**Soma Gold Corp.**

Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six month periods ended June 30, 2025 and 2024

# Notice of no auditor review of condensed interim consolidated financial statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**Soma Gold Corp.**

**Interim Condensed Consolidated Statement of Financial Position (Unaudited)**

**As at June 30, 2025, and December 31, 2024**

(Expressed in Canadian Dollars, unless otherwise indicated)

| | Notes | 2025 | 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 3,817,154 | 7,840,109 |
| Trade and other receivables | 4 | 19,713,044 | 15,959,357 |
| Inventory | 5 | 8,592,801 | 7,393,576 |
| Prepaids and deposits | 6 | 1,242,507 | 1,122,154 |
| **Total current assets** | | **33,365,506** | **32,315,196** |
| **Non-current assets** | | | |
| Exploration and evaluation assets | 7 | 11,375,164 | 9,736,562 |
| Mineral properties, plant and equipment | 8 | 36,076,201 | 37,194,792 |
| **TOTAL ASSETS** | | **80,816,871** | **79,246,550** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade payables and accrued liabilities | 9, 13 | 14,152,830 | 14,793,295 |
| Equipment financing – current portion | 10 | 1,369,741 | 2,513,837 |
| Lease obligation – current portion | 11 | 780,557 | 371,897 |
| Deferred revenue – current portion | 12 | 1,520,157 | 1,370,108 |
| **Total current liabilities** | | **17,823,285** | **19,049,137** |
| **Non-current liabilities** | | | |
| Deferred income tax liability | | 5,499,911 | 5,318,000 |
| Equipment financing | 10 | 503,985 | 673,362 |
| Lease obligations | 11 | 422,672 | 899,969 |
| Deferred revenue | 12 | 2,026,556 | 2,807,666 |
| Subordinated loan | 13 | 29,175,554 | 30,454,720 |
| Decommissioning and restoration provision | 14 | 1,934,923 | 1,906,054 |
| Contingent consideration | 15 | 1,695,072 | 2,175,693 |
| **TOTAL LIABILITIES** | | **59,081,958** | **63,284,601** |
| **SHAREHOLDERS EQUITY** | | | |
| Share capital | 18 | 55,275,882 | 54,722,533 |
| Share reserves | 18 | 6,947,209 | 6,609,025 |
| Contributed surplus | 18 | 7,710,130 | 7,710,130 |
| Deficit | | (47,011,237) | (51,774,742) |
| Accumulated other comprehensive income (loss) | | (1,187,071) | (1,304,997) |
| **TOTAL SHAREHOLDERS' EQUITY** | | **21,734,913** | **15,961,949** |
| **TOTAL LIABILITIES AND EQUITY** | | **80,816,871** | **79,246,550** |

Approved for issuance by the Board of Directors on August 27, 2025:

(signed) "Geoffrey Hampson" Geoffrey Hampson (Director)

(signed) "Terry Krepiakevich" Terry Krepiakevich (Director)

**Soma Gold Corp.**

**Interim Condensed Consolidated Statement of Profit (Loss) and Comprehensive Income (Loss) (Unaudited)**

**For the three and six month periods ended June 30, 2025 and 2024**

(Expressed in Canadian Dollars, unless otherwise indicated)

| | Notes | The three-month periods ended 2025 | The three-month periods ended 2024 | The six-month periods ended 2025 | The six-month periods ended 2024 |
|---|---|---|---|---|---|
| **Revenue** | | 23,010,534 | 22,693,283 | 50,889,366 | 42,025,124 |
| **Cost of Sales** | 16 | (17,344,762) | (17,021,494) | (35,414,216) | (32,012,696) |
| **Income from Mine Operations** | | **5,665,772** | **5,671,789** | **15,475,150** | **10,012,428** |
| Staffing and management costs | | 1,015,104 | 984,992 | 2,061,573 | 1,964,100 |
| Other general and administration | | 439,546 | 512,234 | 899,972 | 902,570 |
| Professional and consulting fees | | 321,563 | 260,187 | 598,765 | 490,043 |
| Share-based compensation | 18 | 53,267 | 87,994 | 601,483 | 90,014 |
| Investor relations | | 175,744 | 122,129 | 309,772 | 201,621 |
| Depreciation | | 24,906 | 26,513 | 50,787 | 52,862 |
| **Operating Income** | | **3,635,642** | **3,677,740** | **10,952,798** | **6,311,218** |
| Finance costs | | (1,645,615) | (1,886,726) | (3,392,883) | (3,573,211) |
| Other gains (losses) | 17 | (79,664) | (371,445) | (44,571) | (277,261) |
| Foreign exchange gains (losses) | | 255,543 | 409,409 | (203,932) | 71,110 |
| **Income Before Tax** | | **2,165,906** | **1,828,978** | **7,311,412** | **2,531,856** |
| Current income tax expense | | (432,943) | (1,952,653) | (2,408,234) | (2,932,930) |
| Deferred income tax recovery | | (139,673) | (319,000) | (139,673) | (212,000) |
| **Net Income (loss)** | | **1,593,290** | **(442,675)** | **4,763,505** | **(613,074)** |
| **Other Comprehensive Income** | | | | | |
| An item that may be reclassified to profit or loss: | | | | | |
| Foreign currency translation adjustment | | (2,444,492) | (3,582,128) | 117,926 | (2,381,178) |
| **Total Comprehensive Income (loss)** | | **(851,202)** | **(4,024,803)** | **4,881,431** | **(2,994,252)** |
| **Net income (loss) per common share:** | | | | | |
| Basic | 21 | 0.02 | 0.00 | 0.05 | (0.01) |
| Diluted | 21 | 0.02 | 0.00 | 0.05 | (0.01) |
| **Weighted average number of common shares outstanding:** | | | | | |
| Basis | 21 | 92,437,058 | 91,599,585 | 92,279,757 | 91,474,036 |
| Diluted | 21 | 96,055,815 | 91,599,585 | 95,777,745 | 91,474,036 |

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

**Soma Gold Corp.**

**Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)**

**For the six-month periods ended June 30, 2025, and June 30, 2024**

(Expressed in Canadian Dollars, unless otherwise indicated)

| | Notes | Number of common shares | Share capital | Share reserves | Contributed surplus | Deficit | Accumulated other comprehensive income (loss) | Total |
|---|---|---|---|---|---|---|---|---|
| **December 31, 2024** | | **92,115,152** | **54,722,533** | **6,609,025** | **7,710,130** | **(51,774,742)** | **(1,304,997)** | **15,961,949** |
| Exercise of stock options | 18 | 1,190,000 | 547,265 | (257,215) | - | | | 290,050 |
| Issuance of RSU shares | 18 | 16,668 | 6,084 | (6,084) | - | | | - |
| Share-based compensation | 18 | - | - | 601,483 | - | | | 601,483 |
| Net Income | | - | - | - | - | 4,763,505 | | 4,763,505 |
| Other comprehensive income | | - | - | - | - | | 117,926 | 117,926 |
| **June 30, 2025** | | **93,321,820** | **55,275,882** | **6,947,209** | **7,710,130** | **(47,011,237)** | **(1,187,071)** | **21,734,913** |
| | | | | | | | | |
| **December 31, 2023** | | **91,348,487** | **54,484,699** | **6,561,626** | **7,171,442** | **(56,001,934)** | **1,937,777** | **14,153,610** |
| Exercise of stock options | 18 | 350,000 | 147,000 | (68,500) | - | - | - | 78,500 |
| Issuance of RSU shares | 18 | 66,665 | 24,334 | (24,334) | - | - | - | - |
| Share-based compensation | 18 | - | - | 90,014 | - | - | - | 90,014 |
| Net loss | | - | - | - | - | (613,074) | - | (613,074) |
| Other comprehensive loss | | - | - | - | - | - | (2,381,178) | (2,381,178) |
| **June 30, 2024** | | **91,765,152** | **54,656,033** | **6,558,806** | **7,171,442** | **(56,615,008)** | **(443,401)** | **11,327,872** |

