



**Consolidated Financial Statements**

**As at and for the years ended December 31, 2025 and 2024**

**(in Canadian dollars)**



# Independent auditor's report

To the Shareholders of Talisker Resources Ltd.

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## Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Talisker Resources Ltd. and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

## What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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## **Basis for opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Independence**

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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## **Material uncertainty related to going concern**

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit 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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Provision for site reclamation and closure</b></p> <p>Refer to note 3(l): Material accounting policies – Provisions, note 4: Significant accounting judgments, estimates and assumptions and note 16: Provision for site reclamation and closure to the consolidated financial statements.</p> <p>The Company's provision for site reclamation and closure amounted to \$17.7 million as at December 31, 2025. The provision is an estimate of the present value of estimated costs of legal and constructive obligations required to restore the Company's mining and other operations based on the nominal weighted average risk-free discount rates that reflect current market assessments and the risks specific to the liability.</p> <p>The provisions for site reclamation and closure and related assets are adjusted at the end of each reporting period for changes in the weighted average nominal discount rates and in the estimated timing and extent of site reclamation and closure costs.</p> <p>Management makes significant assumptions in determining the timing and extent of costs of the site reclamation and closure provision, which include certain closure cost estimates and discount and inflation rates.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"><li>• Tested how management determined the provision for site reclamation and closure, which included the following:<ul style="list-style-type: none"><li>– Evaluated the estimated timing and extent of site reclamation and closure costs by comparing the closure cost estimates and the timing thereof to previous estimates, evaluating management's assessment of incremental closure costs associated with activity during the year ended December 31, 2025 and by considering evidence obtained from our site inspection of the Bralorne Gold Project.</li><li>– Tested the appropriateness of the model used by management and the mathematical accuracy thereof.</li><li>– Tested the underlying data used in management's model.</li><li>– Evaluated the reasonableness of the discount rates and inflation rates by comparing them to independent data sources.</li></ul></li></ul>

**Key audit matter****How our audit addressed the key audit matter**

We considered this a key audit matter due to the significance of the provisions for site reclamation and closure, the significant assumptions exercised by management in determining the provision for site reclamation and closure and the significant audit effort and subjectivity in applying audit procedures to test significant assumptions used by management.

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**Other information**

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the 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 Sean Devlin.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 30, 2026

## Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Talisker Resources Ltd. ("Talisker" or the "Company") are the responsibility of management and the Board of Directors of the Company.

The consolidated financial statements have been prepared by management in accordance with the accounting policies disclosed in the notes to the consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) using accounting policies consistent with IFRS Accounting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

*Signed: "Terence Harbort"*

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Terence Harbort  
Chief Executive Officer

*Signed: "Andres Tinajero"*

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Andres Tinajero  
Chief Financial Officer

**Talisker Resources Ltd.**  
**Consolidated Statements of Financial Position**  
(Expressed in Canadian dollars)

As at,	Notes	December 31, 2025	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	\$ 32,099,643	\$ 14,811,384
Marketable securities	7	397,500	2,157,562
Amounts receivable	6	2,934,353	672,657
Inventory	8	3,098,016	158,654
Prepaid and other expenses		1,488,824	651,209
<b>Total current assets</b>		<b>40,018,336</b>	18,451,466
Reclamation deposits	16	1,468,300	1,468,300
Property, plant and equipment	9	30,688,906	7,316,955
Exploration and evaluation assets	10	17,804,579	17,991,423
<b>TOTAL ASSETS</b>		<b>\$ 89,980,121</b>	\$ 45,228,144
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	11, 22	\$ 13,307,314	\$ 3,433,418
RSU Liability	20	1,753,144	-
Current portion of lease obligation	12	248,584	234,941
Current portion of gold linked notes	13	539,814	217,753
Current portion of deferred revenue	15	433,024	130,776
<b>Total current liabilities</b>		<b>16,281,880</b>	4,016,888
RSU Liability	20	876,572	-
Provision for site reclamation and closure	16	17,682,507	18,209,280
Lease payable	12	385,528	26,556
Gold linked notes	13	1,295,540	1,214,817
Deferred revenue	15	19,122,991	16,224,410
Convertible debentures	14	-	4,364,817
<b>Total liabilities</b>		<b>55,645,018</b>	44,056,768
<b>Shareholders' equity</b>			
Issued capital	16	152,970,069	104,587,941
Share-based payment reserve	20	1,724,350	347,000
Warrant reserve	19	11,319,400	6,677,200
Conversion component of convertible debentures	14	-	448,308
Accumulated deficit		(131,678,716)	(110,889,073)
<b>Total shareholders' equity</b>		<b>34,335,103</b>	1,171,376
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 89,980,121</b>	\$ 45,228,144

**Nature of operations and going concern (note 1)**

**Events after the reporting period (note 28)**

*On behalf of the Board:*

*Signed: "Terence Harbort"*

Terence Harbort  
Chief Executive Officer and Director

*Signed: "Morris Prychidny"*

Morris Prychidny  
Director

*The accompanying notes are an integral part of these consolidated financial statements*

**Talisker Resources Ltd.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
(Expressed in Canadian dollars)

For the years ended December 31,	Notes	2025	2024
<b>Revenues</b>	6	\$ 12,624,477	\$ -
<b>Cost of goods sold</b>			
Production costs		11,925,371	-
Depletion		135,333	-
		<b>12,060,704</b>	<b>-</b>
<b>Gross Margin</b>		<b>563,773</b>	<b>-</b>
<b>Expenses</b>			
Exploration and evaluation expenditures	22	1,582,702	6,472,955
Mine care and maintenance costs	22	1,205,695	849,098
Consulting and wages	22	3,372,666	2,574,180
Administration	26	2,764,955	2,240,183
Share-based expense	20	5,122,640	687,744
Depreciation and depletion of property, plant and equipment	9	808,229	1,113,562
Impairment of assets	9	1,063,976	-
		<b>15,920,863</b>	<b>13,937,722</b>
<b>Other income and expense</b>			
Finance expense (income)	13, 14, 15, 16	4,674,843	1,789,893
Foreign currency translation loss (gain)		330,685	(671,465)
(Gain) loss on marketable securities	7	(247,500)	75,000
Other income	10	-	(423,622)
Change in fair value of derivative in gold linked notes	14	691,175	55,866
		<b>5,449,203</b>	<b>825,672</b>
Loss before income taxes		<b>20,806,293</b>	14,763,394
Income tax recovery		-	(498,000)
<b>Net loss and comprehensive loss</b>		<b>\$ 20,806,293</b>	<b>\$ 14,265,394</b>
<b>Loss per share - basic and diluted</b>		<b>\$ 0.16</b>	<b>\$ 0.15</b>
<b>Weighted average common shares outstanding</b>		<b>133,512,446</b>	<b>92,269,864</b>

*The accompanying notes are an integral part of these consolidated financial statements*

## Talisker Resources Ltd.

### Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Number of Shares	Issued Capital (Note 17)	Share-based Payment Reserve (Note 20)	Warrant Reserve (Note 19)	Conversion Component of Convertible Debentures (Note 14)	Retained Earnings (Deficit)	Total
<b>Balance as at December 31, 2023</b>	<b>89,148,377</b>	<b>\$ 101,364,157</b>	<b>\$ 695,000</b>	<b>\$ 6,348,200</b>	<b>\$ -</b>	<b>\$ (96,971,679)</b>	<b>\$ 11,435,678</b>
Issue of shares pursuant to private placement, net of issue costs (Note 17)	6,300,500	2,078,775	-	329,000	-	-	2,407,775
Issue of shares for acquisition of mineral properties (Note 10)	50,000	15,500	-	-	-	-	15,500
Issued pursuant to agreement	263,158	100,000	-	-	-	-	100,000
Exercise of RSU's (Note 17)	2,082,981	829,509	-	-	-	-	829,509
Issue of shares for services (Note 14)	500,000	200,000	-	-	-	-	200,000
Expiry of stock options	-	-	(348,000)	-	-	348,000	-
Conversion component of convertible debentures, net of tax and costs (Note 14)	-	-	-	-	448,308	-	448,308
Net loss for the year	-	-	-	-	-	(14,265,394)	(14,265,394)
<b>Balance as at December 31, 2024</b>	<b>98,345,016</b>	<b>\$ 104,587,941</b>	<b>\$ 347,000</b>	<b>\$ 6,677,200</b>	<b>\$ 448,308</b>	<b>\$ (110,889,073)</b>	<b>\$ 1,171,376</b>
Issue of shares pursuant to private placement, net of issue costs (Note 17)	59,246,334	36,031,973	-	5,581,000	-	-	41,612,973
Issue of shares for acquisition of mineral properties (Note 10)	36,363	12,000	-	-	-	-	12,000
Exercise of RSU's (Note 17)	2,135,229	1,836,307	-	-	-	-	1,836,307
Exercise of warrants	8,288,138	4,216,842	-	-	-	-	4,216,842
Transfer of reserve on exercise of warrants	-	938,800	-	(938,800)	-	-	-
Exercise of stock options	608,500	219,060	-	-	-	-	219,060
Transfer of reserve on exercise of stock options	-	149,000	(149,000)	-	-	-	-
Issued pursuant to agreement	84,745	100,000	-	-	-	-	100,000
Issued on conversion of convertible debentures	9,964,285	4,878,146	-	-	(448,308)	-	4,429,838
Share based payments - options	-	-	1,543,000	-	-	-	1,543,000
Expiry of stock options	-	-	(16,650)	-	-	16,650	-
Net loss for the year	-	-	-	-	-	(20,806,293)	(20,806,293)
<b>Balance as at December 31, 2025</b>	<b>178,708,610</b>	<b>\$ 152,970,069</b>	<b>\$ 1,724,350</b>	<b>\$ 11,319,400</b>	<b>\$ -</b>	<b>\$ (131,678,716)</b>	<b>\$ 34,335,103</b>

