



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED

DECEMBER 31, 2025

(in thousands of United States Dollars unless stated otherwise)



SILVER & GOLD

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited – in thousands of United States dollars)

	<u>December 31</u> <u>2025</u>	<u>September 30</u> <u>2025</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 245,609	\$ 141,112
Trade receivables	18,747	8,412
Input tax recoverable	11,276	11,239
Prepaid expenses	2,372	2,369
Inventories (Note 3)	<u>6,700</u>	<u>9,139</u>
	284,704	172,271
Non-current assets:		
Input tax recoverable	5,170	5,767
Inventories (Note 3)	71,606	66,597
Property, plant and equipment (Note 4)	40,722	42,046
Exploration and evaluation assets (Note 5)	<u>113,831</u>	<u>111,009</u>
Total assets	<u>\$ 516,033</u>	<u>\$ 397,690</u>
LIABILITIES		
Current liabilities:		
Trade and other payables	\$ 13,780	\$ 11,780
Current portion of long-term obligations	-	88
Current portion of onerous contract provision	527	534
Income taxes (Note 7)	<u>16,882</u>	<u>10,188</u>
	31,189	22,590
Non-current liabilities:		
Long-term obligations	805	784
Onerous contract provision	3,339	3,400
Derivative liability	1,747	1,705
Provision for site restoration	2,012	2,007
Deferred tax liability (Note 7)	<u>5,760</u>	<u>6,938</u>
Total liabilities	<u>44,852</u>	<u>37,424</u>
EQUITY		
Share capital (Note 6)	461,705	369,869
Contributed surplus	20,357	14,697
Accumulated other comprehensive loss	(8,707)	(8,815)
Deficit	<u>(2,174)</u>	<u>(15,485)</u>
Total equity	<u>471,181</u>	<u>360,266</u>
Total liabilities and equity	<u>\$ 516,033</u>	<u>\$ 397,690</u>

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



SILVER & GOLD

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

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

	December 31	December 31
For the three months ended	2025	2024
Revenue from mining operations	\$ 31,105	\$ 19,098
Cost of sales:		
Production costs, except amortization and depletion	10,444	12,103
Amortization and depletion	1,229	1,416
	11,673	13,519
General and administrative	3,223	1,911
Gain on derivative liability	42	(146)
Operating income	16,167	3,814
Finance costs	(133)	(138)
Foreign exchange gain (loss)	597	(778)
Interest income	2,196	982
	2,660	66
Net income before income taxes	18,827	3,880
Current income tax expense (Note 7)	6,694	1,067
Deferred income tax (recovery) expense (Note 7)	(1,178)	2,949
	5,516	4,016
Net income (loss)	13,311	(136)
Other comprehensive income (loss)		
Foreign currency translation differences which may subsequently be reclassified through net income	108	(285)
Comprehensive income (loss)	\$ 13,419	\$ (421)
Net income (loss) per share (Note 6(h))		
Basic	\$ 0.033	\$ (0.000)
Diluted	\$ 0.033	\$ (0.000)

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



CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – in thousands of United States dollars)

	December 31	December 31
	2025	2024
For the three months ended		
Cash provided by (used in) the following activities:		
Operating activities		
Net income (loss)	\$ 13,311	\$ (136)
Items not involving cash:		
Amortization and depletion	1,229	1,416
Deferred income taxes (Note 7)	(1,178)	2,949
Foreign exchange (gain) loss	(597)	778
Finance cost	131	138
Interest paid	(3)	(5)
Loss on derivative liability	42	(146)
Settlement of onerous contract provision by sale of Off-Take Ounces	(137)	(151)
Stock based compensation	1,115	361
	<u>13,913</u>	<u>5,204</u>
Net change in non-cash operating working capital (Note 8)	<u>(4,249)</u>	<u>2,664</u>
Net cash provided by operating activities	<u>9,664</u>	<u>7,868</u>
Investing activities		
Exploration and evaluation expenditures (Note 5)	(2,517)	(3,358)
Purchase of property, plant and equipment (Note 4)	(156)	(9)
Net cash used in investing activities	<u>(2,673)</u>	<u>(3,367)</u>
Financing activities		
Net proceeds on equity issuances (Note 6)	96,756	-
Proceeds on option exercises (Note 6)	457	254
Payment of leases	(13)	(9)
Payment of long-term obligations	(75)	(123)
Net cash provided by financing activities	<u>97,125</u>	<u>122</u>
Effect of exchange rate changes on cash and cash equivalents	<u>381</u>	<u>(339)</u>
Net increase (decrease) in cash and cash equivalents	104,497	(4,284)
Cash and cash equivalents, beginning of period	<u>141,112</u>	<u>72,030</u>
Cash and cash equivalents, end of period	<u>\$ 245,609</u>	<u>\$ 76,314</u>