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

**Soma Gold Corp.**

**Interim Condensed Consolidated Statement of Cash Flows (Unaudited)**

**For the six-month periods ended June 30, 2025, and June 30, 2024**

(Expressed in Canadian Dollars, unless otherwise indicated)

| | | 2025 | 2024 |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| **Net income (loss)** | | **4,763,505** | **(613,074)** |
| Adjustments to reconcile before tax to net cash flows: | | | |
| Non-cash items: | | | |
| Finance costs | | 3,392,883 | 3,573,211 |
| Depreciation | 8 | 10,808,229 | 7,464,199 |
| Other losses (gains) | 17 | 44,571 | 277,261 |
| Share-based compensation | 18 | 601,483 | 90,014 |
| Deferred income tax recovery | | 139,673 | 212,000 |
| Foreign exchange losses (gains) | | 203,932 | (71,110) |
| Working capital changes: | | | |
| Trade and other receivables | | (3,753,687) | (3,098,335) |
| Inventory | | (1,199,225) | (101,441) |
| Prepaids deposits and advance payments | | (120,353) | 148,685 |
| Trade payables and accrued liabilities | | (640,465) | (5,314,360) |
| **Net cash flows from operating activities** | | **14,240,546** | **2,567,050** |
| **INVESTING ACTIVITIES** | | | |
| Expenditures on exploration and evaluation of assets | 7 | (1,275,496) | (442,053) |
| Expenditures on construction in progress | 8 | (2,485,916) | (1,036,556) |
| Expenditures on mineral properties, plant and equipment | 8 | (6,395,281) | (4,317,612) |
| Disposition of property, plant and equipment | | - | 91,346 |
| **Net cash flows used in investing activities** | | **(10,156,693)** | **(5,704,875)** |
| **FINANCING ACTIVITIES** | | | |
| Repayment of equipment financing | 10 | (1,594,893) | (1,335,895) |
| Lease payments | 11 | (270,438) | (189,418) |
| Gold deliveries under the offtake agreement | 12 | (1,211,147) | (421,967) |
| Proceeds from exercise of stock options | 18 | 290,050 | 78,500 |
| Proceeds from the promissory note | | - | 1,348,263 |
| Repayment of the promissory note | | - | (1,403,839) |
| Proceeds from loan | | | 4,075,800 |
| Repayment of the Subordinated loan | 13 | (3,500,000) | - |
| **Net cash flows from (used in) financing activities** | | **(6,286,428)** | **2,151,444** |
| Net change in foreign currency exchange rates | | (1,820,380) | 23,998 |
| Net change in cash and cash equivalents | | (4,022,955) | (962,383) |
| Cash and cash equivalents, beginning of period | | 7,840,109 | 1,781,703 |
| **Cash and cash equivalents, end of period** | | **3,817,154** | **819,320** |

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

# 1. Nature of Operations

Soma Gold Corp. ("Soma" or the "Company") was incorporated on April 13, 2010, under the laws of British Columbia, Canada. The Company's registered office is 1200-750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8, and its head office is located at 1500-409 Granville Street, Vancouver, British Columbia, V6C 1T2.

The Company's principal business activities are the acquisition, exploration and development of mineral properties and the operation of the El Bagre Gold Mining Complex through its wholly owned subsidiaries in Colombia. The El Bagre operations consist of a gold processing plant and the Cordero underground gold mine.

The Company is a Canadian public corporation whose common shares are listed on the TSX Venture Exchange in Canada under the symbol "SOMA" and on the OTCQB Venture Market in the United States under the ticker symbol "SMAGF."

# 2. Basis of Presentation

## Basis of preparation and changes to the Company's material accounting policies

The Company's interim condensed consolidated financial statements (unaudited) (the "consolidated financial statements") have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2024.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which have been measured at fair value.

The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

The consolidated financial statements were approved for issuance by the Company's Board of Directors on August 27, 2025.

## Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries as of June 30, 2025 and 2024. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, it has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

(Expressed in Canadian Dollars, unless otherwise indicated)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that one or more of the three elements of control have changed. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

The consolidated financial statements include:

| Subsidiary's name | The principal place of business | Ownership interest | | Principal activities |
|---|---|---|---|---|
| | | **2025** | **2024** | |
| Angra Metals Mineracao Ltda (“**Angra**”) | Brazil | 100% | 100% | Mineral exploration |
| Colombia Milling Ltd. (“**CML**”) | Belize | 100% | 100% | Holding company |
| Operadora Minera S.A.S. (“**Operadora**”) | Colombia | 100% | 100% | Gold production, mineral exploration and development |
| Soma Gold US Inc | United States | 100% | 100% | Administration |

The financial statements of CML contain the results of Colombian subsidiaries Zara Holdings SAS and Four Points Mining SAS (“**FPM**”).

# 3. Accounting Policies and New Accounting Standards

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Company’s annual consolidated financial statements for the year ended December 31, 2024. The Company’s has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

# 4. Trade and Other Receivables

As of June 30, 2025, and December 31, 2024, the Company’s receivables consist of the following:

| | 2025 | 2024 |
|---|---:|---:|
| Income taxes receivable | 556,244 | 374,679 |
| Trade receivables | 5,190,788 | 4,186,195 |
| Employee allowances | 482,951 | 518,133 |
| Value-added tax receivable | 13,424,404 | 10,803,723 |
| Other | 58,657 | 76,627 |
| | **19,713,044** | **15,959,357** |

(Expressed in Canadian Dollars, unless otherwise indicated)

# 5. Inventory

As of June 30, 2025, and December 31, 2024, the Company's inventory consists of the following:

| | 2025 | 2024 |
|---|---:|---:|
| Materials and supplies | 6,795,609 | 5,925,702 |
| Gold in-circuit | 1,797,192 | 1,467,874 |
| | **8,592,801** | **7,393,576** |

The amount of inventory recognized as an expense for the six-months period ended June 30, 2025 was $7,960,000 (2024 - $7,393,000), and it is included as a production cost in the cost of sales (Note 16).