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

**Talisker Resources Ltd.**  
**Consolidated Statements of Cash Flows**  
(Expressed in Canadian dollars)

For the years ended December 31,	Notes	2025	2024
<b>Cash provided by (used in):</b>			
<b>Operating activities</b>			
Net loss for the year		\$ (20,806,293)	\$ (14,265,394)
Items not involving cash:			
Income tax recovery	18	-	(498,000)
Change in fair value of derivative in gold linked notes		691,175	55,866
Loss (gain) on revaluation of RSU liability		1,670,132	(15,206)
Share-based expense	20	3,452,508	889,991
Non-cash revenue recognized under royalty agreement	15	(28,831)	-
Impairment of assets	9	1,063,976	-
Foreign exchange		402,496	(722,125)
Gain on marketable securities	7	(247,500)	75,000
Finance expense	13, 14, 15, 16	4,829,193	1,330,126
Depreciation of property, plant and equipment	9	943,562	1,113,562
Shares issued pursuant to property agreement		100,000	100,000
Working capital changes			
Change in amounts receivable		(2,261,696)	(370,485)
Change in inventory		(285,225)	57,757
Change in prepaid expenses		(837,615)	(29,972)
Change in accounts payable and accrued liabilities		426,829	(3,586,273)
<b>Cash flows used in operating activities</b>		<b>(10,887,289)</b>	<b>(15,865,153)</b>
<b>Investing activities</b>			
Acquisition of exploration and evaluation assets	10	(38,497)	(30,950)
Acquisition of property, plant and equipment	9	(17,934,402)	(677,130)
Settlement (purchase) of guaranteed investment certificates	7	2,007,562	(2,007,562)
<b>Cash used in investing activities</b>		<b>(15,965,337)</b>	<b>(2,715,642)</b>
<b>Financing activities</b>			
Issue of shares pursuant to private placement	17	44,956,501	2,520,200
Share issue costs	17	(3,343,528)	(112,425)
(Repayment) issuance of gold linked notes	13	(248,654)	1,332,000
Gold linked notes - issue costs	13	-	(80,690)
Issuance of convertible debentures	14	-	5,100,000
Convertible debentures - issue costs	14	-	(83,774)
Exercise of options and warrants	17	4,435,902	-
Interest paid	13, 14	(927,210)	-
Proceeds from sale of NSR, net of costs	10	-	15,661,075
Repayment of leases	12	(267,849)	(127,857)
<b>Cash flows provided by financing activities</b>		<b>44,605,162</b>	<b>24,208,529</b>
<b>Net increase (decrease) in cash and cash equivalents for the year</b>		<b>17,752,536</b>	<b>5,627,734</b>
<b>Effect of exchange rate changes on cash</b>		<b>(464,277)</b>	<b>722,125</b>
<b>Cash and cash equivalents, beginning of the year</b>		<b>14,811,384</b>	<b>8,461,525</b>
<b>Cash and cash equivalents, end of the year</b>		<b>\$ 32,099,643</b>	<b>\$ 14,811,384</b>
<b>Supplementary cash flow information</b>			
Interest received		\$ 236,527	\$ 49,244
Interest paid		\$ 927,210	\$ 337,362

*The accompanying notes are an integral part of these consolidated financial statements*

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

Talisker Resources Ltd. (“Talisker” or the “Company”) is a publicly listed company incorporated in British Columbia and continued in the Province of Ontario. The Company is engaged in exploration, evaluation and development of mineral properties in British Columbia and production of gold from the Bralorne mine. The Company’s shares are traded on the Toronto Stock Exchange (the “TSX”) under the symbol TSK. The head office and registered address of the Company is located at 130 Adelaide Street West, Suite 3002, Toronto, Ontario, M5H 3P5.

The consolidated financial statements have been prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As at December 31, 2025, the Company had initiated and was ramping up production from the Bralorne mine.

Notwithstanding the royalty agreement (Note 9) and gold-linked note financing (Note 13), the Company’s ability to continue as a going concern is dependent upon attaining profitable operations, and the ability to raise further public equity or other financing to complete the development expenditures required to attain profitable operations at the Bralorne mine, including the installation of an ore sorting facility in 2026 intended to improve grades of processed ore and reduce costs. There is no assurance that these activities will be successful in the future. As at December 31, 2025, the Company had cash and cash equivalents of \$32,099,643 and the Company recorded an accumulated deficit of \$131,678,716. For the year ended December 31, 2025, the Company recorded a net loss of \$20,806,293 (2024: \$14,265,394), and net cash used in operating activities of \$10,887,289 (2024: \$15,865,153).

The Company has not achieved profitable operations and remains dependent on its ability to raise capital. The Company’s current cash and cash equivalents (including funds raised in the private placement on March 10, 2026 (Note 27), may not be enough to fund operations for the next 12 months beyond December 31, 2025; therefore, there is a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The Company continues to prepare its consolidated financial statements on a going concern basis. These consolidated financial statements do not reflect adjustments to the carrying amounts of assets and liabilities, reported revenues and expenses and the classifications on the balance sheet that would be necessary if the going concern assumption was not valid and the Company were unable to realize its assets or settle its liabilities as a going concern in the normal course of business. These adjustments would be material to the consolidated financial statements.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on March 26, 2026.

## **2. BASIS OF PRESENTATION**

### **Statement of Compliance**

The Company’s consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). For these purposes, IFRS Accounting Standards comprise the standards issued by the International Accounting Standards Board and Interpretations issued by the IFRS Interpretations Committee (“IFRICs”).

## 2. BASIS OF PRESENTATION (continued)

### Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### Principles of Consolidation

These consolidated financial statements for the years ended December 31, 2025 and 2024 include the financial position, financial performance and cash flows of the Company and its subsidiaries detailed below:

Subsidiary	Country of Incorporation	Economic Interest	Basis of Accounting
Bralorne Gold Mines Ltd.	Canada	100%	Full consolidation
New Carolin Gold Corp.	Canada	100%	Full consolidation

*Subsidiaries* - Subsidiaries are entities over which the Company has control, whereby control is defined as the power to direct activities of an entity that significantly affect the entity's returns so as to obtain benefit from its activities. Control is presumed to exist where the Company has a shareholding of more than one half of the voting rights in its subsidiaries. The effects of potential voting rights that are currently exercisable are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date at which control ceases.

## 3. MATERIAL ACCOUNTING POLICIES

### (a) Presentation Currency

The Company's presentation currency is the Canadian dollar. The functional currency of the Company is the Canadian dollar, and the functional currency of its subsidiaries is the Canadian dollar.

### (b) Foreign Currency Translation

In preparing the financial statements of the individual entities, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Foreign currency translation gains and losses are presented in the statements of loss and comprehensive loss in the period in which they occur. The Company translates the financial statements of any subsidiaries with a different functional currency than the parent company as follows: items in the statement of loss and comprehensive loss are translated into the presentation currency using the average exchange rate for the year. Assets and liabilities are translated at the year-end rate. All resulting exchange differences are reported as a separate component of other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in accumulated other comprehensive income, shall be reclassified from equity to consolidated statements of loss and comprehensive loss when the gain or loss on disposal is recognized.

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (c) Exploration and Evaluation Assets and Expenditures

##### Exploration and Evaluation Assets and Expenditures

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, drilling and other work involved in searching for minerals.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

- (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
- (ii) determining the optimal methods of extraction and metallurgical and treatment processes;
- (iii) studies related to surveying, transportation, and infrastructure requirements;
- (iv) permitting activities; and
- (v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Costs incurred to acquire an exploration and evaluation asset are capitalised based on the fair value of the assets acquired less the costs associated with the acquisition. Such assets may be acquired with an associated reclamation and closure obligation. These obligations are recorded as a provision on the statement of financial position with the offsetting asset recorded as part of the exploration and evaluation asset.

Costs incurred pre-exploration, including license costs paid in connection with a right to explore in an existing exploration area are expensed as incurred.

Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, up until the point it is concluded that a future economic benefit is more likely than not to be realized.

In evaluating if expenditures meet the criteria to be capitalized, several different sources of information are utilized. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

While in the exploration and evaluation stage, the Company records the proceeds from the sale of a royalty interest on a property against the value of the Exploration and Evaluation asset in the statement of financial position and does not recognize any gain or loss on its exploration and evaluation royalty transactions, until the consideration received is in excess of the carrying amount of the associated Exploration and Evaluation asset on which the royalty is to be earned.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **(c) Exploration and Evaluation Assets and Expenditures (continued)**

Once the technical feasibility and commercial viability of extracting the mineral resources has been determined, the property is considered to be a mine under development and development costs are capitalized to “mines under construction” on the statement of financial position.

#### **(d) Property, Plant and Equipment**

##### **Cost**

Items of property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets (where relevant) 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.

The cost of replacing or overhauling a component of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the component will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is written off. Costs associated with routine repairs and maintenance of plant and equipment are expensed as incurred.

##### **Depreciation**

The carrying amounts of property, plant and equipment are depreciated using the straight-line method using the useful lives below. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (or components) of plant and equipment.

Machinery and Equipment	5 years
Buildings	10 years
Water Treatment Plant	15 years
Vehicles	5 years

Depreciation methods and useful lives are reviewed at each annual reporting date and adjusted as appropriate.

Depreciation is either regarded as part of the cost of inventory or expensed through the statement of loss and comprehensive loss.

#### **(e) Reclamation Deposits**

Reclamation deposits are term deposits held on behalf of the Government of the Province of British Columbia as collateral for possible reclamation activities on the Company’s exploration and evaluation assets in connection with permits required for exploration activities. As they are restricted from general use, they are excluded from current assets. Reclamation deposits are released, by the Province of British Columbia, once a property is restored to satisfactory condition, or as released under the surety bond agreement described in Note 15. Reclamation deposits are recorded at amortized cost.

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (f) Share-Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 19.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the statements of income and comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For those options that expire or are forfeited after vesting, the recorded value is transferred to retained earnings (deficit).

#### (g) Finance Costs

Finance costs comprise interest expense on borrowings and interest accretion calculated using the effective interest rate method. Significant financing component of the Company's Royalty Agreement recorded under deferred revenue is recorded in the statement of loss and comprehensive loss as the Company is expected to be in commercial production within the next twelve months.

#### (h) Taxation

##### Current Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of income and comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

### 3. MATERIAL ACCOUNTING POLICIES (continued)

#### (h) Taxation (continued)

##### Deferred Income Tax

Deferred income tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

No deferred tax liability is recognized on taxable temporary differences associated with investments to the extent that the company is able to control the timing of the reversal of the temporary differences and it is probable that these differences will not reverse in the foreseeable future.

No deferred tax asset is recognized on the deductible temporary differences associated with investments in subsidiaries as it is not probable that the temporary differences will reverse in the foreseeable future.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **(i) Impairment of Non-Financial Assets**

The carrying amounts of Talisker's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets (the cash-generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### **(j) Financial Instruments**

##### **Financial Assets**

All financial assets are initially recorded at fair value and designated upon inception into one of the following three categories: amortized cost, fair value through profit or loss, or fair value through other comprehensive income.

##### **Amortized Cost**

These financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely the payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issues, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions for receivables are recognized based on the lifetime expected credit losses. During the process of reviewing accounts receivable for impairment, the probability of the non-payment of the receivable is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for receivables. For receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within operating expenses in the consolidated statement of comprehensive loss. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **(j) Financial Instruments (continued)**

The Company's financial assets measured at amortized cost comprise cash and cash equivalents, reclamation deposits and amounts receivable.

#### **Financial Liabilities**

The Company classifies its financial instruments into one of two categories, depending on the purpose for which the liability was acquired.

Financial liabilities are subsequently measured and classified as amortized cost or as FVTPL. Derivative financial liabilities are measured at FVTPL. For financial liabilities recorded at FVTPL, the change in fair value due to changes in the Company's credit risk is recorded in other comprehensive income, with the remainder of the change in fair value recorded in profit and loss.

