terms as the March Warrants. The Company estimated the fair value of the regular and finders' warrants to be \$nil and \$579 respectively using the residual method of valuation.

(ii) On April 16, 2024, in connection with the March Offering, the Company issued a total of 25,766,666 additional March Warrants. Each March Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05, until April 16, 2029. The Company also issued 1,500,000 finders' warrants ("March Finders' Warrants") as finders' fees. The March Finders' Warrants have the same terms as the March Warrants. The Company estimated the fair value of the regular and finders' warrants to be \$nil and \$33,152 using the residual method of valuation.



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(iii) On October 10, 2024, in connection with the October Offering, the Company issued 11,200,000 warrants (“October Warrants”). Each October Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05, until October 10, 2027. The Company estimated the fair value of the October warrants to be \$56,000 using the residual method of valuation.

(iv) On October 17, 2024, in connection with the October Offering, the Company issued 4,800,000 October Warrants. Each warrant in this second tranche entitles the holder thereof to purchase one common share of the Company at a price of \$0.05 per common share until October 17, 2027. The Company estimated the fair value of the October warrants to be \$nil using the residual method of valuation.

(v) During the year ended December 31, 2024, a total of 28,313,907 common share purchase warrants expired unexercised with prices ranging from \$0.15 to \$0.20. The fair value of \$1,057,684 assigned to these warrants was reclassified to accumulated deficit.

(vi) On March 29, 2025, in connection with the March 2025 Offering, the Company issued 25,000,000 March 2025 Warrants. Each March 2025 Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.05 per common share until March 29, 2028. The Company estimated the fair value of the March 2025 Warrants to be \$nil using the residual method of valuation.

(vii) Between October 9, 2025 and October 22, 2025, in connection with the October 2025 Offering, the Company issued a total of 12,500,000 October 2025 Warrants. Each whole October 2025 Warrant entitles the holder thereof to purchase one common share of the Company at a price of \$0.31 per common share until October 9, 2027 (9,618,334) and October 22, 2027 (2,881,666). The Company estimated the fair value of the October 2025 regular warrants to be \$nil using the residual method of valuation. Further to the October 2025 Offering, the Company issued 1,185,565 broker warrants. Each broker warrant entitles the holder thereof to purchase one common share at \$0.18 until October 9, 2027. The Company assigned a fair value to the October 2025 broker warrants of \$234,253 using the Black Scholes method with the following assumptions: expected life - two years; expected volatility - 197%; risk-free rate – 2.47% and expected annual dividends - nil. The share price on the closing date was \$0.23.

(viii) During the year ended December 31, 2025, a total of 27,918,660 common share purchase warrants were exercised for proceeds of \$1,395,953. The fair value of \$223,726 assigned to these warrants was reclassified to share capital.

During the year ended December 31, 2025, a total of 214,840 common share purchase warrants expired and their assigned fair value of \$1,949 was reclassified to accumulated deficit.

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The following table summarizes the warrant activity for the years ended December 31, 2025 and 2024:

	Number of Warrants	Weighted average exercise price	Weighted average grant date fair value
Balance - December 31, 2023	65,294,906	\$0.30	\$1,440,631
Issued	50,866,665	0.05	89,731
Expired	(28,313,907)	(0.15-0.20)	(1,057,684)
Balance - December 31, 2024	87,847,664	\$0.05	\$472,678
Issued	38,685,565	\$0.14	\$234,253
Exercised	(27,918,660)	(\$0.05)	(223,726)
Expired	(214,480)	\$(0.05)	(1,949)
Balance - December 31, 2025	98,399,729	\$0.08	\$481,256

The following table reflects the Company's warrants outstanding at December 31, 2025:

Exercise Price	Number of Warrants Outstanding	Remaining Contractual Life in Years	Expiry Date
\$0.31	9,618,334	1.77	October 9, 2027
\$0.18	1,185,565	1.77	October 9, 2027
\$0.05	11,200,000	1.78	October 10, 2027
\$0.05	4,100,000	1.79	October 17, 2027
\$0.31	2,881,666	1.80	October 22, 2027
\$0.05	24,600,000	2.24	March 29, 2028
\$0.05	7,097,500	2.74	September 27, 2028
\$0.05	4,749,999	2.82	October 27, 2028
\$0.05	7,599,999	3.24	March 28, 2029
\$0.05	25,366,666	3.29	April 16, 2029
\$0.08	98,399,729	2.52	

The weighted average life of the outstanding warrants at December 31, 2025 is 2.52 years (December 31, 2024 – 3.01 years).