# 6. Prepaids and Deposits

As of June 30, 2025, and December 31, 2024, the Company's prepaids and deposits consist of the following:

| | 2025 | 2024 |
|---|---:|---:|
| Advances to suppliers | 488,691 | 132,093 |
| Prepaid insurance | 267,943 | 509,224 |
| Prepaid software | 225,158 | 231,894 |
| Other advances | 260,715 | 248,943 |
| | **1,242,507** | **1,122,154** |

# 7. Exploration and Evaluation Assets

| | Nechi | Zara | Otu Centro | Tucumã | El Limon | Total |
|---|---:|---:|---:|---:|---:|---:|
| **December 31, 2023** | **644,076** | **2,689,366** | **3,415,030** | **2,374,321** | **-** | **9,122,793** |
| Additions | 55,039 | - | 985,905 | - | 189,496 | 1,230,440 |
| Foreign exchange | (3,380) | (122,687) | (162,608) | (322,434) | (5,562) | (616,671) |
| **December 31, 2024** | **695,735** | **2,566,679** | **4,238,327** | **2,051,887** | **183,934** | **9,736,562** |
| Additions | 13,278 | - | 713,250 | 11,508 | 537,460 | 1,275,496 |
| Foreign exchange | 1,522 | 47,063 | 174,115 | 142,482 | (2,076) | 363,106 |
| **June 30, 2025** | **710,535** | **2,613,742** | **5,125,692** | **2,205,877** | **719,318** | **11,375,164** |

## Nechi Gold Project

The Company owns 100% of the Nechí Gold Project ("Nechi"), which itself is comprised of the El Catorce, Santa Elena, and Santa Maria gold exploration projects located in Antioquia, Colombia. The properties are subject to NSR royalties totaling 2.0%.

## Zara Properties

The Company owns 100% of the Zara exploration properties located in Antioquia, Colombia, except for the rights pertaining to non-metallic minerals. The properties are subject to a 2% NSR royalty.

## Otu Centro Properties

On May 17, 2023, the Company announced that it had purchased 100% of the Otu Centro exploration properties located in Antioquia, Colombia. The Otu Centro properties are directly south of and contiguous with the Company's Zara exploration properties.

Principal terms of the agreement include:

(i) An initial cash payment of US$1,000,000 on closing the agreement (completed);
(ii) A second cash payment of US$1,120,000 due on May 12, 2024 (completed).
(iii) The assumption and payment of US$150,000 in liabilities related to the properties (completed).
(iv) The granting of a 2% NSR on metallic minerals. One-half of the NSR (1%) can be repurchased for US$1,000,000 (indexed to US CPI).
(v) Assumption of an existing 5% NSR on the claim covering the historic Aurora mine.

## Tucumã Gold Project

Through its subsidiary Angra, the Company owns a 100% interest in the Tucumã copper/gold exploration project, located in the Carajas metallogenic province in the State of Pará, Brazil.

On March 15, 2022, the Company announced that it had optioned its Tucumã Project in Brazil to Ero Copper Corp. ("Ero"). The agreement was amended on September 11, 2024 and again on July 21, 2025 (subsequent to the six month period ended June 30, 2025) to extend certain terms of the original agreement to allow Ero additional time to access one of the properties included in the option agreement. Ero can acquire a 100% interest in the Project by completing the following:

(i) Cash payments of:
   a. US$250,000 on signing the agreement (completed);
   b. US$100,000 on or before five business days after September 6, 2023 (completed); and
   c. US$100,000 on or before twelve months from the date Ero is able to access the final exploration property.
(ii) Complete exploration expenditures of:
   a. US$1,200,000 on or before September 6, 2023 (completed);
   b. US$250,000 on or before September 6, 2024 (completed); and
   c. US$250,000 on or before March 6, 2026 (completed).
(iii) Make a final option payment of US$6,000,000 in cash or common shares in the event that Soma has exercised the Buy-Back Option (defined below), or US$3,000,000 in cash or common shares in the event that Soma has failed to exercise the Buy-Back Option, on or before twenty-four months from the date Ero is able to access the final exploration property.

Ero has completed the first two cash payments, totaling US$350,000, and incurred exploration expenditures of US$1.9 million on the Tucuma Project.

Soma entered into a separate agreement with the former owners of certain mining rights within the Project, providing Soma an option (the "Buy-Back Option") to acquire the former owners' existing 1% NSR and to extinguish the former owners' right to a US$3,000,000 payment due upon commencement of commercial production. Soma can exercise the Buy-Back Option by issuing the former owners an initial 250,000 common shares of Soma (completed) and issuing an additional 250,000 common shares of Soma within three years.

Upon Soma having exercised the Buy-Back Option and Ero having exercised the Option to acquire a 100% interest in and to the Properties, Soma will be entitled to receive a 1.5% NSR, subject to Ero retaining the exclusive right and option to repurchase a 1.0% NSR by paying to Soma US$1,000,000 by the third anniversary after the date on which Ero publicly announces a construction decision on the Project.

## El Limon Project

The El Limon Project ("El Limon") is located in Antioquia, Colombia and is adjacent to the Company's operating El Bagre Project. El Limon includes a past-producing underground mine and a gold processing plant with a capacity of approximately 225 tpd.  In 2024, the Company resumed exploration activities at the Limon mine.

(Expressed in Canadian Dollars, unless otherwise indicated)

# 8. Mineral properties, plant and equipment

## Cost

| | Mineral Properties | Building and Infrastructure | Equipment and Machinery | Office Equipment | Vehicles | Rights-of-use Assets | Construction in Progress | Total |
|---|---|---|---|---|---|---|---|---|
| **December 31, 2023** | **38,527,441** | **3,268,594** | **15,224,664** | **110,442** | **2,989,525** | **1,016,944** | **2,473,227** | **63,610,837** |
| Additions | 7,612,763 | 369,127 | 2,199,422 | 53,426 | - | 1,172,732 | 1,031,625 | 12,439,095 |
| Disposals | - | (610,435) | (69,098) | - | - | (248,388) | - | (927,921) |
| Transfers | - | 3,436,985 | 522 | - | - | - | (3,437,507) | - |
| Foreign exchange | (1,717,148) | (126,171) | 62,993 | 3,220 | (118,908) | (73,592) | (42,146) | (2,011,752) |
| **December 31, 2024** | **44,423,056** | **6,338,100** | **17,418,503** | **167,088** | **2,870,617** | **1,867,696** | **25,199** | **73,110,259** |
| Additions | 4,974,062 | 80,410 | 1,567,823 | 89,465 | - | 459,318 | 2,485,916 | 9,656,994 |
| Disposals | - | - | - | - | - | (672,165) | - | (672,165) |
| Foreign exchange | 657,817 | 48,858 | (147,501) | (3,447) | 42,738 | 36,439 | (2,347) | 632,557 |
| **June 30, 2025** | **50,054,935** | **6,467,368** | **18,838,825** | **253,106** | **2,913,355** | **1,691,288** | **2,508,768** | **82,727,645** |

(Expressed in Canadian Dollars, unless otherwise indicated)