#### **Fair Value Through Profit or Loss**

RSU liability is classified as fair value through profit or loss at December 31, 2025. These liabilities are classified and measured at fair value through profit and loss.

#### **Other Financial Liabilities**

Other financial liabilities include accounts payables and accrued liabilities and equipment loans payable, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

#### **(k) Cash and cash equivalents**

Cash and cash equivalents are comprised of cash at banks and cash on hand and short term, highly liquid deposits which are either cashable or with original maturities of less than three months from the date of acquisition.

#### **(l) Provisions**

##### **General**

Provisions are recognized when (a) the Company has a present obligation (legal or constructive) as a result of a past event, and (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statements of income and comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **(I) Provisions (continued)**

##### **Provision for Site Reclamation and Closure**

The Company records the present value of estimated costs of legal and constructive obligations required to restore mining and other operations in the period in which the obligation is incurred. Management makes significant assumptions in determining the timing and extent of costs of the site reclamation and closure provision that has been prepared by third party experts, which include certain closure cost estimates and discount and inflation rates. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas. The obligation generally arises when the asset is installed or the ground/environment is disturbed at the mining production location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration and evaluation assets. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability, and is included as a finance expense. Where the timing of the work to perform rehabilitation work is uncertain, management either makes its best effort to assess the appropriate present value or will record the gross value of a provision amount.

The periodic unwinding of the discount is recognized in profit or loss as a finance cost. The provisions for site reclamation and closure and related assets are adjusted at the end of each reporting period for changes in the weighted average nominal discount rates and in the estimated timing and extent of site reclamation and closure costs. Additional disturbances or changes in rehabilitation costs are recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

For closed sites, or assets with zero carrying values changes to estimated costs are recognized immediately in loss and other comprehensive loss.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **(l) Provisions (continued)**

##### **Contingent Assets**

The Company discloses contingent assets, where an inflow of economic benefits is probable. The Company continually assesses any contingent assets to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

#### **(m) Earnings (Loss) Per Share**

Basic earnings (loss) per common share has been computed by dividing the earnings (loss) applicable to common shareholders by the weighted-average number of common shares outstanding during the year. Diluted earnings (loss) per common share reflects the potential dilution of common share equivalents such as outstanding options and warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The diluted earnings (loss) per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease (loss) per share.

#### **(n) Operating Segments**

At December 31, 2025, the Company's operations were comprised of a single operating segment engaged in mineral exploration, evaluation and development in British Columbia. An operating segment is defined as a component of the Company:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief executive officer; and
- for which discrete financial information is available.

#### **(o) Flow-through shares**

The Company will from time to time issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as recovery of flow-through premium liability and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are required to be used only for Canadian resource property exploration expenditures within a two-year period. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with the Government of Canada flow-through regulations. When applicable, this tax is accrued as an expense until paid.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **(p) Convertible debentures**

The liability and equity components of convertible debentures are presented separately on the consolidated statement of financial position starting from initial recognition. The liability component is recognized initially at the fair value, by discounting the stream of future payments of interest and principal at the prevailing market rate for a similar liability of comparable credit status and providing substantially the same cash flows that do not have an associated conversion option. Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method whereby the liability component is increased by accretion of the discounted amounts to reach the nominal value of the debentures at maturity. The carrying amount of the equity component is calculated by deducting the carrying amount of the financial liability from the amount of the debentures and is presented in shareholders' equity as Equity component of convertible debentures. A deferred tax liability is recognized with respect to any temporary difference that arises from the initial recognition of the equity component separately from the liability component. The deferred tax is charged directly to the carrying amount of the equity component. Subsequent changes in the deferred tax liability are recognized through the consolidated statement of loss and comprehensive loss.

#### **(q) Deferred revenue**

Deferred revenue consists of initial cash payments received by the Company for the sale and future extraction of minerals under the terms of royalty arrangements entered into when the associated mineral property is in the development or operating stage. The accounting for deferred revenue also includes recognition that there is a significant financing component. Deferred revenue is increased as interest expense is recognized based on the interest rate that it would use if the Company were to enter into a separate financing transaction with the customer at contract inception. The amount by which the deferred revenue balance is reduced and recognized into revenue is based on the expected production from the associated mineral property over the term of the royalty arrangement with separately identifiable performance obligations for each ounce of gold produced that is subject to the royalty agreement. As the Company's royalty agreement contains a variable component, IFRS 15 requires that the transaction price be updated and re-allocated on an ongoing basis to the separate performance obligations. As a result, the deferred revenue recognized per ounce of gold produced under the royalty agreement will require an adjustment each time there is a significant change in the underlying gold production profile of the Bralorne mine. Should a change in the transaction price be necessary, a cumulative catch-up adjustment to revenue and interest expense will be made in the period in which the change occurs, to reflect the updated production profile expected to be produced under the royalty agreement.

#### **(r) Mineral properties – Construction in progress**

All expenditures undertaken in the development, construction, installation and/or completion of mine production facilities to extract, treat, gather, transport and store minerals are capitalized and initially classified as "Construction in process". All expenditures related to the construction of a mine and obtaining access to the orebody are considered to be capital development and are capitalized. Assets in construction in process are not depreciated.

When elements of the mineral properties are available for use in the manner intended by management, that element of "Construction in process" is reclassified to "Mineral Property". Determination of when an element of mineral properties is available for use requires the application of judgment.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **(r) Mineral properties – Construction in progress (continued)**

The Company considers primarily the following factors, among others, in making this judgment:

- i) All major capital expenditures have been incurred;
- ii) A reasonable period of testing has been completed;
- iii) The ability to produce saleable product (ie, the ability to produce ore within specifications), at required production levels and grades; and
- iv) The ability to sustain ongoing production of ore.

As at December 31, 2025, certain elements of mineral properties are available for use in the manner intended by management.

#### **(s) Revenue recognition**

Revenue from contracts with customers is recognized when the customer obtains control of the promised asset and the Company satisfies its performance obligation. The transaction price is based upon the amount that the Company expects to be entitled to in exchange for the transferring of the gold concentrate.

The Company satisfies its performance obligation for its gold concentrate sales per the specific contract terms, which is generally when the gold concentrate is picked up by the customer from the mill site.

Revenue is measured at the fair value of the consideration received or receivable, net of specified deductions, including treatment and refining charges and penalties for deleterious elements. Revenue is recorded at initial recognition based on forward prices for the expected date of settlement. The final sales prices are determined by quoted market prices in a period subsequent to the date of sale. Variations between the price recorded at initial recognition and the actual final price set under the contract are caused by changes in the market gold price, which result in trade receivables being accounted for as derivative assets. The trade receivables are recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included in Revenue in the consolidated statement of loss and presented separately in the notes to the consolidated financial statements.

#### **(t) Inventory**

Inventory classifications include stockpiled ore, ore subject to toll milling, concentrate and supplies. The value of all production inventories includes direct production costs (including costs of materials and labour), the amounts paid for toll milling provided by a third party (consisting of fixed and variable components), depreciation and amortization of property, plant and equipment directly involved in the mining process, and attributable overhead incurred to bring the materials to their current point in the processing cycle. General and administrative costs for the corporate office are not included in any inventories.

All inventories are valued at the lower of cost and net realizable value, with net realizable value determined with reference to market prices, less estimated future production costs to convert inventories into saleable form. If carrying value exceeds net realizable value, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused the write-down no longer exists.

### **3. MATERIAL ACCOUNTING POLICIES (continued)**

#### **(t) Inventory**

- i) Stockpiled ore represents unprocessed ore that has been mined and is available for future processing. Stockpiled ore is measured by estimating the number of tonnes through physical surveys and contained ounces. Stockpiled ore value is based on the costs incurred, including depreciation and applicable mine-site overheads, in bringing the ore to the stockpile. Costs are added to the stockpiled ore based on current mining costs and are removed at the average costs per tonne of ore in the stockpile.
- ii) Ore subject to toll milling represents material that is currently being processed to extract the contained gold into a saleable concentrate form. The amount of ore subject to toll milling is determined by assay values and by measure of the various gold bearing materials in the recovery process. The ore subject to toll milling is valued based on the beginning inventory and the costs of material fed into the processing stream plus in-circuit conversion costs.
- iii) Concentrate is the finished product in its saleable form that is produced by the mill. The amount of concentrate is determined by assay values and physical weight measurements. Concentrate is valued at average cost.
- iv) Supplies inventories include equipment parts and other consumables required for mining and are valued at the lower of average cost and net realizable value.

#### **(u) Adoption of new accounting standards and accounting standards issued but not yet effective**

Standards and interpretations issued but not yet effective up to the date of issuance of the financial statements are listed below.

- IFRS 18 Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that represents an entity's assets, liabilities, equity, income and expenses. The Company has not yet assessed the impact of IFRS 18 on the Company's financial statements.
- On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. The Company has not yet assessed the impact of these amendments on the Company's financial statements.

#### **4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

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

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

- **Impairment of non-financial assets** - The Company assesses its cash-generating units at each reporting date to determine whether any indication of impairment exists. Where an indicator of impairment exists or when exploration and evaluation assets are reclassified to property, plant and equipment upon reaching technical feasibility and commercial viability, an estimate of the recoverable amount is made, which is the higher of the fair value less costs of disposal and value in use. The determination of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and future operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.
- **Provision for site reclamation and closure** – Provisions for site reclamation and closure have been created based on management estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability as shown in Note 16. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management and are based on current regulatory requirements. Significant changes in estimates of discount rate, contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual reclamation and closure costs will ultimately depend on future market prices for the costs which will reflect the market condition at the time the costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.
- **Convertible debentures and Gold Linked Notes** – The Company's convertible debentures and gold-linked notes represent management's best estimates and judgement in accounting for separate components of financial liability, derivative liability and an equity instrument. The identification of such components embedded within convertible debentures and gold-linked notes requires significant judgement given that it is based on the interpretation of the substance of the contractual arrangement. In the case of convertible debentures, the conversion option has a fixed conversion rate, the financial liability, which represents the obligation to pay coupon interest on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual is accounted for as an equity instrument at issuance. In the case of gold linked notes, the embedded derivative is separated on issuance at fair value and is marked to market at each period end with changes in fair value recorded as gain on fair value of derivative. The financial liability, which represents the obligation to pay coupon interest on the gold linked notes in the future, is initially measured at its fair value and subsequently measured at amortized cost. The Company considered various factors to determine fair value, including: market rate of interest and forecast gold price expected over the life of the arrangement that is based on the forward curve for gold.