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



SILVER & GOLD

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, 2024	329,527,261	\$ 311,556	\$ 14,358	\$ (8,593)	\$ (32,816)	\$ 284,505
Net loss	-	-	-	-	(136)	(136)
Other comprehensive loss	-	-	-	(285)	-	(285)
Options exercised (Note 7)	1,446,200	856	(602)	-	-	254
Stock based compensation (Note 7)	-	-	303	-	-	303
Balance at December 31, 2024	330,973,461	\$ 312,412	\$ 14,059	\$ (8,878)	\$ (32,952)	\$ 284,641
Balance at September 30, 2025	378,443,923	369,869	14,697	(8,815)	(15,485)	360,266
Net income	-	-	-	-	13,311	13,311
Other comprehensive income	-	-	-	108	-	108
Options exercised (Note 7)	686,539	1,577	(1,120)	-	-	457
Stock based compensation (Note 7)	-	-	283	-	-	283
Equity issued, net of issuance costs (Note 11)	54,245,500	90,259	6,497	-	-	96,756
Balance at December 31, 2025	433,375,962	\$ 461,705	\$ 20,357	\$ (8,707)	\$ (2,174)	\$ 471,181

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025

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

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

These consolidated interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”).

These unaudited 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, 2025 prepared in accordance with IFRS Accounting Standards.

These consolidated interim financial statements were approved by the directors of the Corporation on February 10, 2026.

These unaudited 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, 2025.

3. INVENTORIES

	<u>December 31, 2025</u>	<u>September 30, 2025</u>
Current:		
Supplies inventory	\$ 1,697	\$ 1,317
In process inventory	4,327	6,027
Finished goods inventory	676	1,795
	<u>6,700</u>	<u>9,139</u>
Long term:		
In process inventory	71,606	66,597
	<u>\$ 78,306</u>	<u>\$ 75,736</u>

The amount of inventory included in cost of sales for the three months ended December 31, 2025 was \$11,673 (2024 – \$13,519).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025

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

4. PROPERTY, PLANT AND EQUIPMENT

Cost	Plant & Equipment	Mining Properties	Total
At September 30, 2025	\$ 52,487	\$ 59,219	\$ 111,706
Additions	147	9	156
Reclamation obligation adjustments	-	(74)	(74)
At December 31, 2025	\$ 52,634	\$ 59,154	\$ 111,788

Accumulated Amortization and Impairment	Plant & Equipment	Mining Properties	Total
At September 30, 2025	\$ 35,561	\$ 34,099	\$ 69,660
Amortization and depletion	605	801	1,406
At December 31, 2025	\$ 36,166	\$ 34,900	\$ 71,066

Net Carrying Value	Plant & Equipment	Mining Properties	Total
At September 30, 2025	\$ 16,926	\$ 25,120	\$ 42,046
At December 31, 2025	\$ 16,468	\$ 24,254	\$ 40,722

For the three months ended December 31, 2025, amortization and depletion of \$177 (2024 - \$37) was capitalized to in process inventory. Disclosures related to right of use assets, which are included in the table above, are shown in the following table:

Right of Use Assets	Plant & Equipment	Mining Properties	Total
Net Carrying Value – September 30, 2025	\$ 20	\$ 859	\$ 1,042
Net Carrying Value – December 31, 2025	-	822	822
Amortization and depletion expensed – 2024	9	36	45
Amortization and depletion expensed – 2025	20	36	56

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 three months ended December 31, 2025 are as follows:

	LOS RICOS NORTH			LOS RICOS SOUTH			TOTAL		
	Cash Settled	Share Settled	Total	Cash Settled	Share Settled	Total	Cash Settled	Share Settled	Total
At September 30, 2025	\$ 48,621	\$ 3,491	\$ 52,112	\$ 49,718	\$ 9,179	\$ 58,897	\$ 98,339	\$ 12,670	\$ 111,009
Concession requirements	-	-	-	75	-	75	75	-	75
Drilling, exploration and consulting	299	16	315	2,416	16	2,432	2,715	232	2,747
At December 31, 2025	\$48,920	\$3,507	\$52,427	\$52,209	\$9,195	\$61,404	\$101,129	\$12,702	\$113,831

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025

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

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 \$434 (September 30, 2025 – \$157) in trade and other payables at December 31, 2025.