## Accumulated Depreciation

| | Mineral Properties | Building and Infrastructure | Equipment and Machinery | Office Equipment | Vehicles | Rights-of-use Assets | Construction in Progress | Total |
|---|---|---|---|---|---|---|---|---|
| **December 31, 2023** | **14,787,933** | **863,670** | **4,587,441** | **78,539** | **569,519** | **400,605** | **-** | **21,287,707** |
| Additions | 11,080,681 | 2,199,296 | 1,949,905 | 60,534 | 504,623 | 352,138 | - | 16,147,177 |
| Disposals | - | (464,079) | (56,830) | - | - | (69,389) | - | (590,298) |
| Foreign exchange | (797,259) | (65,498) | (11,995) | 2,372 | (30,165) | (26,574) | - | (929,119) |
| **December 31, 2024** | **25,071,355** | **2,533,389** | **6,468,521** | **141,445** | **1,043,977** | **656,780** | **-** | **35,915,467** |
| Additions | 7,051,690 | 1,413,685 | 1,777,840 | 42,642 | 259,973 | 262,399 | - | 10,808,229 |
| Disposals | - | - | - | - | - | (368,492) | - | (368,492) |
| Foreign exchange | 303,621 | 17,609 | (46,055) | (2,289) | 10,236 | 13,118 | - | 296,240 |
| **June 30, 2025** | **32,426,666** | **3,964,683** | **8,200,306** | **181,798** | **1,314,186** | **563,805** | **-** | **46,651,444** |

## Net book value

| | Mineral Properties | Building and Infrastructure | Equipment and Machinery | Office Equipment | Vehicles | Rights-of-use Assets | Construction in Progress | Total |
|---|---|---|---|---|---|---|---|---|
| December 31, 2024 | 19,351,701 | 3,804,711 | 10,949,982 | 25,643 | 1,826,640 | 1,210,916 | 25,199 | 37,194,792 |
| **June 30, 2025** | **17,628,269** | **2,502,685** | **10,638,519** | **71,308** | **1,599,169** | **1,127,483** | **2,508,768** | **36,076,201** |

(Expressed in Canadian Dollars, unless otherwise indicated)

## El Bagre

The Company owns 100% of the El Bagre Gold Mining Complex ("El Bagre") in Antioquia, Colombia. El Bagre consists of the Cordero underground gold mine and an on-site gold processing plant. The properties are subject to an NSR royalty of 1%.

## El Limon

The Company owns 100% of the El Limon mine (past producing – see note 9) and Mill in Antioquia, Colombia. The El Limon Mill has been on care and maintenance but is being refurbished to restart operations in 2025. The project is subject to a 3% NSR royalty on ore processed at the Limon Mill to a maximum of US$2,000,000. Upon reaching the US$2,000,000 NSR royalty threshold, the NSR royalty decreases to 0.5% up to a maximum of US$1,000,000.

# 9. Trade Payables and Accrued Liabilities

As of June 30, 2025, and December 31, 2024, the Company's trade payables and accrued liabilities consist of the following:

| | **2025** | **2024** |
|---|---|---|
| Trade accounts payables | 9,517,310 | 7,133,008 |
| Income taxes payable | 1,068,866 | 3,183,871 |
| Employee benefits liabilities | 1,848,281 | 2,179,632 |
| Accrued liabilities | 665,193 | 769,271 |
| Salaries and wages payable | 404,953 | 460,060 |
| Withholdings payable | 648,227 | 1,067,453 |
| | **14,152,830** | **14,793,295** |

(Expressed in Canadian Dollars, unless otherwise indicated)

# 10. Equipment Financing

As of June 30, 2025, and December 31, 2024, the Company's equipment financing consists of the following:

| | 2025 | 2024 |
|---|---|---|
| **Opening balance** | **3,187,199** | **4,464,563** |
| Increase in equipment financing | 282,742 | 863,048 |
| Interest | 128,718 | 360,534 |
| Repayments | (1,594,893) | (2,845,648) |
| Foreign exchange | (130,040) | 344,702 |
| **Closing balance** | 1,873,726 | **3,187,199** |
| Less: current portion | (1,369,741) | (2,513,837) |
| **Non-current portion** | **503,985** | **673,362** |

The Company has entered into multiple financing arrangements with Sandvik Financial Services S.A. and Komatsu Colombia S.A.S to purchase various pieces of mining equipment. The loans carry interest rates from 9% to 18%, require monthly payments of principal and interest, and are amortized over periods from 12 to 36 months.

The financing is secured by the underlying equipment purchased, which has a net book value of $6,032,436 as of June 30, 2025 (December 31, 2024 - $6,390,000). The financed equipment is included in the equipment & machinery and vehicles categories of mineral properties, plant and equipment (Note 8).

# 11. Lease Obligations

As of June 30, 2025, and December 31, 2024, the Company's lease obligations consist of the following:

| | 2025 | 2024 |
|---|---|---|
| **Opening balance** | **1,271,866** | **652,952** |
| Disposals | - | (241,098) |
| Additions | 189,382 | 1,138,310 |
| Adjustments | - | 36,280 |
| Interest | 55,271 | 67,502 |
| Lease payments | (270,438) | (385,810) |
| Foreign exchange | (42,852) | 3,730 |
| **Closing balance** | **1,203,229** | **1,271,866** |
| Less: current portion | (780,557) | (371,897) |
| **Non-current portion** | **422,672** | **899,969** |

The leases relate principally to light vehicles and portable camp and office buildings.

(Expressed in Canadian Dollars, unless otherwise indicated)

# 12. Deferred Revenue

As of June 30, 2025, and December 31, 2024, the Company's deferred revenue consists of the following:

| | 2025 | 2024 |
|---|---|---|
| **Opening balance** | **4,177,774** | **1,356,859** |
| Additions | - | 4,105,182 |
| Interest | 527,299 | 893,397 |
| Gold deliveries | (1,211,147) | (1,677,346) |
| Revaluation | (13,699) | (254,393) |
| Foreign exchange | 66,486 | (245,925) |
| **Closing balance** | **3,546,713** | **4,177,774** |
| Less: current portion | (1,520,157) | (1,370,108) |
| **Non-current portion** | **2,026,556** | **2,807,666** |

On September 9, 2020, the Company entered into an offtake agreement (the "Offtake Agreement") with Nueva Granada Gold Corp ("NG") and a purchase and refining agreement with MVPR International Incorporated ("MVPR"), a wholly-owned subsidiary of NG, for the mineral production from Operadora's operations. The value of the Offtake Agreement was US$5.0 million.

- 12% on the first 24,500 gold ounces delivered (completed in January 2022);
- 6% on the next 22,000 gold ounces delivered (completed in January 2023); and
- 1% on the gold ounces delivered until the end of production.

The Company completed Tranches 1 and 2 of the Offtake Agreement in January 2023 while Tranche 3 - a 1% NSR - remains in effect.

In May 2024, the Company amended the Offtake Agreement with Goldlogic Corp. ("Goldlogic" - formerly NG) and MVPR. Pursuant to the revised terms of the Offtake Agreement, the Company has received an advance payment of USD 3 million from Goldlogic and is obligated to deliver a monthly cash payment of 59.9 ounces of gold to Goldlogic for a duration of 36 months, commencing in June 2024 (Tranche 4).

