



**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**THREE AND NINE MONTHS ENDED**

**JUNE 30, 2025**

**(in thousands of United States Dollars unless stated otherwise)**

## CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited – in thousands of United States dollars)

	June 30 2025	September 30 2024
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 139,031	\$ 72,030
Trade receivables	7,263	4,768
Input tax recoverable	10,247	8,642
Prepaid expenses	815	416
Inventories (Note 3)	10,657	21,827
	<u>168,013</u>	<u>107,683</u>
Non-current assets:		
Input tax recoverable	7,816	12,056
Inventories (Note 3)	60,635	47,443
Property, plant and equipment (Note 4)	43,297	47,472
Exploration and evaluation assets (Note 5)	108,019	97,778
<b>Total assets</b>	<u>\$ 387,780</u>	<u>\$ 312,432</u>
<b>LIABILITIES</b>		
Current liabilities:		
Trade and other payables	\$ 9,748	\$ 8,615
Current portion of long-term obligations (Note 6)	170	375
Current portion of onerous contract provision	503	513
Income taxes	11,453	5,985
	<u>21,874</u>	<u>15,488</u>
Non-current liabilities:		
Long-term obligations (Note 6)	772	817
Onerous contract provision	3,562	3,722
Derivative liability (Note 10(b))	1,638	1,443
Provision for site restoration	1,886	1,743
Deferred tax liability	3,957	4,714
<b>Total liabilities</b>	<u>33,689</u>	<u>27,927</u>
<b>EQUITY</b>		
Share capital (Note 7)	369,746	311,556
Contributed surplus	14,517	14,358
Accumulated other comprehensive loss	(8,792)	(8,593)
Deficit	(21,380)	(32,816)
<b>Total equity</b>	<u>354,091</u>	<u>284,505</u>
<b>Total liabilities and equity</b>	<u>\$ 387,780</u>	<u>\$ 312,432</u>

*See accompanying notes to the unaudited condensed consolidated interim financial statements.*

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(Unaudited – in thousands of United States dollars, except per share amounts)

	Three months ended		Nine months ended	
	June 30 2025	June 30 2024	June 30 2025	June 30 2024
Revenue from mining operations	<u>\$ 17,707</u>	<u>\$ 10,358</u>	<u>\$ 54,408</u>	<u>\$ 26,097</u>
Cost of sales:				
Production costs, except amortization and depletion	9,084	6,768	31,105	18,372
Inventory net realizable value adjustment (Note 3)	-	(2,957)	-	(3,276)
Amortization and depletion	<u>1,090</u>	<u>779</u>	<u>3,655</u>	<u>2,077</u>
	<u>10,174</u>	<u>4,590</u>	<u>34,760</u>	<u>17,173</u>
General and administrative	<u>2,904</u>	<u>2,168</u>	<u>7,569</u>	<u>7,055</u>
Operating income	<u>4,629</u>	<u>3,600</u>	<u>12,079</u>	<u>1,869</u>
Finance costs	(134)	(146)	(406)	(445)
Foreign exchange gain (loss)	1,505	(1,904)	833	(804)
Loss on derivative liability	(57)	(350)	(195)	(392)
Interest income	<u>1,665</u>	<u>1,397</u>	<u>3,836</u>	<u>4,065</u>
	<u>2,979</u>	<u>(1,003)</u>	<u>4,068</u>	<u>2,424</u>
Net income before income taxes	7,608	2,597	16,147	4,293
Current income tax expense	(2,661)	(441)	(5,468)	(646)
Deferred income tax recovery (expense)	<u>3,267</u>	<u>(2,639)</u>	<u>757</u>	<u>(2,783)</u>
	<u>606</u>	<u>(3,080)</u>	<u>(4,711)</u>	<u>(3,429)</u>
Net income (loss)	8,214	(483)	11,436	864
Other comprehensive income (loss):				
Foreign currency translation differences which may subsequently be cycled through net income	<u>97</u>	<u>(55)</u>	<u>(199)</u>	<u>(18)</u>
Total comprehensive income (loss) for the period	<u>\$ 8,311</u>	<u>\$ (538)</u>	<u>\$ 11,237</u>	<u>\$ 846</u>
Net income (loss) per share (Note 7 (h))				
Basic	\$ 0.022	\$ (0.002)	\$ 0.033	\$ 0.003
Diluted	\$ 0.021	\$ (0.002)	\$ 0.033	\$ 0.003