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Share-based payments

The Company has a share option plan (“SOP”) to assist the Company in attracting, retaining, and motivating directors, key officers, employees and consultants of the Company and to closely align the personal interests of such parties with those of the shareholders by providing them with the opportunity, through options, to acquire common shares of the Company. The maximum number of shares reserved for issuance under the SOP is limited to 10% of the issued and outstanding common shares of the Company. Each stock option converts into one common share of the Company upon exercise. Share options granted under the SOP vest at the discretion of the Board of Directors.

- (i) There were no stock options granted during the year ended December 31, 2024.
- (ii) On February 28, 2025, the Company granted a total of 1,500,000 stock options to directors, officers, employees and consultants. The options have a ten-year expiry and an exercise price of \$0.06. The options vest 25% on the date of grant and 25% every six months until fully vested. A fair value of \$103,515 was estimated for the options using the Black-Scholes option model using the following assumptions: expected life – ten years; expected volatility – 171.55%; risk-free interest rate - 2.9%; and expected annual dividend rate – nil. As at December 31, 2025, the Company recorded share-based compensation expense of \$81,432 for these stock options.
- (iii) During the year December 31, 2024, the Company recorded share-based compensation expense of \$3,946 for stock options previously granted in 2022.
- (iv) During the year December 31, 2025, a total of 3,055,000 stock options expired unexercised. The fair value of \$255,336 assigned to these options was reclassified to accumulated deficit.
- (v) During the year December 31, 2025, a total of 157,500 stock options priced at \$0.17 and 10,000 stock options priced at \$0.05 were exercised for total proceeds of \$27,275, and the assigned fair value of \$22,832 was reclassified to the share capital.

The risk-free rate for periods within the contractual term of the option is based on the Bank of Canada-administered interest rates in effect at the time of the grant. The Company has assumed that any granted stock options will not be exercised until the expiry date. Expected volatilities are based on historical volatilities of stock prices. Expected forfeiture rates have been assumed to be nil to date.

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The following table summarizes the share-based payments activity during the year ended December 31, 2025 and 2024:

	Number of options	Weighted average exercise price
Balance – December 31, 2023	6,357,500	\$0.13
Forfeited (expired)	(100,000)	(0.32)
Balance – December 31, 2024	6,257,500	\$0.13
Issued	1,500,000	0.06
Expired	(3,055,000)	(0.16)
Exercised	(167,500)	(0.16)
Balance – December 31, 2025	4,535,000	\$0.08

The following table summarizes the activity in the Company's share-based payments reserve during the year ended December 31, 2025 and 2024:

	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024
Balance – beginning of year	\$523,259	\$547,153
Expired options – transferred to deficit	(255,336)	(27,840)
Options exercised	(22,832)	–
Vesting of options	81,432	3,946
Balance – end of year	\$326,523	\$523,259

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

Options Granted	Exercise Price (\$)	Remaining Contractual Life – Years	Options Exercisable	Expiry Date
1,525,000	0.12	.66	1,525,000	August 24, 2026
250,000	0.10	1.32	250,000	April 28, 2027
1,260,000	0.05	1.67	1,260,000	August 31, 2027
1,500,000	0.06	9.16	750,000	January 28, 2035
4,535,000	0.08	3.79	3,785,000	

The weighted average exercise price and weighted average remaining contractual life of options exercisable at December 31, 2025 was \$0.08 and 3.79 years respectively (December 31, 2024 - \$0.13 and 1.47 years).

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11. Related Party Transactions and Key Management Compensation

Effective September 1, 2024, the Company engaged Grove Corporate Services Ltd. (“Grove”) to provide issuer corporate services, (the “Services”), including those provided by the Chief Financial Officer (“CFO”).