The Offtake agreement and purchase and refining agreement were determined to be linked and as such, have been assessed together when determining the accounting for the Offtake agreement. Although the Company is required to make cash payments, the substance of the agreements are such that the Company settles with its own production, and therefore, the "own use" exemption has been met.

The outstanding payments under the original Offtake Agreement are subject to variability, as they are contingent upon cumulative adjustments that occur when the quantity of ounces to be delivered under the contracts changes, the Company's estimates of mineral reserves and resources increase, or the mine plans are amended.

During the three and six month periods ended June 30, 2025, the Company delivered 5,153 (2024 – 7,131) and 10,717 (2024 – 14,084) ounces of gold respectively under the Offtake Agreement. The delivery of the gold for the three and six month periods ended June 30, 2025, resulted in a decrease in deferred revenue of $591,444 (2024 - $227,090) and $1,211,147 (2024 – 421,967) respectively.

(Expressed in Canadian Dollars, unless otherwise indicated)

The offtake obligation encompasses only gold mined on existing Operadora mining titles and is not applicable to the Company's other properties.

# 13. Related Parties Transactions

For the three and six month periods ended June 30, 2025 and 2024, the Company paid or accrued remunerations to its directors and officers as follows:

| | **The three-month period ended** | | **The six-month period ended** | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| Staffing and management costs | 485,461 | 264,388 | 680,951 | 523,777 |
| Share-based compensation | 5,907 | 4,129 | 458,051 | 6,049 |

All amounts due to related parties are unsecured, non-interest-bearing, and have no specific repayment terms unless otherwise stated. Transactions with related parties are measured at the exchange amount of consideration established and agreed to by the related parties.

During the three and six month periods ended June 30, 2025 and 2024, the Company paid the following expenditures to a Company controlled by a director:

| | **The three-month periods ended** | | **The six-month periods ended** | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| Office rent | 6,300 | 19,120 | 12,600 | 44,800 |
| Consulting fees | 37,079 | 92,557 | 65,729 | 189,415 |

## Subordinated Loan

On July 31, 2020, the Company entered into a Subordinated Loan Agreement with Conex Services Inc. ("Conex"), a company owned by a director, for the purposes of consolidating and restructuring the then-existing indebtedness (the "Subordinated Loan"). Key terms of the Subordinated Loan were as follows:

- Principal amount $21,604,781;
- Interest rate: 12% per annum compounded quarterly;
- Repayment terms: Interest accrues on the principal beginning July 31, 2020, with combined cash repayments of interest and principal commencing on August 31, 2024; and
- Maturity date: July 31, 2030 (the "Maturity Date").

At inception, management applied the effective interest method, using an initial effective interest rate of 18%, which resulted in a present value measurement of $14,539,366.

(Expressed in Canadian Dollars, unless otherwise indicated)

On September 1, 2024 (the "Amendment date"), the Company entered into an Amended Subordinated Loan Agreement (the "Amended Loan") under which the entire principal amount of the Subordinated Loan, together with any unpaid interest, is due for repayment in full only on the Maturity Date.

On the Amendment Date, management applied the effective interest rate method using an effective interest rate of 15% to reflect current market conditions which resulted in a revised present value measurement of $28,995,936. The Amended Loan was determined to be an extinguishment, as opposed to a modification of the existing debt. As a result, a new liability was recorded with the residual value (the difference in book value between the original Subordinated Loan and the Amended Loan) recorded as a gain on debt restructuring of $538,688. The gain on debt restructuring arising from the loan amendment was treated as a shareholder transaction and was recorded directly to contributed surplus.

During the six-month period ended June 30, 2025, $124,806 (2024 - $497,806) of accretion and $2,096,028 (2024 - $1,965,930) of interest were expensed as finance costs in the statements of profit related to the Subordinated Loan and the Amended Loan. The outstanding face value of the Amended Loan, including accrued interest, as of June 30, 2025, was $34,407,673 (December 31, 2024 - $35,811,645).

| | **June 30, 2025** | **December 31, 2024** |
|---|---|---|
| **Opening balance** | **30,454,720** | **26,179,848** |
| Interest and accretion | 2,220,834 | 4,813,560 |
| Repayments | (3,500,000) | - |
| Gain on debt restructuring | - | (538,688) |
| **Closing balance** | **29,175,554** | **30,454,720** |
| Less: Current portion | - | - |
| **Non-current portion** | **29,175,554** | **30,454,720** |

Included in the Subordinated Loan is a prepayment option which is not clearly and closely related to the host contract and as such, is accounted for as an embedded derivative. Management assesses the embedded derivative at each reporting period to determine its fair value. As of June 30, 2025, and December 31, 2024, it was determined that the prepayment option had a non-material balance, and as such, it has not been adjusted for.

### Other Balances and Transactions

As of June 30, 2025, there is $10,850 (December 31, 2024 - $39,787) in trade payables and accrued liabilities owed to executives and directors of the Company.

As of June 30, 2025, there is $23,252 (December 31, 2024 - $264,499) in trade payables and accrued liabilities owing to private companies owned by directors of the Company.

## 14. Decommissioning and Restoration Provision

As of June 30, 2025, and December 31, 2024, the Company's Decommissioning and Restoration Provision consists of the following:

(Expressed in Canadian Dollars, unless otherwise indicated)

| | 2025 | 2024 |
|---|---|---|
| **Opening balance** | **1,906,054** | **1,876,693** |
| Additions for new projects | - | - |
| Changes in estimated costs | - | 123,362 |
| Changes in economic assumptions | (98,048) | (156,022) |
| Accretion on provision | 91,967 | 176,996 |
| Settlement during the period | - | - |
| Foreign exchange | 34,950 | (114,975) |
| **Closing balance** | **1,934,923** | **1,906,054** |

The Company estimates its decommissioning and restoration provision based on its understanding of the requirements to reclaim and remediate its El Bagre property based on its activities to date. The Company's provision is based on the current best estimate of mine closure and reclamation activities considering the level of known disturbance at the reporting date, known legal requirements and internal cost estimates.

The Company valued the provision using the present value of the expected reclamation cash flows based on an appropriate discount rate to reflect the time value and risk of the cash flows. The Company used inflation rates of 4.69% to 2.97% (December 31, 2024 - 6.72% to 2.96%) and a discount rate of 9.65% (December 31, 2024 - 9.65%) in calculating the provision. As of June 30, 2025, the liability for retirement and remediation on an undiscounted basis before fair value adjustment is $2,385,127 (December 31, 2024 - $2,342,181).

Approximately 13% of the provision is anticipated to be utilized over 2025-2028 with the closure of the La Ye and Los Mangos mines and the current tailings pond facility. The remainder is expected to be incurred in the three years following the closure of the Cordero mine. The Cordero mine plan currently extends until 2027.