*See accompanying notes to the unaudited condensed consolidated interim financial statements.*

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited – in thousands of United States dollars)

	Three months ended		Nine months ended	
	June 30 2025	June 30 2024	June 30 2025	June 30 2024
Cash provided by (used in) the following activities:				
Operating activities				
Net income (loss) for the period	\$ 8,214	\$ (483)	\$ 11,436	\$ 864
Items not involving cash:				
Amortization and depletion	1,090	779	3,655	2,077
Deferred income taxes	(3,267)	2,639	(757)	2,783
Non-cash finance costs	134	146	406	445
Interest paid	(3)	(5)	(10)	(13)
Inventory net realizable value adjustment (Note 3)	-	(2,957)	-	(3,276)
Foreign exchange (gain) loss	(1,505)	1,904	(833)	804
Loss on derivative liability	57	350	195	392
Settlement of onerous contract provision by sale of Off-Take Ounces	(116)	(89)	(389)	(239)
Stock based compensation	849	633	2,078	1,951
	5,453	2,917	15,781	5,788
Change in non-cash operating working capital (Note 8)	1,792	(5,074)	4,483	(15,607)
Net cash provided by (used in) operating activities	7,245	(2,157)	20,264	(9,819)
Investing activities				
Exploration and evaluation expenditures (Note 5)	(3,789)	(1,899)	(10,115)	(7,153)
Purchase of property, plant and equipment (Note 4)	(9)	(34)	(78)	(1,191)
Net cash used in investing activities	(3,798)	(1,933)	(10,193)	(8,344)
Financing activities				
Net proceeds on equity issuance (Note 7)	57,294	-	57,294	-
Proceeds on stock option exercises (Note 7)	-	20	254	141
Payments of leases (Note 6)	(10)	(9)	(31)	(32)
Payments of long-term obligations (Note 6)	(75)	(147)	(273)	(441)
Net cash provided by (used in) financing activities	57,209	(136)	57,244	(332)
Effect of exchange rate changes on cash	57	(164)	(314)	(304)
Net increase (decrease) in cash and cash equivalents	60,713	(4,390)	67,001	(18,799)
Cash and cash equivalents, beginning of period	78,318	80,824	72,030	95,233
Cash and cash equivalents, end of period	\$ 139,031	\$ 76,434	\$ 139,031	\$ 76,434

See accompanying notes to the unaudited condensed consolidated interim financial statements.



## CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited – in thousands of United States dollars)

	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total equity
Balance at September 30, 2023	326,488,511	\$ 310,905	\$ 13,688	\$ (8,640)	\$ (34,396)	\$ 281,557
Net income	-	-	-	-	864	864
Other comprehensive loss	-	-	-	(18)	-	(18)
Options exercised (Note 7)	2,488,750	341	(384)	-	-	(43)
Shares issued, net of issuance costs (Note 7)	25,000	24	-	-	-	24
Stock based compensation (Note 7)	-	-	1,261	-	-	1,261
<b>Balance at June 30, 2024</b>	<b>329,002,261</b>	<b>\$ 311,270</b>	<b>\$ 14,565</b>	<b>\$ (8,658)</b>	<b>\$ (33,532)</b>	<b>\$ 283,645</b>
Balance at September 30, 2024	329,527,261	311,556	14,358	(8,593)	(32,816)	284,505
Net income	-	-	-	-	11,436	11,436
Other comprehensive loss	-	-	-	(199)	-	(199)
Options exercised (Note 7)	1,446,200	856	(602)	-	-	254
Shares issued, net of issuance costs (Note 7)	47,416,500	57,334	-	-	-	57,334
Stock based compensation (Note 7)	-	-	761	-	-	761
<b>Balance at June 30, 2025</b>	<b>378,389,961</b>	<b>\$ 369,746</b>	<b>\$ 14,517</b>	<b>\$ (8,792)</b>	<b>\$ (21,380)</b>	<b>\$ 354,091</b>

*See accompanying notes to the unaudited condensed consolidated interim financial statements.*

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

(Unaudited – in thousands of United States dollars unless otherwise stated)

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### 1. NATURE OF OPERATIONS

GoGold Resources Inc. (the “Corporation”) is a company domiciled in Canada. The address of the Corporation’s registered office is #1301-2000 Barrington Street, Cogswell Tower, Halifax, Nova Scotia, B3J 3K1. The Corporation’s common shares are listed on the Toronto Stock Exchange trading under the symbol GGD and the OTCQX market in the United States under the symbol GLGDF. The consolidated financial statements of the Corporation comprise the Corporation and its subsidiaries. The principal business of the Corporation is the exploration, development, and production of silver, gold and copper primarily in Mexico.