The following is the compensation recorded for Key Management, the aggregate of which was paid to individuals, a personal management company and Grove during the years December 31, 2025 and 2024:

	Years ended December 31,	
	2025	2024 ⁽³⁾
Management fees ⁽¹⁾	\$148,328	\$136,255
Technical management fees ⁽²⁾	115,055	68,023
Share-based compensation	65,146	3,946
	\$328,529	\$208,224

(1) Includes the fees incurred for the CEO, current and former CFO and Corporate Secretary.

(2) Includes the fees incurred for the Senior V.P. Exploration who invoices the Company through a personal management company. All project costs are allocated to the Company’s E&E on the statement of loss and comprehensive loss.

(3) Certain comparative figures have been reclassified to conform to the current year's presentation. See note 15 – *Comparative figures*.

Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

During the year ended December 31, 2025, officers and directors of the Company subscribed for a total of 152,832 October Units for gross proceeds of \$27,510. Refer to *note 9 – Share Capital* for details of the October 2025 Offering.

During the year ended December 31, 2024, an officer/director of the Company subscribed for a total of 5,700,000 March Units for gross proceeds of \$85,500. Refer to *note 9 – Share Capital* for details of the private placement.

Accounts payable and accrued liabilities at December 31, 2025 include amounts owed to the CEO totaling \$50,599 (December 31, 2024 - \$255,802) for unpaid management fees and reimbursable expenses. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.



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12. Commitments and Contingencies

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.

Employment agreements

As at December 31, 2025, the Company is party to two employment agreements. One of these contracts contains clauses requiring additional payments to be made upon the occurrence of certain events such as change of control. The additional commitments total approximately \$90,000.

Management agreements

Effective September 1, 2024, the Company engaged Grove to provide the Services on a monthly retainer basis. Termination of the arrangement may be effected by either party with three months termination notice. See note 11 – Key Management Compensation.

As a triggering event has not taken place, the contingent payments have not been reflected in the Annual Financial Statements.

See note 8 – *Mineral Properties and Exploration and Evaluation Expenses* and note 9 – *Share Capital – Obuasi legal settlement*.

13. Capital Management

The capital of the Company consists of common shares, treasury shares, warrants and options. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of its exploration and evaluation assets. In order to maintain or adjust its capital structure, the Company may issue new shares, seek debt financing, acquire or dispose of assets or receive cash for the exercise of options and warrants. The Board of Directors does not establish quantitative return on capital criteria for Management but rather relies on the expertise of Management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no significant change in the risks, objectives, policies and procedures for the year ended December 31, 2025.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As December 31, 2025, Management believes that the Company is compliant with Policy 2.5.



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Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies, and procedures from the previous period.

Credit risk

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash may be lodged with reputable financial institutions, in interest-bearing instruments, from which Management believes the risk of loss to be remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As December 31, 2025, the Company had a cash balance of \$4,675,317 to settle current liabilities of \$144,679 (December 31, 2024 - \$225,341 to settle current liabilities of \$921,380). The Company's accounts payable and accrued liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk

The Company has cash balances in bank accounts. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company is sensitive to changes in the interest rates through interest income earned on its cash balance.

Price risk

Price risk associated with commodity prices is minimal since the Company is not a producing entity. The Company is exposed to price risk with respect to its investments. Unfavourable market conditions could result in the disposition of investments at less than favourable prices.

Record Resources

On September 2, 2020, the Company entered into an option agreement with Jubilee Minerals Inc. on its Birch Lake property. Consideration received for this option was 4,667,940 common shares of Record Gold. During 2022, a total of 798,044 (private) shares of Record Gold were exchanged for 798,044 (public) shares of Record Resources.

On March 12, 2024, the TSX-V provided Record Resources and Record Gold approval for the second share exchange. The Company received 3,508,277 shares of Record Resources in exchange for the same number of shares the Company held in Record Gold.



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In the fourth quarter of 2024 it was mutually understood and agreed that the final tranche of the remaining 361,619 shares of Record Gold (the "Remaining Shares") would never be exchanged. The Company disposed of the Remaining Shares for the nominal consideration of \$1.00 in order to conclude the option agreement with Record Gold.

Market price of minerals risk

The ability of the Company to develop its properties and the future profitability of the Company is directly related to fluctuations in the market price of certain minerals.