# 15. Contingent Consideration

As of June 30, 2025, and December 31, 2024, the Company's Contingent Consideration consists of the following:

| | 2025 | 2024 |
|---|---|---|
| **Opening balance** | **2,175,693** | **2,225,997** |
| Payments | (478,636) | (877,693) |
| Foreign exchange | (890) | 66,366 |
| Loss on fair value adjustment | (1,095) | 761,023 |
| **Closing balance** | **1,695,072** | **2,175,693** |

The contingent consideration is associated with the acquisition of Operadora. It is related to a 1% NSR royalty due on all future production from the El Bagre and Nechi properties. The contingent consideration is the present value of discounted cash flows based on the expected amounts and timing of the NSR using an effective interest rate of 10%, average gold price of US$ 2,537 (December 31, 2024 - US$ 2,561), and average USD-CAD exchange rate of 1.35 (December 31, 2024 - 1.40). If all other variables remain constant, a 10%

(Expressed in Canadian Dollars, unless otherwise indicated)

change in the quantity of gold produced, the gold price or the exchange rate would change the contingent consideration by $170,000 (December 31, 2024 - $218,000).

The contingent consideration payments are variable, as they are subject to cumulative adjustments when the number of ounces to be delivered under the contracts change, when there is an increase in the Company's mineral reserve and resource estimates or when there are changes to the mine plans.

# 16. Cost of Sales

| | The three-month period ended | | The six-month period ended | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| Production costs | 12,118,059 | 13,223,724 | 24,656,774 | 24,601,359 |
| Depreciation | 5,226,703 | 3,797,770 | 10,757,442 | 7,411,337 |
| | **17,344,762** | **17,021,494** | **35,414,216** | **32,012,696** |

# 17. Other gains (losses)

| | **Notes** | The three-month period ended | | The six-month period ended | |
|---|---|---|---|---|---|
| | | **2025** | **2024** | **2025** | **2024** |
| Other income (losses) | | (79,664) | (30,075) | (29,557) | 753 |
| Losses on revaluation of deferred revenue and contingent consideration | 12, 15 | - | (341,370) | (15,014) | (278,014) |
| | | **(79,664)** | **(371,445)** | **(44,571)** | **(277,261)** |

# 18. Share capital

## Authorized

Unlimited common shares without par value.

## Transactions

The following transactions impacted the number of common shares outstanding for the six-month period ended June 30, 2025:

(i) The Company issued 1,190,000 common shares for proceeds of $290,050 related to exercising stock options.

(Expressed in Canadian Dollars, unless otherwise indicated)

(ii) The Company issued 16,668 common shares valued at $6,084 in relation to previously granted restricted share units.

The following transactions impacted the number of common shares outstanding for the year ended December 31, 2024:

(i) The Company issued 700,000 common shares of the Company for proceeds of $145,000 related to the exercise of stock options.
(ii) The Company issued 66,665 common shares valued at $24,334 in relation to previously granted restricted share units.

## Stock options

The Company has an incentive stock option plan (the "Option Plan") whereby the Company may grant stock options to eligible employees, officers, directors and consultants with the exercise price, expiry date, and vesting conditions determined by the Board of Directors. All stock options are equity settled. The Option Plan provides for the issuance of up to 10% of the Company's issued common shares as at the date of the grant.

The Company's stock options outstanding as of June 30, 2025, and December 31, 2024, and the changes during the six months ended June 30, 2025, are as follows:

| | **Number of options** | **Weighted Average Exercise Price** | **Weighted Average Remaining Contractual Life** |
|---|---|---|---|
| | # | $ | Years |
| **December 31, 2023** | **6,192,000** | **0.33** | **2.80** |
| Granted | 500,000 | 0.54 | 3.89 |
| Exercised | (700,000) | 0.21 | - |
| Cancelled | (500,000) | 0.32 | - |
| **December 31, 2024** | **5,492,000** | **0.36** | **2.15** |
| Granted | 1,625,000 | 0.57 | 4.37 |
| Exercised | (1,190,000) | 0.24 | - |
| **June 30, 2025** | **5,927,000** | **0.44** | **2.67** |

During the six-month period ended June 30, 2025, the Company granted 1,625,000 (2024 – 200,000) options with various vesting terms and 1,190,000 (2024 – 350,000) options were exercised.

The fair value of all options granted is estimated on the grant date using the Black-Scholes option pricing model. The assumptions used in calculating the fair values of options granted during the six-month period ended June 30, 2025, and the year ended December 31, 2024, were as follows:

(Expressed in Canadian Dollars, unless otherwise indicated)

| | **May 28 2025** | **Jan. 24 2025** | **Dec. 19 2024** | **Nov. 13 2024** | **Apr. 29 2024** |
|---|---|---|---|---|---|
| Risk-free rate | 2.85% | 2.98% | 3.12% | 3.14% | 3.81% |
| Expected life | 3 | 5 | 3 | 5 | 5 |
| Expected volatility | 94% | 92% | 92% | 92% | 97% |
| Forfeiture rate | Nil | Nil | Nil | Nil | Nil |
| Expected dividends | Nil | Nil | Nil | Nil | Nil |

The total share-based compensation expense related to the vesting of stock options for the three and six month periods ended June 30, 2025, was $47,360 (2024 - $83,800) and $587,432 (2024 - $83,800) respectively.

Stock options outstanding on June 30, 2025, were as follows:

| **Expiry Date** | **Exercise Price** $/share | **Options Outstanding** # | **Options Exercisable** # |
|---|---|---|---|
| October 6, 2025[(1)] | 0.32 | 250,000 | 250,000 |
| December 22, 2025 | 0.31 | 100,000 | 100,000 |
| May 28, 2026 | 0.32 | 300,000 | 300,000 |
| January 10, 2027 | 0.35 | 1,562,000 | 1,562,000 |
| December 16, 2027 | 0.30 | 540,000 | 540,000 |
| December 19, 2027 | 0.51 | 150,000 | 50,000 |
| March 27, 2028 | 0.46 | 800,000 | 800,000 |
| May 3, 2028 | 0.66 | 300,000 | 300,000 |
| May 28, 2028 | 1.07 | 200,000 | - |
| April 29, 2029 | 0.56 | 200,000 | 200,000 |
| November 13, 2029 | 0.55 | 100,000 | 100,000 |
| January 24, 2030 | 0.50 | 1,425,000 | 1,425,000 |
| | **0.45** | **5,927,000** | **5,627,000** |

[(1)] 250,000 options were exercised subsequent to the period ended June 30, 2025.