#### 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

- **Determination of Commercial Viability and Technical Feasibility of the Bralorne Gold Project**

The application of the Company's accounting policy for mineral property development costs required judgment to determine when technical feasibility and commercial viability of the Bralorne Gold Project was demonstrable. The Company considered various factors, including:

- the updated NI 43-101 resource estimate published in January 2023 together with the positive drilling engineering studies conducted subsequent to this estimate;
- fully permitted operations for mining and existing infrastructure requiring limited development to access ore;
- the results from the ore hauling agreement with Nicola Mining and the decision to start test production trucking of first ore with an expectation of generating a positive long-term return on the Bralorne Gold Project;
- positive Net Present Value generated from a discounted cash flow model; and
- the availability of funds to pursue the further development of the Bralorne Gold Project with the financing activities completed in the fourth quarter of 2024, including the second tranche of the royalty proceeds under the arrangement with Sprott Resource Steaming and Royalty Corp.

#### 5. CASH AND CASH EQUIVALENTS

The balance at December 31, 2025 consists of cash on deposit with major Canadian banks in interest bearing accounts totaling \$21,344,536 (December 31, 2024 - \$8,921,310) and short term guaranteed investment certificates with major Canadian banks of \$10,755,107 (December 31, 2024 - \$5,890,074) for total cash and cash equivalents of \$32,099,643 (December 31, 2024 - \$14,811,384).

During the year ended December 31, 2025, the Company recognized interest income of \$236,527 (2024 - \$49,244).

#### 6. AMOUNTS RECEIVABLE

As at,	December 31, 2025	December 31, 2024
Receivable from gold sales	\$ 1,633,615	\$ -
HST and other government receivables	1,291,724	364,353
Other receivables	9,014	308,304
	\$ 2,934,353	\$ 672,657

At December 31, 2025, the Company anticipates full recovery of these amounts and therefore no expected credit loss has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at December 31, 2025 and December 31, 2024.

The Company's revenue for the year ended December 31, 2025 consisted of concentrate sales recorded at initial recognition based on forward prices for the expected date of settlement of \$11,621,971 and subsequent provisional pricing adjustments of \$1,002,506. At December 31, 2025, the volume of concentrate sales subject to final pricing is 422 ounces of gold and these provisionally priced gold concentrate sales were recorded at an average price of \$6,573 per ounce. All gold sales and receivables are from one customer. A 10% change in the price of gold used to measure provisionally priced gold sales at December 31, 2025, while holding all other variables constant would not have a significant impact on net loss.

## 7. MARKETABLE SECURITIES

As at December 31, 2025, the Company holds 1,500,000 shares of Westhaven Gold Corp. (“Westhaven”) valued at \$397,500 (December 31, 2024 – 1,500,000 shares with value of \$150,000). The Company received the shares, with value on receipt of \$225,000, as part of the property option agreement (see note 9).

The Company also holds guaranteed investment certificates with maturities greater than three months of \$nil (December 31, 2024 - \$2,007,562) for total marketable securities of \$397,500 (December 31, 2024 - \$2,157,562).

During the year ended December 31, 2025, the Company recognized an unrealized gain of \$247,500 (2024 - \$75,000 loss) as the market value of the shares increased (2024 – decreased).

## 8. INVENTORY

Inventory consists of stockpiled ore, ore subject to toll milling, concentrate and supplies required during the course of exploration, development and production from operations. The following is a breakdown of items in inventory:

<b>As at,</b>	<b>December 31, 2025</b>	December 31, 2024
Stockpiled ore	\$ 1,051,179	\$ -
Ore subject to toll milling	80,889	-
Finished goods	822,961	-
Supplies	1,142,987	158,654
	<b>\$ 3,098,016</b>	<b>\$ 158,654</b>

During the year ended December 31, 2025, the Company recorded a write down in the amount of \$1,309,871 to reduce the carrying value of inventories to net realizable value. This amount has been recorded in production costs as a cost of goods sold.

**9. PROPERTY, PLANT AND EQUIPMENT**

	Construction in Process <sup>(1)</sup> \$	Mineral Property \$	Machinery and Equipment \$	Buildings \$	Land \$	Water Treatment Facility \$	Vehicles \$	Right-of-Use Asset \$	Total \$
Balance at December 31, 2023	-	-	1,443,806	6,161,212	315,000	941,321	172,391	1,801,389	10,835,119
Reclassification from E&E asset	1,469,234	-	-	-	-	-	-	-	1,469,234
Additions	581,377	-	47,535	50,000	-	-	-	101,073	779,985
Change in estimate of ARO	(932,515)	-	-	-	-	-	-	-	(932,515)
Disposal	-	-	-	(1,782)	-	-	-	-	(1,782)
Balance at December 31, 2024	1,118,096	-	1,491,341	6,209,430	315,000	941,321	172,391	1,902,462	12,150,041
Additions	25,116,798	-	543,547	14,698	-	-	55,000	640,464	26,370,507
Impairment <sup>(2)</sup>	-	-	(140,476)	(923,500)	-	-	-	-	(1,063,976)
Change in estimate of ARO	(874,690)	-	-	-	-	-	-	-	(874,690)
Reclassification from Construction In Process	(3,546,905)	3,546,905	-	-	-	-	-	-	-
Balance at December 31, 2025	21,813,299	3,546,905	1,894,412	5,300,628	315,000	941,321	227,391	2,542,926	36,581,882

**ACCUMULATED DEPRECIATION AND DEPLETION**

Balance at December 31, 2023	-	-	1,061,804	1,018,770	-	272,904	89,627	1,276,419	3,719,524
Additions	-	-	221,545	572,632	-	61,984	21,412	235,989	1,113,562
Balance at December 31, 2024	-	-	1,283,349	1,591,402	-	334,888	111,039	1,512,408	4,833,086
Additions	-	135,333	144,858	498,036	-	61,152	6,608	213,903	1,059,890
Balance at December 31, 2025	-	135,333	1,428,207	2,089,438	-	396,040	117,647	1,726,311	5,892,976

**NET BOOK VALUE**

At December 31, 2024	1,118,096	-	207,992	4,618,028	315,000	606,433	61,352	390,054	7,316,955
<b>At December 31, 2025</b>	<b>21,813,299</b>	<b>3,411,572</b>	<b>466,205</b>	<b>3,211,190</b>	<b>315,000</b>	<b>545,281</b>	<b>109,744</b>	<b>816,615</b>	<b>30,688,906</b>

(1) Construction in process relates to the Company's Bralorne mine and primarily includes acquisition costs, expenditures related to development, deposits for equipment, costs incurred to secure the second tranche of the royalty funding, and discounted future reclamation costs (Note 16).

(2) Impairment of buildings in the amount of \$923,500 relates to the kitchen and mine office complex which was condemned due to mold.

**9. PROPERTY, PLANT AND EQUIPMENT (continued)**

On June 12, 2023 the Company entered into a royalty agreement with Sprott Resource Streaming and Royalty Corp. (“Sprott”) in relation to the Company’s Bralorne Gold Project whereby Sprott will pay the Company up to US\$31,250,000 for a net smelter returns royalty (the “Royalty”) covering all minerals produced from the Project (the “Royalty Transaction”). The Royalty Transaction includes:

- A maximum of US\$31,250,000, with a minimum consideration of US\$18,750,000, payable as to:
  - an initial grant of a 1.12% Royalty for a draw of US\$7,000,000 (received) for drilling, detailed engineering and working capital;
  - a further 1.88% Royalty for a subsequent draw of US\$11,750,000 (received) on, among other things, the signing of a toll milling agreement for mobilization, site infrastructure, resource conversion drilling and working capital; and
  - up to a further 2% Royalty, to a maximum of a 5% Royalty, for US\$12,500,000 available as needed for site infrastructure, mine start-up capital and working capital;
  - An option, exercisable solely at the discretion of the Company until December 31, 2028, to repurchase 50% of the Royalty (as more particularly described below);
  - The residual Royalty will be reduced by an additional 50% for no additional consideration following 1.5 million ounces of gold production;

*Buyback*

The Company will have a right, to be satisfied in cash or in shares (subject to a 4.9% ownership limit, calculated at the time of the buyback), at the Company’s sole discretion (and subject to prior approval of the Toronto Stock Exchange (the “TSX”)), to repurchase a 50% interest of the Royalty for a price that is equal to half of the then-paid Purchase Price multiplied by the multiplier, as follows:

On of before	Multiplier	Based on Minimum 3% Royalty	Based on Maximum 5% Royalty
June 30, 2025	1.20	US\$11,250,000	US\$18,750,000
June 30, 2026	1.25	US\$11,718,750	US\$19,531,250
June 30, 2027	1.30	US\$12,187,500	US\$20,312,500
June 30, 2028	1.35	US\$12,656,250	US\$21,093,750
June 30, 2029	1.40	US\$13,125,000	US\$21,875,000

*Production Target and Purchase Price Repayment*

There is an amount payable under the Royalty agreement by the Company if aggregate sales of contained gold in product is not equal to or greater than 38,000 ounces for the period commencing on January 1, 2028 and ending on June 30, 2028 (inclusive). The Purchase price repayment is calculated as follows:

$APP \times (T-P)/T \times (1+r)^Q$ , where:

APP = Aggregate Purchase Price or dollar amount received under the facility.

T = the Target Amount;

P = the aggregate Sales of contained gold in Product during the Sales Testing Period;

r = the Quarterly interest rate of 2.5%; and

Q = the number of Quarter ends that have occurred from the First Closing Date up to (15), and including the last day of the Quarter in which the Sales Testing Period expires.

## 9. PROPERTY, PLANT AND EQUIPMENT (continued)

### *Participation Right*

The Company has granted a five year pre-emptive right (subject to rights previously granted to OR) to participate up to a maximum of 40%, or US\$40,000,000, in any proposed grant, sale or issuance to any third party of a stream, royalty or similar transaction based on future production from the Project.

On October 9, 2024, the Company completed the second draw of US\$11,750,000 and received proceeds in the amount of \$15,483,327, being \$16,085,750 (US\$11,750,000) less transaction costs of \$602,423. The amount has been recorded as deferred revenue, see Note 14 for details.

## 10. EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets for the Company are summarized as follows:

### Year ended December 31, 2025:

Project	January 1, 2025	Additions	Disposals	December 31, 2025
<b>Bralorne Gold Camp</b>				
Royalle Property	\$ 243,000	\$ -	\$ -	<b>243,000</b>
NaiKun Wind Crown Grant	36,000	-	-	<b>36,000</b>
Congress Property	295,000	-	-	<b>295,000</b>
Big Sheep Property	120,000	-	-	<b>120,000</b>
<b>Southern BC Properties</b>	-			
Spences Bridge	5,456,823	-	-	<b>5,456,823</b>
Golden Hornet Property	133,250	50,037	-	<b>183,287</b>
<b>Ladner Gold Project</b>	<b>11,707,350</b>	<b>460</b>	<b>(237,341)</b>	<b>11,470,469</b>
	<b>\$ 17,991,423</b>	<b>\$ 50,497</b>	<b>\$ (237,341)</b>	<b>\$ 17,804,579</b>

During the year ended December 31, 2025, the decrease in estimate for the provision for site reclamation and closure at Ladner of \$237,341 (2024 - \$43,647 decrease) was included in the disposals for the Ladner Gold Project, see note 15.