6. SHARE CAPITAL

(a) Authorized

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

(b) Issued

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

	Shares	Value
Balance September 30, 2024	329,527,261	\$ 311,556
Shares issued on exercise of options	1,446,200	856
Balance December 31, 2024	330,973,461	\$ 312,412
Balance September 30, 2025	378,443,923	\$ 369,869
Shares issued, net of issuance costs	54,245,500	90,259
Shares issued on exercise of options	686,539	1,577
Balance December 31, 2025	433,375,962	\$ 461,705

On November 27, 2025, the Corporation closed a bought deal whereby a syndicate of underwriters purchased 54,245,500 units, including the exercised over-allotment, at a price of \$2.65 CAD per unit, with each unit consisting of one common share of the Corporation and one half-warrant. The warrants are exercisable at \$3.50 CAD per unit and expire on November 27, 2028. The net proceeds of the equity financing were \$96,756, after share issuance costs of \$5,597, of which \$90,259 was attributed to the common shares and \$6,497 was attributed to the warrants. Details of the warrant valuation are provided in section i) below.

(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”). In 2022, 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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025

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

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 three months ended December 31, 2025 and 2024 were as follows:

	Plan	December 31, 2025		December 31, 2024	
		Number of incentive options	Weighted average exercise price	Number of incentive options	Weighted average exercise price
Opening balance		8,333,417	CAD \$ 1.83	9,330,583	CAD \$ 1.60
Granted	Omnibus	1,083,000	3.00	1,543,667	1.15
Exercised – net settled	Legacy	(1,034,412)	2.00	(1,925,000)	0.70
Exercised	Legacy	(410,000)	2.00	(825,000)	0.70
Exercised	Omnibus	(8,333)	1.30	-	-
Closing balance		<u>7,963,672</u>	<u>CAD \$ 1.95</u>	<u>8,124,250</u>	<u>CAD \$ 1.82</u>
Exercisable		<u>4,699,704</u>	<u>CAD \$ 1.99</u>	<u>4,411,836</u>	<u>CAD \$ 2.20</u>

During the three months ended December 31, 2025, a total of 268,206 (2024 – 621,200) shares were issued to option holders who exercised 1,034,412 options on a net settled basis (2024 – 1,925,000). The average market price per common share on the days of exercise during the three months ended December 31, 2025 was CAD \$2.82 (2024 - \$1.09).

The following table summarizes information concerning outstanding and exercisable incentive stock options at December 31, 2025:

Expiry date	Plan	Outstanding			Exercisable		
		Number of options	Exercise price	Years outstanding	Number of options	Exercise price	Years outstanding
December 30, 2026	Legacy	1,005,500	3.25	1.00	1,005,500	3.25	1.00
December 27, 2027	Omnibus	1,450,100	2.25	1.99	1,450,100	2.25	1.99
December 21, 2028	Omnibus	2,466,405	1.30	2.98	1,701,215	1.30	2.98
May 7, 2029	Omnibus	85,000	1.45	3.35	28,333	1.45	3.35
December 23, 2029	Omnibus	1,543,667	1.15	3.98	514,556	1.15	3.98
February 13, 2030	Omnibus	80,000	1.65	4.12	-	-	-
June 5, 2030	Omnibus	200,000	2.20	4.43	-	-	-
August 5, 2030	Omnibus	50,000	2.20	4.60	-	-	-
December 15, 2030	Omnibus	1,083,000	3.00	4.96	-	-	-
		<u>7,963,672</u>	<u>CAD \$ 1.95</u>	<u>3.07</u>	<u>4,699,704</u>	<u>CAD \$ 1.99</u>	<u>2.36</u>

The compensation cost for the incentive stock options granted during the three months ended December 31, 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:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025

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

	<u>Average for the three months ended Dec. 31, 2025</u>	<u>Average for the three months ended Dec. 31, 2024</u>
Option grant date		
Exercise price	CAD \$ 3.00	CAD \$ 1.15
Risk-free rate	2.98%	2.98%
Expected volatility of share price	61%	64%
Expected dividend yield	0.00%	0.00%
Expected life of each option	5 years	5 years
Weighted average grant date fair value	CAD \$ 1.57	CAD \$ 0.60

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 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 as equity settled, as all options have been settled through the issuance of shares to date.

(e) Deferred share units

The Corporation's Omnibus Plan allows, and 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 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 as cash settled based on past practice, as all have been settled by cash to date.