Stock options outstanding on December 31, 2024, were as follows:

| **Expiry Date** | **Exercise Price** $/share | **Options Outstanding** # | **Options Exercisable** # |
|---|---|---|---|
| July 3, 2025 | 0.19 | 750,000 | 750,000 |
| October 6, 2025 | 0.32 | 250,000 | 250,000 |
| December 22, 2025 | 0.31 | 350,000 | 350,000 |
| April 28, 2026 | 0.33 | 100,000 | 100,000 |
| May 28, 2026 | 0.32 | 340,000 | 340,000 |
| January 10, 2027 | 0.35 | 1,562,000 | 1,562,000 |
| December 16, 2027 | 0.30 | 540,000 | 540,000 |
| December 19, 2027 | 0.51 | 200,000 | 200,000 |
| March 27, 2028 | 0.46 | 800,000 | 550,000 |
| May 3, 2028 | 0.66 | 300,000 | 300,000 |
| April 29, 2029 | 0.56 | 200,000 | 200,000 |
| November 13, 2029 | 0.55 | 100,000 | 100,000 |
| | **0.36** | **5,492,000** | **5,242,000** |

(Expressed in Canadian Dollars, unless otherwise indicated)

## Restricted Share Units

Under the Option Plan, the Company may grant restricted share units ("RSUs") to its eligible employees, officers, directors and consultants. The Option Plan stipulates that a maximum of 400,000 RSUs can be issued. The awards have a graded vesting schedule over a three-year period and are equity-settled upon vesting. The associated compensation cost is recognized as a share-based compensation expense.

| | **Number of RSUs** | **Weighted Average Grant Date Fair Value** |
|---|---|---|
| | # | $/share |
| **December 31, 2023** | **66,665** | **0.51** |
| Granted | 75,000 | 0.56 |
| Settled | (66,665) | 0.55 |
| **December 31, 2024** | **75,000** | **0.54** |
| Granted | 105,000 | 0.51 |
| Settled | (16,668) | 0.37 |
| **June 30, 2025** | **163,332** | **0.54** |

The total share-based compensation expense related to the vesting of RSUs for the three and six month periods ended June 30, 2025, was $5,907 (2024 - $4,195) and $14,051 (2024 - $6,214), respectively.

The RSUs are awarded to executives and are measured at fair value, which is determined based on the quoted market price of the Company's common shares at the grant date. The fair value of the estimated number of RSUs that are expected to vest is recognized as share-based compensation expense over the vesting period of the RSUs with a corresponding amount recorded in contributed surplus until the respective shares are issued in settlement of the RSUs.

## Warrants

There were no warrants outstanding as at June 30, 2025, and December 31, 2024.

# 19. Financial Risk Management

## Financial risk management

The Company's activities expose it to a variety of risks including interest rate risk, credit risk, liquidity risk, foreign currency risk and price risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the officers of the Company and discussed with the Board of Directors. The officers of the Company are charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the expectations of the Board of Directors.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is subject to interest rate risk with respect to its cash and cash equivalents; however, the risk is minimal because of their short-term maturity. All of the Company's interest-bearing debt instruments have fixed interest rates and are not subject to interest rate cash flow risk.

(Expressed in Canadian Dollars, unless otherwise indicated)

## Credit risk

Credit risk is the risk of a loss if a customer or third party to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk arises from cash and cash equivalents and trade and other receivables. The Company mitigates this risk by placing its cash in large reputable financial institutions. The Company considers the credit risk related to cash to be minimal.

The largest component of the Company's trade and other receivables is related to income taxes or value-added taxes receivable due from countries in which the Company operates (principally Colombia). The Company considers the credit risk for these receivables to be low. The Company's trade receivables are related to doré delivered to MVPR. The Company uses a single gold buyer and receives payment for 75% of the delivery value on the business day following delivery, and the remaining 25% on the business day following the export of refined metal by the refinery. Given the single buyer and very short-term nature of the trade receivables the Company considers this credit risk to be low. There are also smaller amounts owing related to employee allowances receivable, and other receivables. The maximum exposure for these categories of receivables are their carrying amounts as disclosed in Note 4.

## Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company principally relies on its mining operations to generate the funds needed to meet budgeted operating requirements but also closely monitors their liquidity position and may choose to seek additional financing opportunities if warranted.

As of June 30, 2025, and December 31, 2024, the Company had:

| | 2025 | 2024 |
|---|---:|---:|
| Cash and cash equivalents | 3,817,154 | 7,840,109 |
| Working capital | 15,542,221 | 13,266,059 |

The Company's financial obligations consist of trade payables and accrued liabilities, equipment financing, lease obligations, a subordinated loan, decommission and restoration provision and contingent consideration. The maturity analysis of the financial obligations as of June 30, 2025, is as follows:

| | 1 year | 2-3 years | 4-5 years | More than 5 years | Total |
|---|---|---|---|---|---|
| Trade payables and accrued liabilities | 14,152,830 | - | - | - | 14,152,830 |
| Equipment financing – principal and interest | 1,508,665 | 538,597 | - | - | 2,047,262 |
| Lease obligations – principal and interest | 505,430 | 509,911 | 403,680 | - | 1,419,021 |
| Subordinated loan – principal and interest | - | - | - | 62,759,412 | 62,759,412 |
| Decommissioning and restoration provision | 290,838 | 1,476,802 | 617,487 | - | 2,385,127 |
| Contingent consideration | 414,456 | 1,545,050 | - | - | 1,959,506 |
| | **16,872,219** | **4,070,360** | **1,021,167** | **62,759,412** | **84,723,158** |

## Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in United States Dollars (USD) and Colombian Pesos (COP), which exposes the Company to fluctuating balances and cash flows due to various foreign exchange rates.

As of June 30, 2025, and December 31, 2024, the CAD equivalent carrying amounts of the Company's monetary assets and liabilities were as follows:

| | 2025 | 2024 |
|---|---|---|
| **USD-denominated**: | | |
| • Monetary assets | 8,556,671 | 11,299,696 |
| • Monetary liabilities | 2,026,524 | 3,558,552 |
| **COP-denominated:** | | |
| • Monetary assets | 14,664,146 | 12,306,310 |
| • Monetary liabilities | 14,711,267 | 15,261,494 |

The effect on earnings before taxes on June 30, 2025, of a 10% appreciation or depreciation in foreign currencies against the Canadian dollar on the Company's net financial instruments is estimated to be $649,400 (December 31, 2024 - $479,000). The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

## Fair values

The carrying value of cash and cash equivalents, trade and other receivables, and trade payables and accrued liabilities approximate their fair values due to the immediate or short-term nature of these instruments.

The fair value of the equipment financing, subordinated loan and contingent consideration for disclosure purposes is determined using discounted cash flows based on the expected amounts and timing of the cash flows discounted using a market rate of interest adjusted for appropriate credit risk. The fair value of the equipment financing and subordinated loan, for disclosure purposes, is determined using Level 2 inputs. The fair value of the contingent consideration is determined using Level 3 inputs.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The Company's financial assets and liabilities are classified based on the lowest level of input significant to the fair value measurement based on the fair value hierarchy below:

| | |
|---|---|
| Level 1: | Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. |
| Level 2: | Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). |
| Level 3: | Inputs for the asset or liability that are not based on observable market data. |

The following tables present the Company's financial assets and liabilities by level within the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value.