## 10. EXPLORATION AND EVALUATION ASSETS

On January 30, 2025, the Company acquired the Golden Hornet project after the completion of its previously announced option agreement. In connection with the acquisition of Golden Hornet, Talisker also negotiated the purchase of the 2 per cent net smelter royalty granted to Rich River Exploration Ltd. in connection with the option agreement for total aggregate consideration of \$100,000, with 1 per cent being purchased for cancellation by Talisker in consideration for the payment of \$38,000 in cash and \$12,000 through the issuance of 36,363 shares of Talisker at a price of 33 cents per share and the other 1 per cent being purchased by OR Royalties Ltd. (OR) pursuant to a first right of refusal granted under the royalty purchase agreement (RPA) entered into between, among others, the Company and OR, in December, 2021. In accordance with the terms of the RPA and the completion of the option agreement, Talisker and OR have entered into a royalty agreement whereby OR will now hold a 2 per cent net smelter return royalty on all production from the Golden Hornet, Blue Jay and Barnato properties.

### Year ended December 31, 2024:

Project	January 1, 2024	Additions	Disposals	Reclassification to Property, Plant and Equipment	December 31, 2024
<b>Bralorne Gold Camp</b>					
Bralorne Gold Project	1,469,234	\$ -	\$ -	(1,469,234)	\$ -
Royalle Property	243,000	-	-	-	<b>243,000</b>
NaiKun Wind Crown Grant	36,000	-	-	-	<b>36,000</b>
Congress Property	295,000	-	-	-	<b>295,000</b>
Big Sheep Property	120,000	-	-	-	<b>120,000</b>
<b>Southern BC Properties</b>	-				
Spences Bridge	5,701,823	-	(245,000)	-	<b>5,456,823</b>
Golden Hornet Property	67,550	65,700	-	-	<b>133,250</b>
<b>Ladner Gold Project</b>	11,750,247	750	(43,647)	-	<b>11,707,350</b>
	<b>\$ 19,682,854</b>	<b>\$ 66,450</b>	<b>\$ (288,647)</b>	<b>\$ (1,469,234)</b>	<b>\$ 17,991,423</b>

During the year ended December 31, 2024, the Company issued 50,000 shares with a value of \$15,500 and made cash payments of \$50,950 for property acquisitions on the Golden Hornet property.

On September 6, 2024, the Company and Westhaven completed a property purchase agreement whereby Westhaven acquired 12 claims. Pursuant to the agreement, Westhaven has paid \$20,000 in cash and issued 1.5 million common shares of the company to Talisker. The shares were subject to statutory resale restrictions ending on January 6, 2025, as well as contractual restrictions to be released in equal installments on January 6, 2025, May 6, 2025, and September 6, 2025. Westhaven granted a 1-per-cent net smelter royalty on the claims and has the option to buy back the 1-per-cent NSR at any time for \$1-million.

During the year ended December 31, 2024 the Company recognized income from gold sold from the Company's historical stockpiles of \$321,602. The amount was a one time non recurring item recorded as other income in the statement of loss and comprehensive loss for the year ended December 31, 2024.

During the fourth quarter of 2024, with the receipt of the second tranche of royalty proceeds under the royalty agreement with Sprott Resource Streaming and Royalty Corp. ("Sprott") and the resulting construction decision from the Board of Directors, the Bralorne Gold Project transitioned from an exploration and evaluation asset under IFRS 6 to property, plant and equipment under IAS 16 because the Company determined that the technical feasibility and commercial viability of the Bralorne Gold Project had been demonstrated..

## 10. EXPLORATION AND EVALUATION ASSETS (continued)

At the time of the transition from exploration and evaluation to property, plant and equipment, the Company completed an impairment test as required by IFRS 6. The impairment test compared the carrying amount of the Bralorne Gold Project to its recoverable amount. The recoverable amount is higher of the value in use and the fair value less costs of disposal. The Company estimated the recoverable amount using a discounted cash flow model. The significant assumptions that impacted the resulting fair value include future gold prices, capital cost estimates, operating cost estimates, estimated mineral resources and the discount rate. Upon completion of the impairment test, the Company concluded that there was no impairment.

### Bralorne Gold Camp

#### Bralorne Gold Project

On December 13, 2019, the Company completed the acquisition of a 100% interest in the Bralorne Gold Project located in southwestern British Columbia from Avino Silver & Gold Mines Ltd. ("Avino").

Talisker acquired all of the common shares of Bralorne Gold Mines Ltd. ("Bralorne"), Avino's wholly owned subsidiary which owns the Bralorne Gold Project. A further cash payment of US\$2.5 million will be payable to Avino on commencement of commercial production of the Bralorne Gold Project.

The Bralorne Gold Project is subject to certain net smelter return royalties ("NSR") including: (i) an underlying agreement on 12 crown grants in which the Company is required to pay 1.6385% of net smelter proceeds of production from the claims, and pay fifty cents Canadian (C\$0.50) per ton of ore produced from these claims if the ore grade exceeds 0.75 ounces per ton gold; (ii) nine claims within the Bralorne Gold Project carry a 1% net smelter returns royalty to a maximum of \$250,000 and a 2.5% net smelter returns royalty that can be reduced by 60% to 1% upon the payment of US\$750,000 at any time within 10 years following the date of commencement of commercial production.

On December 24, 2019, the Company entered into a definitive royalty purchase agreement and royalty agreement with Bralorne and Osisko Gold Royalties Ltd ("Osisko") for the sale of a 1.2% NSR on all production from the Bralorne Gold Project.

On March 26, 2020, Talisker announced an increase to its land position in the Bralorne Gold Camp with the acquisition of the Royale property. The Vendor retained a 1% NSR that Talisker can purchase for \$1,000,000.

On March 31, 2020, Talisker announced a further expansion of its land position in the Bralorne Gold Camp with the acquisition of 19 Crown Grant known as the NaiKun Crown Grant mineral claims.

On October 30, 2020, the Company closed the acquisition of 17 Crown Granted mineral claims (the "Bralorne Extension Claims").

On August 10, 2021, the Company acquired the Pioneer Extension claims, contiguous with the main Bralorne Gold Camp comprising 14 mineral claims. Under the terms of the purchase agreement, Talisker paid \$80,000 in cash and issued 80,000 shares with a 1% NSR containing a buyback of \$500,000 for 100% ownership.

On December 6, 2021, Talisker, along with Bralorne and New Carolin, its wholly-owned subsidiaries, announced it entered into a royalty purchase agreement with Osisko that granted NSR royalties including an increase of a 0.5% royalty on the Bralorne Gold Property increasing Osisko's royalty on that property to 1.7%, the grant of a 1.5% royalty on the Ladner Gold Project and a 1% future royalty on the Golden Hornet Project.

## **10. EXPLORATION AND EVALUATION ASSETS (continued)**

### **Northern and Southern BC Properties**

#### **Acquisition of Northern and Southern BC properties from Sable Resources Ltd.**

On January 24, 2019, the Company entered into an asset purchase agreement to acquire Sable Resources Ltd.'s ("Sable") mineral resource properties located in the Province of British Columbia and certain related assets (the "Acquired Properties") in exchange for paying Sable \$500,000 in cash and issuing Sable 6,000,000 post-consolidation shares at the time of closing and granting Sable, on the closing date, a 1.0% net smelter return royalty on each of the Acquired Properties and assuming certain liabilities relating to the Acquired Properties (the "Transaction").

The Acquired Properties included several early to advanced stage projects including in the Toodoggone region of northern British Columbia, the past producing Baker Gold Project; the Shasta Mine and Baker mill infrastructure and equipment; the Chappelle (Baker and Multinational Mines) property; the Mets lease; the Bot property and in south central British Columbia, the Spences Bridge property, the Blue Jay property, the Sauchi Creek property, the Tulameen property and the Tulox property.

A description of the Acquired Properties and additional properties acquired by the Company post the Transaction follows.

#### **Northern BC Properties**

##### **Baker Gold Project and Mets Lease**

The Baker Gold Project is located in the Toodoggone region, British Columbia. The Baker Gold Project consists of 53 mineral claims, and two mining leases that encompass the past-producing Dupont-Baker 'A' and Multinational 'B' underground gold-silver mines and the past-producing Shasta open pit/underground gold-silver mine, and the Baker mill and tailings storage facility.

The Mets Lease is located north of the Baker and Multinational Mines.

##### **Sale of Northern BC Properties to TDG Gold Corp**

On December 11, 2020, the Company sold the Northern BC properties to TDG Gold. As part of the Purchase Agreement TDG Gold acquired the Baker Project, the Shasta Mine and the Baker mill infrastructure and equipment; the Chappelle property, the Mets lease, and the Bot property.

## 10. EXPLORATION AND EVALUATION ASSETS (continued)

### *Southern BC Properties*

#### **Spences Bridge Gold Project**

The Spences Bridge Gold Project consists of a land package located in the Spences Bridge Gold Belt in southern British Columbia and comprises ground staked by the Company which are subject to a 2.5% net smelter royalty.

#### **Blustry Mountain Property**

On June 18, 2019, the Company entered into purchase agreements for the Blustry Mountain property which now forms part of the Spences Bridge Gold Project. The four mineral claims were purchased in exchange for cash payments of \$30,000 (paid), the issuance of 44,000 common shares of Talisker (issued) valued at \$31,900 and, in the case of three of the minerals claims, a 1% net smelter royalty (NSR). Talisker has the right to purchase 50% of the NSR for \$500,000.

#### **Dora-Merritt Option Agreement**

On May 31, 2019, Talisker entered into a purchase agreement for the Dora-Merritt property which encompasses six mineral claims, and provides the Company with an option to acquire 100 per cent of the Dora-Merritt property mineral claims (option subsequently exercised). The option agreement is subject to a share bonus of one common share per ounce of gold equivalent in the inferred or greater category to a maximum of 50,000 common shares and a 2% NSR. Talisker has the right to purchase 50% of the NSR for \$1,000,000.

#### **Blue Jay Property**

The Blue Jay property consists of five claim blocks located north of Rock Creek, British Columbia.

#### **Golden Hornet Property**

On January 28, 2020, the Company entered into an option agreement for the Golden Hornet comprising 13 mineral claims that are contiguous to the Company's existing Blue Jay property which option agreement was completed January 28, 2024. Over the term of the option agreement, Talisker acquired 100% of the Golden Hornet property in exchange for payments totaling \$145,000 in cash and 115,000 common shares and the expenditure of \$60,000 per year over four years. The option agreement is also subject to a share bonus of one common share per ounce of gold equivalent in the inferred or greater category to a maximum of 40,000 common shares and a 2% NSR. Talisker has the right to purchase 100% of the NSR for \$1,000,000.