### 2. BASIS OF PREPARATION AND FUTURE ACCOUNTING STANDARDS

These unaudited condensed consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting.

These unaudited condensed consolidated interim financial statements do not include all disclosures required by IFRS Accounting Standards for annual consolidated financial statements and accordingly should be read in conjunction with the Corporation’s audited consolidated financial statements for the year ended September 30, 2024 prepared in accordance with IFRS Accounting Standards.

These unaudited condensed consolidated interim financial statements were approved by the directors of the Corporation on August 5, 2025.

These unaudited condensed consolidated interim financial statements were prepared using the same accounting policies and methods of computation and are subject to the same use of estimates and judgments, as the Corporation’s consolidated annual financial statements for the year ended September 30, 2024.

Following are future accounting standards and the Corporation’s assessment of them:

#### *Amendments to IFRS 9 Financial Instruments re: Classification and Measurement of Financial Instruments*

The amendments clarify the date of recognition and derecognition of some financial assets and liabilities, provide additional clarity and guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion, add new disclosures for certain financial instruments with contractual terms that can change cash flows and update the disclosures for equity instruments designated at fair value through other comprehensive income. The amendments are effective for reporting periods beginning on or after January 1, 2026. The impact to the financial statements of these amendments is being determined.

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

IFRS 18 will replace IAS 1 Presentation of financial statements. IFRS 18 will retain many of the existing principles in IAS 1 and will focus on updates to the statement of profit or loss. Key new concepts relate to the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements; and enhanced principles on aggregation and disaggregation. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change the line items presented in the financial statements and what an entity reports as its ‘operating profit or loss’. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. Earlier adoption is permitted. The impact to the financial statements of the adoption of this standard is being determined.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

(Unaudited – in thousands of United States dollars unless otherwise stated)

### 3. INVENTORIES

	June 30, 2025	September 30, 2024
<b>Current:</b>		
Supplies inventory	\$ 1,236	\$ 1,481
In process inventory	8,663	17,355
Finished goods inventory	758	2,991
	<b>10,657</b>	<b>21,827</b>
<b>Long term:</b>		
In process inventory	60,635	47,443
	<b>\$ 71,292</b>	<b>\$ 69,270</b>

The amount of inventory included in cost of sales for the three and nine months ended June 30, 2025, was \$10,174 and \$34,760 (2024 – \$4,590 and \$17,173). An assessment of the net realizable value of in process inventory was completed at June 30, 2025 which did not result in an adjustment to the carrying value. At June 30, 2024, an assessment was completed which resulted in an increase in of the carrying value of in process inventory for the three and nine months ended June 30, 2024, of \$2,957 and \$3,276, of which \$324 and \$360 related to previously capitalized amortization and depletion.

### 4. PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment	Mining Properties	Total
<b>Cost</b>			
At September 30, 2024	\$ 52,454	\$ 59,198	\$ 111,652
Additions	50	27	77
Reclamation obligation adjustments	-	(67)	(67)
<b>At June 30, 2025</b>	<b>\$ 52,504</b>	<b>\$ 59,158</b>	<b>\$ 111,662</b>
<b>Accumulated Amortization and Impairment</b>			
At September 30, 2024	\$ 33,301	\$ 30,879	\$ 64,180
Amortization and depletion	1,701	2,484	4,185
<b>At June 30, 2025</b>	<b>\$ 35,002</b>	<b>\$ 33,363</b>	<b>\$ 68,365</b>
<b>Net Carrying Value</b>			
At September 30, 2024	\$ 19,153	\$ 28,319	\$ 47,472
<b>At June 30, 2025</b>	<b>\$ 17,502</b>	<b>\$ 25,795</b>	<b>\$ 43,297</b>

For the three and nine months ended June 30, 2025, amortization and depletion of \$277 and \$530 (2024 - \$581 and \$1,739) was capitalized to in process inventory. Disclosures related to right of use assets are shown in the following table:

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

(Unaudited – in thousands of United States dollars unless otherwise stated)

<b>Right of Use Assets</b>	<b>Plant &amp; Equipment</b>	<b>Mining Properties</b>	<b>Total</b>
Net Carrying Value – September 30, 2024	\$ 47	\$ 995	\$ 1,042
Net Carrying Value – June 30, 2025	20	894	914
Amortization and depletion expensed – 2024	27	104	131
Amortization and depletion expensed – 2025	27	101	128

### 5. EXPLORATION AND EVALUATION ASSETS

The Corporation's exploration and evaluation assets consist of the Los Ricos property which consists of two projects, the Los Ricos South project and the Los Ricos North project.