Foreign exchange risk

The Company is subject to foreign exchange risk as some of its operating and investing activities are transacted in currencies other than the Canadian dollar, including the US dollar and the Ghanaian Cedi. The Company is therefore subject to gains and losses due to fluctuations in these currencies relative to the Canadian dollar.

Sensitivity analysis

Based on Management's knowledge and experience of the financial markets, Management believes the following movements are "reasonably possible" over the year.

US dollars and Ghana Cedis

As December 31, 2025, the Company held approximately \$672,347 (December 31, 2024 - \$8,712) of cash balances denominated in US dollars. As at December 31, 2025, the Company had accounts payable and accrued liabilities denominated in US dollars of \$9,487 (December 31, 2024 - \$404,000). A 5% change in the value of the Canadian dollar compared to the US dollar at December 31, 2025 would result in an increase of \$45,426 (December 31, 2024 - \$11,488) in the net asset value of the Company.

As December 31, 2025 and 2024, the Company's cash and liabilities denominated in Ghana Cedis were minimal.

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14. Provision for Income Taxes

Major items causing the Corporation's income tax rate to differ from the 2024 combined Canadian federal and provincial statutory rate of approximately 26.5% (2024 – 26.5%) were as follows:

	December 31, 2025	December 31, 2024
Loss before income taxes	\$(886,137)	\$(755,514)
Expected income tax (recovery)	(235,000)	(200,000)
Adjustment to expected income tax benefit		
Non-deductible expenses	(26,000)	19,000
Change in benefit of tax assets not recognized	261,000	181,000
Income tax expense (recovery)	\$—	\$—

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following temporary differences because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom. Deferred income tax assets in Canada have not been recognized in respect of the following deductible temporary differences:

	December 31, 2025	December 31, 2024
Non-capital losses carried forward	\$17,509,000	\$16,808,000
Non-capital losses carried forward (Ghana)	1,368,000	922,057
Capital losses carried forward	5,229,000	5,228,606
Exploration and evaluation expenses	285,000	155,471
Investments	(438,000)	106,789
Share issue costs	231,000	127,000
Equipment	1,000	1,202
	\$24,185,000	\$23,349,125

The Company has approximately \$285,000 (2024 - \$155,000) of Canadian exploration and development expenditures as at December 31, 2025 which under certain circumstances may be utilized to reduce taxable income of future years.

At December 31, 2025, the Corporation has approximately \$17,509,000 (2024 – \$16,808,000) of non-capital losses in Canada, which under certain circumstances can be used to reduce taxable income of future years. The amount and year of expiry of the losses are as follows:

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	2025	2024
	\$	\$
2028	250,000	389,000
2029	1,693,000	1,693,000
2030	1,552,000	1,552,000
2031	2,860,000	2,860,000
2032	1,919,000	1,919,000
2033	1,353,000	1,354,000
2034	888,000	888,000
2035	411,000	411,000
2036	380,000	381,000
2037	283,000	283,000
2038	914,000	836,000
2039	808,000	808,000
2040	567,000	519,000
2041	823,000	540,000
2042	1,060,000	817,000
2043	480,000	927,000
2044	616,000	631,000
2045	652,000	—
	17,509,000	16,808,000

15. Comparative Figures

Certain comparative figures have been reclassified in 2024 to conform to the current year's presentation. The reclassification is comprised of an increase in professional and consulting fees and decrease in management compensation of \$43,000. This reclassification was made to provide a more appropriate representation of these two expenses and has no impact on the previously reported net income or total equity.

16. Subsequent Events

- i) On January 28, 2026, the Company granted a total of 5,750,000 stock options pursuant to the SOP, to directors, officers, employees and consultants. The options have a ten-year expiry and an exercise price of \$0.205. The options vest 25% on the date of grant and 25% every six months thereafter until fully vested;
- ii) On January 8, 2026, a total of 666,666 common share purchase warrants priced at \$.05 were exercised for total proceeds of \$33,333; and
- iii) On January 8, 2026, 75,000 stock options priced at \$0.115 and 25,000 stock options priced at \$0.05 were exercised for total proceeds of \$9,875.