### **Ladner Gold Project**

#### **Acquisition of New Carolin Gold Corp.**

On September 16, 2021, the Company completed the acquisition of a 100% interest in the Ladner Gold Project (the "Ladner Gold Project") located in southwestern British Columbia through the acquisition of 100% of the outstanding share capital of New Carolin Gold Corp. ("New Carolin").

The Company has 100% of the legal and beneficial ownership of the 144-square kilometre Ladner Gold Project contiguous land package, which includes the former producing Carolin Mine.

### 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at,	December 31, 2025	December 31, 2024
Accounts payable	\$ 8,043,456	\$ 2,153,007
Accrued liabilities	5,263,858	1,280,411
	\$ 13,307,314	\$ 3,433,418

### 12. LEASES PAYABLE

The Company has entered into equipment leases expiring between 2025 and 2029, with interest rates ranging from 2.99% to 9.49% per annum. The Company has the option to purchase the equipment at the end of the lease term for a nominal amount. The Company's obligations under leases are secured by the lessor's title to the leased assets.

The contractual maturities and interest charges in respect of the Company's lease obligations are as follows:

	December 31, 2025	December 31, 2024
Not later than one year	\$ 288,342	\$ 250,644
Later than one year and not later than five years	408,462	27,000
Less: Future interest charges	(62,692)	(16,147)
Present value of lease payments	634,112	261,497
Less: current portion	(248,584)	(234,941)
Non-current portion	\$ 385,528	\$ 26,556

Reconciliation of debt arising from lease liabilities:

	December 31, 2025	December 31, 2024
Lease liability at beginning of year	\$ 261,497	\$ 288,281
Additions	640,464	101,073
Principal payments on lease liabilities	(267,849)	(127,857)
	\$ 634,112	\$ 261,497

### 13. GOLD-LINKED NOTES

On October 17, 2024, the Company issued notes in the aggregate principal amount of \$1,332,000. The notes bear interest at a rate of 15% per annum and mature on December 31, 2027.

The principal amount of the notes was used to calculate the quantity of gold (the "Gold Quantity") to be represented by the notes, being the deemed number of ounces of gold using a price (the "Floor Price") of US\$2,500. The Gold Quantity on the date of issuance amounted to 386 ounces. The Gold Quantity will be reduced on each of December 31, 2025, December 31, 2026 and December 31, 2027, by that number of ounces that represents 15% (58 ounces), 25% (97 ounces) and 60% (231 ounces), respectively, of the Gold Quantity on the closing of the Gold-Linked Note Financing, by the payment of the Deemed value of such Gold Quantity. The "Deemed Value" means the applicable Gold Quantity multiplied by the Gold Price (the "Gold Price" being the greater of: (a) the Floor Price; and (b) the "London Gold Fix" price per ounce (in U.S. dollars) as of the 15th day of the month of such payment date).

There is no requirement or option to deliver physical gold as a form of repayment under the terms of the Gold-Linked Notes.

**13. GOLD-LINKED NOTES (continued)**

Interest shall be calculated and payable quarterly in arrears, with the interest payable being calculated based on the Deemed Value of the Gold Quantity on the applicable interest payment date.

For the year ended December 31, 2025, the Company has recorded an interest charge of \$297,238 (2024 - \$43,550) related to the host loan and a loss of \$447,623 (2024 - \$55,866) for the change in fair value of the embedded derivative.

As at December 31, 2025 and December 31, 2024, the Gold-Linked Notes are presented as follows:

<b>Principal</b>	<b>December 31, 2025</b>	December 31, 2024
Beginning balance	\$ 1,134,192	\$ -
Issuance of Gold-Linked Notes	-	1,332,000
Less: embedded derivative	-	(242,512)
Less: transaction costs	-	(80,690)
	1,134,192	1,008,798
Interest expense	297,238	43,550
Accretion	124,805	23,885
Foreign exchange	(24,439)	57,959
Payment of interest	(340,788)	-
Payment of principal	(248,654)	-
Ending balance	\$ 942,354	\$ 1,134,192
<b>Embedded Derivative</b>		
Beginning balance	\$ 298,378	\$ -
Issuance of Gold-Linked Notes	-	242,512
Loss on revaluation of derivative	594,622	55,866
Ending balance	\$ 893,000	\$ 298,378
<b>Total</b>		
Principal	\$ 942,354	\$ 1,134,192
Embedded derivative	893,000	298,378
Gold-Linked Note Liability	1,835,354	1,432,570
Current portion of Gold-Linked Note Liability	(539,814)	(217,753)
Long term portion of Gold-Linked Note Liability	1,295,540	\$ 1,214,817

#### 14. CONVERTIBLE DEBENTURES

On October 9, 2024, the Company issued a convertible debenture; an unsecured obligation of the Company in the principal amount of \$4,000,000. The convertible debenture bore interest at a rate of 12% per annum, calculated and payable quarterly in arrears, and had a term of three years. The holder of the convertible debenture had the right to convert the principal amount to common shares of Talisker at a conversion price of \$0.50 up until the trading day prior to the maturity date of the convertible debenture. Talisker had the option to convert all or any portion of the convertible debenture into shares if the closing price of the Shares on the TSX was at least 130% of the Conversion Price for each of the 20 trading days before a notice of conversion is delivered. For shares issued pursuant to the Company's conversion right, if the holder wishes to sell any Shares, Talisker also has the right to identify a purchaser for such shares.

On November 7, 2024, the Company issued a convertible debenture; an unsecured obligation of the Company in the principal amount of \$1,100,000. The convertible debenture bore interest at a rate of 12% per annum, calculated and payable quarterly in arrears, and had a term of three years. The holder of the convertible debenture had the right to convert the principal amount to common shares of Talisker at a conversion price of \$0.56 up until the trading day prior to the maturity date of the convertible debenture. Talisker had the option to convert all or any portion of the convertible debenture into shares if the closing price of the Shares on the TSX was at least 130% of the Conversion Price for each of the 20 trading days before a notice of conversion was delivered. For shares issued pursuant to the Company's conversion right, if the holder wishes to sell any Shares, Talisker also has the right to identify a purchaser for such shares.

On October 3, 2025, the Company exercised its right to convert all of the outstanding principal amounts of its Convertible Debentures into common shares. The Company converted all the outstanding principal amount into 9,964,285 Shares.

As at December 31, 2025 and 2024, the Convertible Debentures are presented as follows:

		<b>Liability Component</b>		<b>Equity Component</b>
Balance, January 1, 2024	\$	-	\$	-
Issuance of Convertible Debentures		4,434,672		665,328
Less: transaction costs		(246,754)		(37,020)
Less: deferred tax		-		(180,000)
		4,187,918		448,308
Interest expense		128,680		-
Accretion		48,219		-
Balance, December 31, 2024	\$	4,364,817	\$	448,308
Interest expense		471,155		-
Accretion		193,701		-
Payment of interest		(599,835)		-
Conversion of Convertible Debentures to shares		(4,429,838)		(448,308)
Balance, December 31, 2025	\$	-	\$	-

**15. DEFERRED REVENUE**

On October 9, 2024, the Company issued a 1.88% NSR royalty under the second tranche of the royalty agreement with Sprott Resource Streaming and Royalty Corp. and received proceeds in the amount of \$16,085,750 (US\$11,750,000), less transaction costs of \$424,675.

The upfront cash payment received under the agreement is accounted for as deferred revenue with a significant financing component, with the related accretion expense being expensed to the statement of loss and comprehensive loss. The deferred revenue associated with the royalty agreement is being accreted to reflect the significant financing component at a rate of 18.5%, being the interest rate that it would have used if it were to enter into a separate financing transaction with the customer at contract inception. As the Company produces and sells gold concentrate to third party customers, the balance will be reduced and recognized as revenue in the statement of loss and comprehensive loss.

The changes in the carrying value of deferred revenue are as follows:

	<b>December 31,</b>		December 31,
	<b>2025</b>		2024
Balance, beginning of year	\$ 16,355,186	\$	-
Issuance of royalty	-		16,085,750
Less: transaction costs	-		(424,675)
Interest on financing component of deferred revenue	3,229,660		694,111
Deferred revenue recognized	(28,831)		-
Balance, end of year	\$ 19,556,015	\$	16,355,186
Less: current portion	(433,024)	\$	(130,776)
Non-current portion	\$ 19,122,991	\$	16,224,410

## 16. PROVISION FOR SITE RECLAMATION AND CLOSURE

Provincial laws and regulations concerning environmental protection affect the Company's operations. Under current regulations, the Company is required to meet performance standards to minimize the environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

The breakdown of the provision for site reclamation and closure is as per below:

	December 31, 2025			December 31, 2024		
	Bralorne	New Carolin	Total	Bralorne	New Carolin	Total
Balance, beginning of year	10,827,580	7,381,700	18,209,280	11,414,435	7,207,096	18,621,531
Change in estimate	(874,690)	(237,341)	(1,112,031)	(932,515)	(43,647)	(976,162)
Accretion	360,559	224,699	585,258	345,660	218,251	563,911
Balance, end of year	10,313,449	7,369,058	17,682,507	10,827,580	7,381,700	18,209,280

The present value of the obligation for Bralorne of \$10,313,449 (December 31, 2024 – \$10,827,580) is based on an undiscounted obligation of \$62,177,950, out of which \$12,625,915 is expected to be incurred in 2044 with the remaining \$49,552,035 to be incurred on water treatment and quality monitoring throughout 2144. The provision was calculated using a nominal weighted average risk-free interest rate of 3.85% (December 31, 2024 – 3.33%) and a weighted average inflation rate of 1.98% (December 31, 2024 – 1.82%). Reclamation activities are estimated to begin in 2044 and are expected to be incurred over a period of 100 years.

The present value of the obligation for Ladner Lake of \$7,369,058 (December 31, 2024 – \$7,381,700) is based on an undiscounted obligation of \$15,804,058. The provision was calculated using a nominal weighted average risk-free interest rate of 3.85% (December 31, 2024 – 3.33%) and a weighted average inflation rate of 1.98% (December 31, 2024 – 1.82%). Reclamation activities are estimated to begin in 2027 and are expected to be incurred over a period of 100 years

### Reclamation Deposits

The Company is required to make reclamation deposits in respect of its expected site reclamation and closure obligations. The reclamation deposits represent collateral for possible reclamation activities necessary on mineral properties in connection with the permits required for exploration activities by the Company.