A summary of the additions to the Los Ricos projects for the nine months ended June 30, 2025 are as follows:

	<b>LOS RICOS NORTH</b>			<b>LOS RICOS SOUTH</b>			<b>TOTAL</b>		
	<b>Cash Settled</b>	<b>Share Settled</b>	<b>Total</b>	<b>Cash Settled</b>	<b>Share Settled</b>	<b>Total</b>	<b>Cash Settled</b>	<b>Share Settled</b>	<b>Total</b>
At September 30, 2024	\$46,046	\$3,434	\$49,480	\$39,216	\$9,082	\$48,298	\$85,262	\$12,516	\$97,778
Concession requirements	1,151	-	1,151	553	40	593	1,704	40	1,744
Drilling, exploration and consulting	956	43	999	7,455	43	7,498	8,411	86	8,497
<b>At June 30, 2025</b>	<b>\$48,153</b>	<b>\$3,477</b>	<b>\$51,630</b>	<b>\$47,224</b>	<b>\$9,165</b>	<b>\$56,389</b>	<b>\$95,377</b>	<b>\$12,642</b>	<b>\$108,019</b>

Cash-settled consideration includes amounts capitalized to exploration and evaluation assets which have been or will be settled in cash, while share-settled consideration includes amounts which are settled by the issuance of common shares of the Corporation. Cash-settled consideration includes \$392 (September 30, 2024 – \$379) in trade and other payables at June 30, 2025.

#### *Commitments*

The Corporation has entered into multiple agreements related to the Los Ricos projects. This includes option agreements whereby the Corporation has exclusive exploration and drilling rights on certain concessions, and the Corporation has the right to terminate the agreements at any point with no further payment. The rights to certain concessions transfer to the Corporation after completion of payments under the option agreements. This also includes agreements related to infrastructure associated with the projects.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

(Unaudited – in thousands of United States dollars unless otherwise stated)

### 6. LONG TERM OBLIGATIONS

Details of the payments during the year, accretion, and remaining long term obligations at June 30, 2025 along with the total annual payments are provided below:

	<i>Concession</i>		<i>Leases</i>		<i>Total</i>	
	<b>Principal</b>	<b>Discounted Amount</b>	<b>Principal</b>	<b>Discounted Amount</b>	<b>Principal</b>	<b>Discounted Amount</b>
At September 30, 2024	\$ 423	\$ 404	\$ 1,052	\$ 788	\$ 1,475	\$ 1,192
Principal paid	(273)	(273)	(31)	(31)	(304)	(304)
Accretion	-	17	-	37	-	54
<b>At June 30, 2025</b>	<b>\$ 150</b>	<b>\$ 148</b>	<b>\$ 1,021</b>	<b>\$ 794</b>	<b>\$ 1,171</b>	<b>\$ 942</b>
<b>Current:</b>						
June 30, 2026	\$ 150	\$ 148	\$ 21	\$ 22	\$ 171	\$ 170
<b>Long term:</b>						
June 30, 2027	-	-	-	-	-	-
June 30, 2028	-	-	500	400	500	400
June 30, 2029	-	-	500	372	500	372
	-	-	1,000	772	1,000	772

#### (a) Concession Agreements

The Corporation has obligations related to various concession agreements which are disclosed in the table above, are non-interest bearing and discounted using a rate of 7%.

#### (b) Lease obligations

The Corporation has an obligation for the land lease for the Parral project, which provides the Corporation the use of the land where the Parral heap leach and processing facilities are located until February 2028, with the Corporation's option to extend until February 2033, which the Corporation intends to exercise. Annual payments of \$400 were required to be made until February 2023. Payments of \$500 to be paid in February 2028 and \$500 to be paid in February 2029 are required to extend the lease until February 2033. The lease is non-interest bearing and discounted using the effective interest method with an effective average interest rate of 7%. There are no restrictions or covenants included in the land lease.