The changes in DSUs for the three months ended December 31, 2025 and 2024 were as follows:

	<u>Plan</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Opening balance		5,290,500	4,997,500
Granted	Omnibus	176,796	198,000
Closing balance		<u>5,467,296</u>	<u>5,195,500</u>
Exercisable		<u>4,902,963</u>	<u>4,634,167</u>

Following is a summary of the DSUs outstanding at December 31, 2025 which are accounted for as equity settled:

Grant date	Plan	Number of DSUs	Market price at grant date	Compensation cost over 3-year vesting term	Unrecognized portion of compensation cost
March 27, 2018	Legacy	425,000	CAD \$ 0.425	\$ 134	\$ -
December 28, 2018	Legacy	1,250,000	0.215	204	-
June 21, 2019	Legacy	100,000	0.395	30	-
August 27, 2019	Legacy	25,000	0.620	12	-
December 23, 2019	Legacy	1,675,000	0.630	801	-
December 28, 2020	Legacy	817,500	1.950	1,247	-
December 30, 2021	Legacy	120,000	3.030	273	-
		<u>4,412,500</u>	<u>CAD \$ 0.797</u>	<u>\$ 2,701</u>	<u>\$ -</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025

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

Following is a summary of the DSUs outstanding at December 31, 2025 which are accounted for as cash settled:

Grant date	Plan	Number of DSUs	Market price at grant date	Outstanding liability (USD)
December 27, 2022	Omnibus	185,000	2.11	393
December 21, 2023	Omnibus	295,000	1.23	559
May 7, 2024	Omnibus	105,000	1.37	176
December 23, 2024	Omnibus	198,000	1.10	259
February 13, 2025	Omnibus	95,000	1.56	109
December 15, 2025	Omnibus	169,000	2.94	9
December 20, 2025	Omnibus	7,796	2.79	17
		<u>1,054,796</u>	<u>CAD \$ 1.69</u>	<u>\$ 1,521</u>

(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.

The changes in RSUs for the three months ended December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Opening balance	1,648,410	1,477,796
Granted	493,000	793,000
Closing balance	<u>2,141,410</u>	<u>2,270,796</u>
Exercisable	<u>779,577</u>	<u>622,565</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 \$2.91 CAD per common share at December 31, 2025:

Grant date	Plan	Number of RSUs	Market price at grant date	Outstanding liability (USD)
December 27, 2022	Omnibus	349,796	2.11	349
December 21, 2023	Omnibus	1,020,500	1.23	1,153
December 23, 2024	Omnibus	793,000	1.10	997
December 15, 2025	Omnibus	493,000	2.94	27
		<u>2,141,410</u>	<u>CAD \$ 1.65</u>	<u>\$ 2,526</u>

(g) Stock based compensation

The Corporation has recorded total stock based compensation during the three months ended December 31, 2025 and 2024 categorized as follows:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025

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

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash-settled, through general and administrative expense	\$ 864	\$ 65
Equity-settled, through general and administrative expense	251	296
Equity-settled, additions to exploration and evaluation assets	32	7
	<u>\$ 1,147</u>	<u>\$ 368</u>

(h) Earnings (loss) per share

Basic net income per share is calculated based on the weighted average number of shares and vested DSUs which are expected to be settled in shares 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 December 31, 2025, 2,088,500 options (2025 – 4,085,012) and 27,122,750 warrants (2025 – 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:

	<u>Dec. 31 2025</u>	<u>Dec. 31 2024</u>
Weighted average number of shares and vested DSUs outstanding	403,048,623	329,754,755
Dilutive effect of in-the-money options outstanding	2,520,305	-
Diluted weighted average number of shares outstanding	<u>405,568,928</u>	<u>329,754,755</u>

(i) Warrants

In connection with the bought deal which closed on November 27, 2025 discussed in section (b) above, the Corporation issued 27,122,750 warrants which entitled the holder to acquire one common share of the Corporation at a price of CAD\$3.50 and expire on November 27, 2028. Warrants issued under the bought deal trade on the TSX under the GGD.WT symbol.