	December 31, 2025				December 31, 2024			
	Talisker	Bralorne	New Carolin	Total	Talisker	Bralorne	New Carolin	Total
Balance, beginning of year	58,300	1,190,000	220,000	1,468,300	58,300	1,190,000	220,000	1,468,300
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance, end of year	58,300	1,190,000	220,000	1,468,300	58,300	1,190,000	220,000	1,468,300

**16. PROVISION FOR SITE RECLAMATION AND CLOSURE (continued)**

Under regulations set by the Ministry of Energy, Mines and Petroleum Resources (“MEM”), the Company is required to hold reclamation bonds that cover the estimated future cost to reclaim the ground disturbed. Bralorne is required to pay \$250,000 every six months until a cumulative security equal to \$12,300,000. At December 31, 2025, the surety amounted to \$4,650,000 and the Company has placed \$1,190,000 in cash (December 31, 2024 - \$1,190,000), totalling \$5,840,000 to cover estimated future costs related to the ground disturbance at the Company’s Bralorne Gold Project. As at December 31, 2025 and 2024, the Company is current with all its obligations with the MEM.

**17. ISSUED CAPITAL**

**Authorized** Unlimited common shares without par value

	<b>December 31, 2025</b>	December 31, 2024
Issued capital	<b>\$ 152,970,069</b>	\$ 104,587,941
Fully paid common shares <sup>(1)</sup>	<b>178,708,610</b>	98,345,016

(1) As at December 31, 2025 and 2024, there are 50,000 shares awaiting issuance, the proceeds for which were received in 2008 and are included in share capital.

**Common Shares Issued**

	<b>Number of Shares</b>	<b>Value of Shares</b>
Balance as at December 31, 2023	89,148,377	\$ 101,364,157
Issue of shares pursuant to private placement, net of issue costs	6,300,500	2,078,775
Issue of shares for acquisition of mineral properties (Note 9)	50,000	15,500
Issued pursuant to agreement	263,158	100,000
Exercise of RSU's	2,082,981	829,509
Issuance of shares for services (Note 13)	500,000	200,000
Balance as at December 31, 2024	98,345,016	\$ 104,587,941
Issue of shares pursuant to private placement, net of issue costs	59,246,334	36,031,973
Issue of shares for acquisition of mineral properties (Note 9)	36,363	12,000
Exercise of RSU's	2,135,229	1,836,307
Exercise of warrants	8,288,138	4,216,842
Transfer of reserve on exercise of warrants	-	938,800
Exercise of stock options	608,500	219,060
Transfer of reserve on exercise of stock options	-	149,000
Issued pursuant to agreement	84,745	100,000
Issued on conversion of convertible debentures	9,964,285	4,878,146
Balance as at December 31, 2025	<b>178,708,610</b>	<b>\$ 152,970,069</b>

## **17. ISSUED CAPITAL (continued)**

### **Financings**

#### **For the year ended December 31, 2025:**

On November 6, 2025, the Company closed its offering of 15,333,334 common shares of the Company at a price of \$1.50 per share for gross proceeds of \$23,000,001.

In consideration for their services, the Company paid the agents a cash commission and incurred other closing costs totalling \$1,567,301. The Company also issued 899,996 finders' warrants. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of \$1.68 cents until October 25, 2027. The finder warrants were ascribed a fair value of \$468,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.37%; volatility 74% and an expected life of 24 months.

On May 5, 2025, the Company closed a private placement of 16,000,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$8,000,000.

Each unit consisted of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder thereof to acquire one Common share at an exercise price of \$0.75 until May 5, 2028. The warrants were ascribed a fair value of \$1,715,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.58%; volatility 80% and an expected life of 36 months.

The Company also issued 841,200 finders' warrants. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.60 cents until May 5, 2028. The finder warrants were ascribed a fair value of \$203,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.58%; volatility 80% and an expected life of 36 months.

On June 6, 2025, the Company closed a private placement of 27,913,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$13,956,500.

Each unit consisted of one common share of the Company and one-half common share purchase warrant. Each warrant entitles the holder thereof to acquire one Common share at an exercise price of \$0.75 until May 5, 2028. The warrants were ascribed a fair value of \$2,850,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.72%; volatility 81% and an expected life of 36 months.

The Company also issued 1,347,540 finders' warrants. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.50 cents until June 6, 2028. The finder warrants were ascribed a fair value of \$345,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 2.72%; volatility 81% and an expected life of 36 months.

In consideration for their services, the Company paid the agents a cash commission and incurred other closing costs totalling \$1,776,227.

**17. ISSUED CAPITAL (continued)**

**For the year ended December 31, 2024:**

On August 12, 2024 and September 11, 2024, the Company closed two tranches of a non-brokered private placement. In connection with the offering, the Company issued 6,300,500 units (the "Units") at a price of \$0.40 per Unit for aggregate gross proceeds of \$2,520,200. Each unit consists of one common share and one-half of a common share purchase warrant. Each warrant entitling the holder to purchase one common share at an exercise price of \$0.60 until August 12, 2026. The warrants were ascribed a fair value of \$323,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 3.02%-3.30%; volatility 80% and an expected life of 24 months.

The Company also issued 45,330 finders' warrants. Each finder's warrant entitles the holder thereof to purchase one common share at an exercise price of \$0.46 cents for a period of 2 years from the date of issuance. The finder warrants were ascribed a fair value of \$6,000 which was valued using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 3.30%; volatility 80% and an expected life of 24 months.

In consideration for their services, the Company has paid the agents a cash commission and incurred other closing costs totalling \$112,425.

**Diluted Weighted Average Number of Shares Outstanding**

	<b>December 31, 2025</b>	December 31, 2024
Basic weighted average shares outstanding:	<b>133,512,446</b>	92,269,864
Effect of outstanding securities	-	-
Diluted weighted average shares outstanding	<b>133,512,446</b>	92,269,864

During the years ended December 31, 2025 and 2024, the Company had a net loss, as such, the diluted loss per share calculation excludes any potential conversion of debentures, options and warrants that would decrease loss per share.

**18. FLOW-THROUGH PREMIUM LIABILITY**

For the purposes of calculating the tax effect of any premium related to the issuances of the flow-through shares, the Company reviewed the share price of the Company's common shares and compared it to the issuance price of the flow-through shares to determine if there was a premium paid on the flow-through shares.

During the year ended December 31, 2024, the Company recognized an amount of \$318,000, in relation to flow-through private placements closed in the prior year and has recorded the gain as income tax recovery upon filing of renunciation documents with the Canada Revenue Agency.

**19. WARRANTS RESERVE**

The following is a summary of changes in warrants:

	Number of Warrants	Weighted average exercise price per warrant	Amount
Balance, January 1, 2024	11,504,733	\$ 0.84	\$6,348,200
Issuance of warrants	3,150,250	0.60	323,000
Issuance of finders warrants	45,330	0.46	6,000
Balance, January 1, 2025	14,700,313	\$ 0.79	\$6,677,200
Issuance of warrants	21,956,500	0.75	4,565,000
Issuance of finders warrants	3,088,736	0.87	1,016,000
Expiry of warrants	(5,679,600)	1.19	-
Exercise of warrants	(8,288,137)	0.51	(938,800)
Balance, December 31, 2025	25,777,812	\$ 0.76	\$11,319,400

As at December 31, 2025, the Company had outstanding warrants as follows:

Expiry Date	Exercise Price	Outstanding and exercisable
August 12, 2026	\$0.60	2,366,250
August 12, 2026 – finders warrants	\$0.46	2,430
September 11, 2026	\$0.60	375,000
October 24, 2027 – finders warrants	\$1.68	710,996
November 6, 2027 – finders warrants	\$1.68	189,000
May 5, 2028	\$0.75	21,895,500
May 5, 2028 – finders warrants	\$0.60	60,000
June 6, 2028 – finders warrants	\$0.50	178,636
<b>Balance, December 31, 2025</b>		<b>25,777,812</b>

## 20. SHARE-BASED PAYMENT RESERVE

### Stock Option Plan

The Board of Directors of the Company adopted a stock option plan (the "Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 10% of the Company's issued and outstanding common shares. The Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with regulatory policies.

The terms of any options granted under the Plan are fixed by the Board of Directors and may not exceed a term of five years. The exercise price of the options granted under the Plan is set at the last closing price of the Company's common shares before the date of grant or in accordance with regulatory requirements.

Each share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following options were outstanding as at December 31, 2025:

Number of options outstanding	Number of exercisable options	Grant date	Expiry date	Exercise price	Fair value vested
1,000,000	1,000,000	December 18, 2023	December 18, 2028	\$ 0.360	275,300
2,151,500	2,151,500	January 16, 2025	January 16, 2030	\$ 0.360	478,050
1,200,000	1,200,000	October 27, 2025	October 27, 2030	\$ 1.350	971,000
4,351,500	4,351,500				1,724,350

The share options outstanding as at December 31, 2025 had a weighted exercise price of \$0.63 (December 31, 2024: \$0.36) and a weighted average remaining contractual life of 4.01 years (December 31, 2024: 3.97 years).

Options vested on their date of issue, and expire within five years of their issue, or 90 days after the resignation of the director, officer, employee or consultant.

#### *Fair value of share options granted in the year ended December 31, 2025*

On January 16, 2025, 2,585,000 share options were granted to directors, officers, consultants and employees of the Company to acquire the Company's shares at an exercise price of \$0.36 until January 16, 2030. These share options had an estimated fair value of \$574,000 at grant date, and vest immediately.

On October 27, 2025, 1,200,000 share options were granted to directors of the Company to acquire the Company's shares at an exercise price of \$1.35 until October 27, 2030. These share options had an estimated fair value of \$971,000 at grant date, and vest immediately.

## 20. SHARE-BASED PAYMENT RESERVE (continued)

The fair value of share options granted in the year ended December 31, 2025 was calculated using the following assumptions:

	Number of Options Granted	
	16-Jan-25	27-Oct-25
	2,585,000	1,200,000
Grant date share price	\$ 0.355	\$ 1.350
Exercise price	\$ 0.360	\$ 1.350
Expected volatility	75%	71%
Expected option life	5 years	5 years
Expected dividend yield	0%	0%
Risk-free interest rate	3.05%	2.62%

### Movements in Share Options During the Period

The following reconciles the share options outstanding for the year ended December 31, 2025 and 2024:

	Number of options	Weighted average exercise price
Balance as at December 31, 2023	1,728,000	\$ 0.58
Expired	(478,000)	\$ 1.16
Balance as at December 31, 2024	1,250,000	\$ 0.36
Granted	3,785,000	\$ 0.67
Expired	(75,000)	\$ 0.36
Exercised	(608,500)	\$ 0.36
Balance as at December 31, 2025	4,351,500	\$ 0.63

### Restricted Share Units

The Restricted Share Unit Plan (RSU Plan) provides for the grant of restricted share units (each, an “RSU”) convertible into a maximum number of common shares equal to ten percent (10%) of the number of common shares then issued and outstanding, provided, however, the number of common shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company shall, in the aggregate, not exceed ten percent (10%) of the number of common shares then issued and outstanding. Any common shares subject to a RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available under the RSU Plan. When vested, each RSU entitles the holder to receive, subject to adjustments as provided for in the RSU Plan, one common Share or payment in cash for the equivalent thereof based on the volume weighted average trading price of the common shares on the five trading days immediately preceding the redemption date. The terms and conditions of vesting (if applicable) of each grant are determined by the Board at the time of the grant, subject to the terms of the RSU Plan. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals.