The Corporation had no short-term leases nor low-value leased assets for the nine months ended June 30, 2025.

### 7. SHARE CAPITAL

#### (a) Authorized

An unlimited number of common shares, without nominal or par value.

#### (b) Issued

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

(Unaudited – in thousands of United States dollars unless otherwise stated)

The following table summarizes the changes in issued common shares of the Corporation:

	Shares	Value
Balance September 30, 2023	326,488,511	\$ 310,905
Shares issued on exercise of options	2,488,750	341
Shares issued in exchange for agreements	25,000	24
Balance June 30, 2024	329,002,261	\$ 311,270
Balance September 30, 2024	329,527,261	\$ 311,556
Shares issued on exercise of options	1,446,200	856
Shares issued, net of issuance costs	47,391,500	57,294
Shares issued in exchange for agreements	25,000	40
<b>Balance June 30, 2025</b>	<b>378,389,961</b>	<b>\$ 369,746</b>

On April 4, 2025, the Corporation closed a bought deal whereby a syndicate of underwriters purchased 47,391,500 common shares at a price of \$1.82 CAD per share for net proceeds of \$57,294 after share issuance costs of \$3,434.

### (c) Omnibus equity incentive plan (“Omnibus Plan”)

The Corporation has a shareholder approved Omnibus Plan which provides the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Corporation. Share-related mechanisms include incentive stock options, deferred share units (“DSUs”), restricted share units (“RSUs”), and performance share units (“PSUs”). The Omnibus Plan replaced legacy plans including a rolling 10% incentive stock option plan, DSU plan, and RSU plan (the “Legacy Plans”). Awards granted under these legacy plans remain in place under the terms of their initial issuance.

The Omnibus Plan is a fixed plan which provides that the aggregate number of common shares that may be issued upon the exercise or settlement of awards granted, together with awards outstanding under the Legacy Plans, shall not exceed 27,500,000 common shares. Sections (d), (e), and (f) below provide details on the outstanding awards under the Omnibus Plan and Legacy Plans.

### (d) Incentive stock options

The Corporation has options granted under the Omnibus and Legacy Plans. For both, the terms and conditions of each grant of options were determined by the Board of Directors. Options were granted at a price no lower than the market price of the common shares as defined in the Plans, which was the five day weighted average of the Corporation’s common shares prior to the date of grant rounded up to the nearest cent. Options granted under the plans typically vested over a three year period, although the vesting period is at the Board of Directors’ discretion.

The changes in incentive stock options during the nine months ended June 30, 2025 and 2024 were as follows:

		June 30, 2025		June 30, 2024	
	Plan	Number of incentive options	Weighted average exercise price	Number of incentive options	Weighted average exercise price
Opening balance		9,330,583	CAD \$ 1.60	10,461,679	CAD \$ 1.21
Granted	Omnibus	1,823,667	1.30	2,580,571	1.30
Exercised – cashless	Legacy	(1,925,000)	0.70	(3,003,334)	0.28
Exercised – cash	Legacy	(825,000)	0.70	(658,333)	0.40

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

(Unaudited – in thousands of United States dollars unless otherwise stated)

Closing balance	<u>8,404,250</u>	<u>CAD \$ 1.83</u>	<u>9,380,583</u>	<u>CAD \$ 1.23</u>
Exercisable	<u>4,440,169</u>	<u>CAD \$ 2.20</u>	<u>5,498,112</u>	<u>CAD \$ 1.51</u>

During the nine months ended June 30, 2025, a total of 621,200 (2024 – 1,830,417) shares were issued to option holders who exercised 1,925,000 (2024 – 3,003,334) options using the cashless manner. The average market price per common share on the days of exercise during the nine months ended June 30, 2025 was CAD \$1.09 (2024 - \$1.29).