The amount of proceeds from the bought deal allocated to the warrants and recorded in contributed surplus was \$6,497 based on an estimate of fair value using a Black-Scholes model. The fair value of the warrants at the date of grant was calculated using the following assumptions:

Warrant grant date	Nov 27, 2025
Warrants granted	27,122,750
Exercise price	CAD \$ 3.50
Expected volatility of share price	35%
Expected dividend yield	0.00%
Expected life of each warrant	3 years
Weighted average grant date fair value	CAD \$ 0.34

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025

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7. INCOME TAXES

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and (liabilities) are presented below:

	<u>Year ended</u> <u>September 30, 2025</u>	<u>Year ended</u> <u>September 30, 2025</u>
Resource properties	\$ (4,015)	\$ (4,464)
Non-capital loss carryforwards	7,304	8,519
Inventory	(5,624)	(11,348)
Trade payables and other accruals	(3,425)	362
Unrealized foreign exchange gains	-	(7)
	<u>\$ (5,760)</u>	<u>\$ (6,938)</u>

The deferred tax benefits related to non-capital losses totaling \$6,757 (2025 – \$6,207) and share issuance costs of \$9,561 (2025 – \$4,409) have not been recognized in the consolidated financial statements. The non-capital losses expire from 2041 to 2046. Total non-capital losses of \$3,181 (2025 – \$3,585) relate to Canada, while \$3,576 (2025 – \$11,141) relate to Mexico.

Income taxes vary from the amount that would be computed by applying the basic Federal and Provincial tax rate of 29% (2025 – 29%) to income before taxes as follows:

	<u>Three months ended</u> <u>December 31, 2025</u>	<u>Three months ended</u> <u>December 31, 2024</u>
Income before income taxes	\$ 18,827	\$ 3,880
Computed expected expense	\$ 5,460	\$ 1,164
Foreign tax rate differential	200	53
Permanent differences	(1,186)	617
Effect of foreign exchange	(791)	1,976
Change in unrecognized temporary differences	1,833	206
Recorded income tax expense	<u>\$ 5,516</u>	<u>\$ 4,016</u>

8. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash operating working capital:

	<u>Three months ended</u> <u>December 31, 2025</u>	<u>Three months ended</u> <u>December 31, 2024</u>
Trade receivables	\$ (10,335)	\$ (260)
Input tax recoverable	930	(68)
Prepaid expenses	(4)	(220)
Inventory	(2,392)	1,028
Income taxes	6,694	1,067
Trade and other payables	858	1,117
	<u>\$ (4,249)</u>	<u>\$ 2,664</u>

Exploration and evaluation expenditures for the three months ended December 31, 2025 are presented net of increases of \$277 (2024 – increases of \$264) of amounts included in trade and other payables.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025

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

9. SEGMENTED INFORMATION

The Corporation's reportable segments are consistent with the mining projects which the Corporation operates. In determining the 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 separate segments, which are both located in Mexico, and the Corporation's corporate offices as a reconciling item to the note disclosure. The following table presents information about reportable segments, which include restated segments for 2025 based on the 2026 operating segments:

	Los Ricos	Parral	Corporate	Total
For the three months ended December 31, 2024:				
Revenue	\$ -	\$ 19,098	\$ -	\$ 19,098
Amortization and depletion	-	1,407	9	1,416
Interest income	-	74	908	982
Finance costs	1	55	82	138
Segment net income (loss) before income tax	326	3,981	(427)	3,880
Expenditures on exploration and evaluation assets	3,358	-	-	3,358
Expenditures on property, plant, and equipment	-	9	-	9
For the three months ended December 31, 2025:				
Revenue	\$ -	\$ 31,105	\$ -	\$ 31,105
Amortization and depletion	-	1,209	20	1,229
Interest income	-	285	1,911	2,196
Finance costs	-	56	77	133
Segment net (loss) income before income tax	(156)	19,223	(242)	18,827
Expenditures on exploration and evaluation assets	2,517	-	-	2,517
Expenditures on property, plant, and equipment	-	156	-	156
Reportable segment assets (September 30, 2025)	\$ 111,266	\$ 147,039	\$ 139,385	\$ 397,690
Reportable segment liabilities (September 30, 2025)	1,139	31,297	4,988	37,424
Reportable segment assets (December 31, 2025)	\$ 114,121	\$ 158,760	\$ 243,152	\$ 516,033
Reportable segment liabilities (December 31, 2025)	1,528	36,635	6,689	44,852

10. FINANCIAL INSTRUMENTS

- (a) Fair value of financial instruments:

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. 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.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2025

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

Financial instruments measured at amortized cost approximate their fair value.

(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 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 December 31, 2025 of \$71.64 (September 30, 2025 - \$46.18), as well as the historical volatility of silver market prices. The fair value of the derivative liability under this method at December 31, 2025 was \$1,748 (September 30, 2025 - \$1,705).