Any such performance incentives or long term performance goals are subject to determination by the Board and specified in the award agreement.

**20. SHARE-BASED PAYMENT RESERVE (continued)**

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in the liability.

The following table summarizes changes in the number of RSUs outstanding:

	<b>Number of RSU's</b>
Balance, December 31, 2023	43,335
Granted	2,177,453
Exercised	(2,220,788)
Balance, December 31, 2024	-
Granted	6,730,000
Cancelled	(100,000)
Exercised	(2,243,329)
Balance, December 31, 2025	4,386,871

**RSU liability:**

As at December 31, 2025 a liability of \$2,629,716 (December 31, 2024 - \$nil) has been recorded for RSUs.

**Share-based payment reserve:**

The following table summarizes information about share-based payment reserve:

Balance as at December 31, 2023	\$	695,000
Expiry/cancellation of stock options		(348,000)
Balance as at December 31, 2024	\$	347,000
Share-based expense - options		1,543,000
Transfer of reserve on exercise of options		(149,000)
Expiry/cancellation of stock options		(16,650)
Balance as at December 31, 2025	\$	1,724,350

## 21. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities as at December 31, 2025 and 2024 were as follows:

	Fair value through profit or loss	Amortized cost	Other financial liabilities	Total
<b>As at December 31, 2025</b>				
Cash and cash equivalents	\$ -	\$ 32,099,643	\$ -	\$ 32,099,643
Marketable securities	397,500	-	-	397,500
Amounts receivable	-	9,014	-	9,014
Receivable from gold sales	662,551	971,064	-	1,633,615
Reclamation deposits	-	1,468,300	-	1,468,300
Accounts payable and accrued liabilities	-	-	13,307,314	13,307,314
RSU liability	2,629,716	-	-	2,629,716
Leases payable	-	634,112	-	634,112
Gold linked notes	-	942,354	-	942,354
Gold linked notes – embedded derivative	893,000	-	-	893,000
<b>As at December 31, 2024</b>				
Cash and cash equivalents	\$ -	\$ 14,811,384	\$ -	\$ 14,811,384
Marketable securities	150,000	2,007,562	-	2,157,562
Amounts receivable	-	272,937	-	272,937
Reclamation deposits	-	1,468,300	-	1,468,300
Accounts payable and accrued liabilities	-	-	3,433,418	3,433,418
Leases payable	-	261,497	-	261,497
Convertible debentures	-	4,364,817	-	4,364,817
Gold linked notes	-	1,134,192	-	1,134,192
Gold linked notes – embedded derivative	298,378	-	-	298,378

The Company classifies its financial instruments carried at fair value according to a three level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three levels of fair value hierarchy are as follows:

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

The carrying value of cash and cash equivalents, guaranteed investment certificates, amounts receivable (excluding receivables from gold sales), reclamation deposits, accounts payable and accrued liabilities, and leases payables approximate fair value because of the relatively short term nature of the instruments. The convertible debentures and the principal amount of the gold linked notes were issued in October 2024, as such, given limited time has elapsed, carrying value approximates fair value. The carrying value of common shares recorded as marketable securities reflect a level 1 fair value measurement. Receivables from gold sales and RSU liability reflect a level 2 fair value measurement. The carrying value of the derivative in gold linked reflects a level 3 fair value measurement.

## 22. RELATED PARTY DISCLOSURES

The following is a summary of the Company's related party transactions during the years ended December 31, 2025 and 2024:

The Company charged rent in the amount of \$81,000 for the year ended December 31, 2025 (2024 - \$81,000) paid by JHI Associates Inc., a company with certain common officers.

### Compensation of Key Management Personnel of the Company

In accordance with IAS 24, key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key executives is determined by the compensation committee.

The remuneration of directors and other members of key management personnel during the years ended December 31, 2025 and 2024 were as follows:

	<b>December 31, 2025</b>	December 31, 2024
Short term employee benefits, director fees	\$ <b>2,021,633</b>	\$ 2,323,557
Share based payments	<b>3,777,590</b>	781,731
	<b>\$ 5,799,223</b>	\$ 3,105,288

As at December 31, 2025, an amount of \$89,133 (December 31, 2024 - \$626,390) due to key management personnel, was included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and without fixed terms of repayment. A member of key management personnel participated in the gold linked note financing during 2024 and the carrying amount of the liability to this member of key management personnel under the gold linked notes at December 31, 2025 is \$207,626 (December 31, 2024 - \$178,814).

## 23. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support its operations. The capital of the Company consists of issued capital, warrant reserve, share-based payment reserve, and conversion component of convertible debentures. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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 were no changes in the Company's approach to capital management in the year ended December 31, 2025. The Company is not subject to externally imposed capital requirements.

## 24. FINANCIAL RISK FACTORS

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

### Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents, amounts receivable and reclamation deposits. Management believes that the credit risk concentration with respect to the cash and cash equivalents, amounts receivable and reclamation deposits is minimal.

### Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. As at December 31, 2025, the Company had a cash and cash equivalents balance of \$32,099,643 (December 31, 2024 - \$14,811,384) to settle current liabilities of \$16,281,880 (December 31, 2024 - \$4,016,888). Working capital for the Company as at December 31, 2025 was \$23,736,456 (December 31, 2024 - \$14,434,578).

The maturity profiles of the Company's contractual obligations as at December 31, 2025, are summarized as follows:

	Total	Less than 1 Year	1 to 5 Years	More than 5 Years
Accounts payable and accrued liabilities	\$ 13,307,314	\$ 13,307,314	\$ -	\$ -
Leases obligations	696,804	288,342	408,462	-
Gold linked notes	1,688,355	496,579	1,191,776	-
RSU liability	2,629,716	1,753,144	876,572	-
Total	\$ 18,322,189	\$ 15,845,379	\$ 2,476,810	\$ -

### Market Risk

#### (a) Foreign Currency Risk

The Company's reporting currency is the Canadian dollar. The functional currency of the Company is the Canadian dollar.

Based on the foreign currency balances at December 31, 2025, a 10% change in foreign exchange rates between the Canadian dollar and these foreign currencies over the next year would affect net income by approximately \$600,000 (2024 - \$1,400,000). This analysis only addresses the impact on financial instruments with respect to currency movement and excludes other economic or geo-political implications of such currency fluctuation. In practice, actual results will likely differ from this analysis and the difference may be material.

## 24. FINANCIAL RISK FACTORS (continued)

The exposure of the Company's financial assets and liabilities as at December 31, 2025 is as follows:

	CDN Dollar	US Dollar	Total (in CDN dollars)
<b>Financial assets</b>			
Cash and cash equivalents	\$ 25,847,154	\$ 6,252,489	\$ 32,099,643
Marketable securities	397,500	-	397,500
Amounts receivable	-	1,633,615	1,633,615
Reclamation deposits	1,468,300	-	1,468,300
Total	\$ 27,712,954	\$ 7,886,104	\$ 35,599,058
<b>Financial liabilities</b>			
Accounts payable and accrued liabilities	\$ 13,307,314	\$ -	\$ 13,307,314
Gold linked notes	-	1,835,354	1,835,354
Leases payable	634,112	-	634,112
RSU liability	2,629,716	-	2,629,716
	\$ 16,571,142	\$ 1,835,354	\$ 18,406,496

### (b) Commodities Price Risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to gold and silver to determine the appropriate course of action to be taken by the Company. Gold prices will also have an impact on the amount owing under the gold linked notes. A 10% change in gold prices over the next year would affect net income by approximately \$200,000 (2024 - \$200,000).

### (c) Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. A 1% change in interest rates over the next year would affect net income by approximately \$300,000 (2024 - \$100,000).

## 25. COMMITMENTS AND CONTINGENCIES

Due to the size, complexity and nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

## 26. ADMINISTRATION COSTS

	2025	2024
General and administrative	\$ 1,224,534	\$ 1,196,559
Public company costs	1,360,662	976,943
Travel and other	179,759	66,681
	<b>\$ 2,764,955</b>	<b>\$ 2,240,183</b>

## 27. INCOME TAXES

### (a) Income Tax Recovery

Major items causing the Company's income tax rate to differ from the Canadian statutory rate of approximately 27% (December 31, 2024 – 27%) are as follows:

	December 31, 2025	December 31, 2024
Loss from continuing operations before income taxes	\$ (20,806,293)	\$ (14,763,394)
Expected income tax recovery based on statutory rate	\$ (5,617,699)	\$ (3,986,941)
Adjustments to benefit resulting from:		
Non deductible expenses and other	393,282	218,010
Release of flow through premium liability	-	(318,000)
Flow through renunciation	-	601,320
Recognition of previously unrecognized deferred tax assets	-	(180,000)
Tax benefits not recognized	5,224,417	3,167,611
Income tax recovery	<b>\$ -</b>	<b>\$ (498,000)</b>

### (b) Deferred Tax Balance

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

	December 31, 2025	December 31, 2024
Non-capital losses	\$ 75,001,752	\$ 60,771,956
Mineral properties and property, plant and equipment	7,922,537	6,609,907
Marketable securities	-	75,000
Un-deducted financing costs	3,405,337	1,363,080
Provision for site reclamation and closure	9,529,474	9,374,765
Capital losses	1,871,281	1,871,284
RSU liability	2,627,848	-
Gold linked notes	752,007	57,019
Deferred revenue	19,556,015	16,355,185
BC Mining Tax	99,555,089	-
	<b>\$ 220,221,340</b>	<b>\$ 96,478,196</b>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company will be able to use these benefits.

**27. INCOME TAXES (continued)**

**(c) Expiry of losses**

As at December 31, 2025, the Company has estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. A summary of these tax losses, and when they expire, is provided below:

2028	\$	900,091
2029		356,144
2030		1,041,090
2031		3,431,193
2032		2,613,997
2033		1,383,386
2034		1,018,777
2035		2,712,254
2036		989,247
2037		1,993,027
2038		4,178,232
2039		12,266,372
2040		8,197,085
2041		7,311,822
2042		15,159,824
2043		5,238,665
2044		5,611,273
2045		11,256,479
	\$	85,658,958

**28. EVENTS AFTER THE REPORTING PERIOD**

On March 10, 2026, the Company closed a private placement, with gross proceeds of \$52,100,000 from the sale of 26,000,000 Units at a price of \$2.00 per Unit. Each Unit consisted of one common share of the Company and one-half of one Warrant with each whole Warrant entitling the holder to purchase one Common Share at a price of \$2.70 at any time on or before March 10, 2028. The Company will use reasonable commercial efforts to list the Warrants for trading on the Toronto Stock Exchange.