The following table summarizes information concerning outstanding and exercisable incentive stock options at June 30, 2025:

Expiry date	Plan	Outstanding		Exercisable	
		Number of options	Exercise price	Number of options	Exercise price
December 28, 2025	Legacy	1,544,412	2.00	1,544,412	2.00
December 30, 2026	Legacy	1,005,500	3.25	1,005,500	3.25
December 27, 2027	Omnibus	1,450,100	2.25	980,067	2.25
December 21, 2028	Omnibus	2,495,571	1.30	881,857	1.30
May 7, 2029	Omnibus	85,000	1.45	28,333	1.45
December 23, 2029	Omnibus	1,543,667	1.15	-	-
February 13, 2030	Omnibus	80,000	1.65	-	-
June 5, 2030	Omnibus	200,000	2.32	-	-
		<u>8,404,250</u>	<u>CAD \$ 1.83</u>	<u>4,440,169</u>	<u>CAD \$ 2.20</u>

The compensation cost for the incentive stock options granted during the nine months ended June 30, 2025 and 2024 were determined based on the fair value of the options at the date of grant using the Black-Scholes option pricing model with the following assumptions:

Option grant date	<u>Jun. 5, 2025</u>	<u>Feb. 13, 2025</u>	<u>Dec. 23, 2024</u>	<u>Dec. 21, 2023</u>
Options granted	200,000	80,000	1,543,667	2,495,571
Exercise price	CAD \$ 2.32	CAD \$ 1.65	CAD \$ 1.15	CAD \$ 1.30
Risk-free rate	2.86%	2.67%	2.98%	3.23%
Expected volatility of share price	61%	64%	64%	66%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Expected life of each option	5 years	5 years	5 years	5 years
Weighted average grant date fair value	CAD \$ 1.11	CAD \$ 0.87	CAD \$ 0.60	CAD \$ 0.68

The expected volatility was determined based on the historical share price volatility from the date of the grant over a period of time equal to the expected life of the option. The expected forfeiture rate for all grants was nil. The above options were granted through the Omnibus Plan, which allows settlement of the option either by the issuance of common shares, cash, or a combination thereof, at the election of the Corporation. As the Corporation does not have a stated intent of which settlement method will be used, the options were accounted for based on past practice, whereby all options have been settled through the issuance of shares.

### (e) Deferred share units

The Corporation's Omnibus Plan allows, and the DSU Legacy Plan allowed, DSU awards which entitle the participant to receive one common share of the Corporation issued from treasury upon redemption. DSUs typically vest over a 3-year period

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

(Unaudited – in thousands of United States dollars unless otherwise stated)

from grant date, although the vesting period is at the Board of Directors' discretion. DSUs issued under the Omnibus Plan allow settlement of the DSU by the issuance of common shares, cash equal to the market value of the common shares at settlement, or a combination thereof, at the election of the Corporation, while Legacy Plan DSUs are only settled through common shares. As the Corporation does not have a stated intent of which settlement method will be used, the Omnibus DSUs granted in the table below were accounted for based on past practice, whereby all have been settled by cash.

The changes in DSUs for the nine months ended June 30, 2025 and 2024 were as follows:

	Plan	June 30, 2025	June 30, 2024
Opening balance		4,997,500	5,097,500
Granted	Omnibus	293,000	470,000
Closing balance		5,290,500	5,567,500
Exercisable		4,669,167	4,894,167

Following is a summary of the DSUs outstanding at June 30, 2025 which are accounted for as equity settled:

Grant date	Plan	Number of DSUs	Compensation cost over 3-year vesting term	Unrecognized portion of compensation cost
March 27, 2018	Legacy	425,000	\$ 134	\$ -
December 28, 2018	Legacy	1,250,000	204	-
June 21, 2019	Legacy	100,000	30	-
August 27, 2019	Legacy	25,000	12	-
December 23, 2019	Legacy	1,675,000	801	-
December 28, 2020	Legacy	817,500	1,247	-
December 30, 2021	Legacy	120,000	273	-
		4,412,500	\$ 2,701	\$ -

Following is a summary of the DSUs outstanding at June 30, 2025 which are accounted for as cash settled:

Grant date	Plan	Number of DSUs	Outstanding liability (USD)
December 27, 2022	Omnibus	185,000	\$ 257
December 21, 2023	Omnibus	295,000	328
May 7, 2024	Omnibus	105,000	100
December 23, 2024	Omnibus	198,000	93
February 13, 2025	Omnibus	95,000	32
		878,000	\$ 810