(Expressed in Canadian Dollars, unless otherwise indicated)

### As of June 30, 2025:

| | **Carrying value** | | **Fair value hierarchy** | | |
|---|---|---|---|---|---|
| | **FVTPL** | **Amortized costs** | **Level 1** | **Level 2** | **Level 3** |
| Financial liabilities | | | | | |
| Equipment Financing | - | 1,873,726 | - | - | - |
| Subordinated loan | - | 29,175,554 | - | - | - |
| Contingent consideration | 1,695,071 | - | - | - | 1,695,071 |
| | **1,695,071** | **31,049,280** | **-** | **-** | **1,695,071** |

### As of December 31, 2024:

| | **Carrying value** | | **Fair value hierarchy** | | |
|---|---|---|---|---|---|
| | **FVTPL** | **Amortized costs** | **Level 1** | **Level 2** | **Level 3** |
| Financial liabilities | | | | | |
| Equipment Financing | - | 3,187,199 | - | - | - |
| Subordinated loan | - | 30,454,720 | - | - | - |
| Contingent consideration | 2,175,693 | - | - | - | 2,175,693 |
| | **2,175,693** | **33,641,919** | **-** | **-** | **2,175,693** |

The fair value of level 3 contingent consideration is determined using a discounted cash flow model, taking into consideration assumptions including future gold prices, future foreign exchange rates and operating results from the Company's mines (Note 15).

## Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to bring its mineral properties to commercial production.

Historically, the Company depended largely on external financing to fund its activities but commenced commercial mining activities in 2020. The capital structure of the Company currently consists of equity attributable to shareholders of $21,734,913 (December 31, 2024 - $15,961,949) and a subordinated loan of $29,175,554 (December 31, 2024 - $30,454,720). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets, primarily mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or sell assets to fund operations. Management reviews its capital management approach on a regular basis, and there have been no changes to the Company's approach during the six-month period ended June 30, 2025. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars, unless otherwise indicated)

# 20. Segment Reporting

The Company's business segments presented reflect the management structure of the Company and the way in which the Company's chief decision maker reviews business performance. The business segments are summarized below.

The following tables present revenue and profit information for the Company's operating segments for the six month periods ended June 30, 2025 and 2024.

## For the six-month period ended June 30, 2025:

| | **Colombia** | **Brazil** | **Corporate and other** | **Total** |
|---|---|---|---|---|
| Revenue | 50,889,366 | - | - | **50,889,366** |
| Cost of sales | 35,414,216 | - | - | **35,414,216** |
| Income (loss) | 9,168,738 | (81,006) | (4,324,227) | **4,763,505** |

## For the six-month period ended June 30, 2024:

| | **Colombia** | **Brazil** | **Corporate and other** | **Total** |
|---|---|---|---|---|
| Revenue | 42,025,124 | - | - | **42,025,124** |
| Cost of sales | 32,012,696 | - | - | **32,012,696** |
| Income (loss) | 4,904,715 | (76,955) | (5,440,834) | **(613,074)** |

The following tables present assets and liabilities information for the Company's operating segments as at June 30, 2025, and December 31, 2024, respectively:

## As of June 30, 2025:

| | **Colombia** | **Brazil** | **Corporate and other** | **Total** |
|---|---|---|---|---|
| Total assets | 77,314,046 | 2,048,622 | 1,454,203 | **80,816,871** |
| Total liabilities | 23,901,892 | 3,045 | 35,177,021 | **59,081,958** |

## As of December 31, 2024:

| | **Colombia** | **Brazil** | **Corporate and other** | **Total** |
|---|---|---|---|---|
| Total assets | 76,601,203 | 1,891,560 | 753,787 | **79,246,550** |
| Total liabilities | 27,021,637 | 6,803 | 36,256,161 | **63,284,601** |

(Expressed in Canadian Dollars, unless otherwise indicated)

# 21. Earnings per share

The calculation of diluted earnings per share is based on income attributable to ordinary shareholders and the weighted average number of shares outstanding after adjustments for the effect of potentially dilutive shares. For the six-month periods ended June 30, 2025, and June 30, 2024, potential share issuances arising from the exercise of share options and settlement of RSUs were included in the calculation of diluted weighted average shares outstanding as well as their impact on income attributable to shareholders of the Company. Potentially dilutive shares associated with share options out of the money were not included in the diluted earnings per share calculation as their effect is anti-dilutive.

The following table summarizes the calculation of basic and diluted earnings per share for the three and six month periods ended June 30, 2025, and June 30, 2024:

| | | The three-month period ended | | The six-month periods ended | |
|---|---|---|---|---|---|
| | | **2025** | **2024** | **2025** | **2024** |
| **Income (loss) for the period** | **$** | **1,593,290** | **(442,675)** | **4,763,505** | **(613,074)** |
| Basic weighted average number of common shares outstanding | # | 92,437,058 | 91,599,585 | 92,279,757 | 91,474,036 |
| Share options | # | 3,477,400 | - | 3,362,278 | - |
| RSUs | # | 141,356 | - | 135,709 | - |
| Diluted weighted average number of common shares outstanding | # | 96,055,815 | 91,599,585 | 95,777,745 | 91,474,036 |
| **Earnings per common share** | | | | | |
| Basic | $/share | 0.02 | 0.00 | 0.05 | (0.01) |
| Diluted | $/share | 0.02 | 0.00 | 0.05 | (0.01) |

For the three-month period ended June 30, 2025, 300,000 (2024 - 6,042,000) options and 163,332 (2024 - 50,000) RSUs were excluded from the calculation as their effect was anti-dilutive. For the six-month period ended June 30, 2025, 3200,000 (2024 - 6,042,000) options and Nil (2024 - 50,000) RSUs were excluded from the calculation as their effect was anti-dilutive.

# 22. Provisions and Contingent Liabilities

Due to the nature of the Company's operations, it is subject to various investigations, claims, and legal and tax proceedings in the ordinary course of its business. Based on the opinion of the Company's legal advisors, management considers provisions for its outstanding and pending legal claims to be adequate.

Each of these matters is subject to various uncertainties and it is possible that some of these matters may resolve unfavorably to the Company. In the opinion of management, based upon the information currently available, none of these matters are expected to have a material adverse effect on the results of operations or financial conditions of the Company. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effect of these changes in its consolidated financial statements in the period in which such changes occur. As of June 30, 2025, the Company has recognized a provision related to certain matters of $1,118,000 (December 31, 2024 - $1,195,000).

## 23. Events after the reporting period

After June 30, 2025, the following events occurred:

- The Company issued 14,997,826 Units for gross proceeds of $17,247,500 in a private placement. Each Unit consisted of one common share of the Company ("Common Share") and one-half of one Common Share purchase warrant ("Warrant"). Each Warrant allows the holder to purchase one additional Common Share at an exercise price CAD $2.00 per Common Share for 36 months from the date of issuance. In connection with the offering, the Company paid $1,034, 850 in cash commissions and issued an additional 898,969 finders' warrants under the same terms.
- The Company converted $10,000,000 of outstanding subordinated loan debt into Units on the same terms as the private placement. This resulted in the issuance of 8,695,652 additional Units.
- 250,000 stock options were exercised.
- The Tucuma Gold Project option agreement was amended to allow Ero additional time to access one of the properties included in the agreement.

Management has evaluated these events in accordance with IAS 10 "Events after the Reporting Period" and concluded that they do not provide additional evidence of conditions existing as of June 30, 2025, therefore, no adjustments have been made to the amounts recognized in the consolidated financial statements and notes to the consolidated financial statements.