### (f) Restricted share units ("RSUs")

The Omnibus Plan allows for, and the RSU Legacy Plan allowed for, the award of RSUs as an alternative form of compensation for employees, officers, and directors of the Corporation. Each RSU entitles the participant to receive a cash payment equal to the value of one common share of the Corporation on the vesting date, which is to be made within 30 days of vesting of each RSU. RSUs under the Legacy Plan are required to be settled in cash, while RSUs under the Omnibus Plan can be settled by the issuance of common shares, cash, or a combination thereof, at the election of the Corporation. As the Corporation does not have a stated intent of which settlement method will be used, the RSUs issued through the Omnibus Plan were accounted for based on past practice, whereby all RSUs have been settled by cash. RSUs typically vest and become exercisable over a 3-year period from the grant date, with one-third vesting on each of the first, second and third anniversaries of the grant date.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

(Unaudited – in thousands of United States dollars unless otherwise stated)

The changes in RSUs for the nine months ended June 30, 2025 and 2024 were as follows:

	<b>June 30, 2025</b>	<b>June 30, 2024</b>
Opening balance	1,477,796	748,522
Granted	793,000	1,020,500
Exercised	(622,386)	(291,226)
Closing balance	<u>1,648,410</u>	<u>1,477,796</u>
Exercisable	<u>-</u>	<u>-</u>

Following is a summary of the RSUs and the associated liability outstanding, which is included in trade and other payables, based on the market closing price of \$2.00 CAD per common share at June 30, 2025:

Grant date	Plan	Number of RSUs Outstanding	Number of RSUs Vested	Outstanding liability (USD)
December 27, 2022	Omnibus	175,078	146,097	\$ 213
December 21, 2023	Omnibus	680,332	425,978	620
December 23, 2024	Omnibus	793,000	252,840	368
		<u>1,648,410</u>	<u>824,915</u>	<u>\$ 1,201</u>

### (g) Stock based compensation

The Corporation has recorded total stock based compensation during the three and nine months ended June 30, 2025 and 2024 categorized as follows:

	Three months ended		Nine months ended	
	<b>June 30 2025</b>	June 30 2024	<b>June 30 2025</b>	June 30 2024
Cash-settled, through general and administrative expense	\$ 635	\$ 263	\$ 1,408	\$ 806
Equity-settled, through general and administrative expense	214	370	670	1,145
Equity-settled, additions to exploration and evaluation assets	29	36	91	116
	<u>\$ 878</u>	<u>\$ 669</u>	<u>\$ 2,169</u>	<u>\$ 2,067</u>

### (h) Net income per share

Basic net income per share is calculated based on the weighted average number of shares and vested DSUs outstanding during the year. Diluted net income per share is based on the assumption that stock options have been exercised on the later of the beginning of the period and the date granted. As of June 30, 2025, no options (Three months ended 2024 – 1,715,916 options, nine months ended 2024 - Nil) were excluded from the computation of diluted net income per share because their effect would have been anti-dilutive. Following is a reconciliation from the weighted average number of shares outstanding to the diluted weighted average number of shares outstanding:

	Three Months Ended		Nine Months Ended	
	<b>June 30 2025</b>	June 30 2024	<b>June 30 2025</b>	June 30 2024
Weighted average number of shares outstanding	380,696,242	328,725,249	350,078,689	333,268,985
Dilutive effect of in-the-money options outstanding	<u>1,432,475</u>	<u>-</u>	<u>914,894</u>	<u>1,316,375</u>
Diluted weighted average number of shares outstanding	<u>382,128,717</u>	<u>328,725,249</u>	<u>350,993,583</u>	<u>334,585,360</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

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### 8. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended		Nine months ended	
	June 30 2025	June 30 2024	June 30 2025	June 30 2024
Change in non-cash operating working capital:				
Trade receivables	\$ (1,158)	\$ (19)	\$ (2,495)	\$ (1,126)
Input tax recoverable	1,778	(1,056)	3,588	(2,712)
Prepaid expenses	(180)	(115)	(413)	(211)
Inventories	(2,311)	(5,221)	(1,491)	(12,315)
Income taxes payable	2,661	441	5,468	646
Trade and other payables	1,002	896	(174)	111
	<u>\$ 1,792</u>	<u>\$ (5,074)</u>	<u>\$ 4,483</u>	<u>\$ (15,607)</u>

Exploration and evaluation expenditures for the three and nine months ended June 30, 2025 are presented net of a decrease of \$374 and increase of \$13 (2024 – increase of \$104 and decrease of \$280) of amounts included in trade and other payables.

### 9. SEGMENTED INFORMATION

The Corporation's reportable segments are consistent with the Corporation's geographic regions in which the Corporation operates. In determining the Corporation's segment structure, the Corporation considered the basis on which management reviews the financial and operational performance and whether any of the Corporation's mining operations share similar economic, operational and regulatory characteristics. The Corporation considers the Parral project and the Los Ricos projects as the Mexico segment, and the Corporation's corporate offices as the Canadian segment.

The following table presents information about reportable segments:

	Mexico	Canada	Total
For the three months ended June 30, 2024:			
Revenue	\$ 10,358	\$ -	\$ 10,358
Amortization and depletion	770	9	779
Interest income	-	1,397	1,397
Finance costs	145	1	146
Segment net income (loss) before income tax	3,175	(578)	2,597
Expenditures on exploration and evaluation assets	1,899	-	1,899
For the three months ended June 30, 2025:			
Revenue	\$ 17,707	\$ -	\$ 17,707
Amortization and depletion	1,081	9	1,090
Interest income	-	1,665	1,665
Finance costs	133	1	134
Segment net income (loss) before income tax	8,058	(450)	7,608
Expenditures on exploration and evaluation assets	3,789	-	3,789
For the nine months ended June 30, 2024:			
Revenue	\$ 26,097	\$ -	\$ 26,097
Amortization and depletion	2,050	27	2,077

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

(Unaudited – in thousands of United States dollars unless otherwise stated)

	Mexico	Canada	Total
Interest income	-	4,065	4,065
Finance costs	441	4	445
Segment net income (loss) before income tax	6,993	(2,700)	4,293
Expenditures on exploration and evaluation assets	7,153	-	7,153
For the nine months ended June 30, 2025:			
Revenue	\$ 54,408	\$ -	\$ 54,408
Amortization and depletion	3,628	27	3,655
Interest income	-	3,836	3,836
Finance costs	403	3	406
Segment net income (loss) before income tax	18,026	(1,879)	16,147
Expenditures on exploration and evaluation assets	10,115	-	10,115
Reportable segment assets (September 30, 2024)	\$ 240,804	\$ 71,628	\$ 312,432
Reportable segment liabilities (September 30, 2024)	25,522	2,405	27,927
Reportable segment assets (June 30, 2025)	\$ 252,478	\$ 135,302	\$ 387,780
Reportable segment liabilities (June 30, 2025)	30,328	3,361	33,689

The Corporation sells its precious metal output on the open market, and has no economic dependency on any customer. While the Corporation is currently selling all silver and gold output to a single refinery, the precious metal output could easily be processed and sold at other refineries, as such the Corporation is not economically dependent on the refinery.

### 10. FINANCIAL INSTRUMENTS

#### (a) Fair value of financial instruments:

The following table provides the disclosures of the fair value and the level in the hierarchy for financial instruments valued at fair value through profit or loss on a recurring basis.

	June 30, 2025		September 30, 2024	
	Level 1	Level 2	Level 1	Level 2
Long-term obligations	-	\$ 942	-	\$ 1,192
Derivative liabilities	-	1,638	-	1,443

Long-term obligations are valued based on the discounted present value of the future cash flows.

Derivative liabilities are valued at fair value through profit or loss on a recurring basis. For both, the Corporation performs valuations internally and calculates a debt valuation adjustment or a credit valuation adjustment by considering the risk of non-performance by the counterparties and the Corporation's own credit risk. Valuations are based on forward rates considering the market price, rate of interest and volatility, and take into account the credit risk of the financial instrument, and are therefore classified within Level 2 of the fair value hierarchy.

#### (b) Derivatives:

The Corporation, through its subsidiary Coanzamex, has an agreement with the Municipality of Parral, Mexico ("Town") to mine and process tailings material for precious metal recovery. The Corporation makes payments of \$48 per month to the



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended June 30, 2025

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Town which increases based on the average market silver price, with payments continuing until tailings are completely mined. As the monthly royalty payment increases based on the average market silver price, from a minimum of \$48 per month to a maximum of \$88 per month, the variable payment portion of the obligation is accounted for as an embedded derivative liability. The fair value of the liability has been accounted for using a Monte Carlo simulation based on the spot price of silver at June 30, 2025 of \$35.98 (September 30, 2024 - \$31.08), as well as the historical volatility of silver market prices. The fair value of the derivative liability under this method at June 30, 2025 was \$1,638 (September 30, 2024 - \$1,443).