



Soma Gold Corp.

Consolidated Financial Statements

For the years ended December 31, 2025 and 2024



Independent auditor's report

To the Audit Committee of Soma Gold Corp.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Soma Gold Corp. and its subsidiaries (together, the Company) as at December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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 statement of financial position as at December 31, 2025;
- the consolidated statement of income (loss) and comprehensive income (loss) for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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.

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

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.

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.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of the mineral properties, plant and equipment of the El Limon Mill cash generating unit (CGU)</p> <p>Refer to Note 3 – Material Accounting Policies, Note 4 – Significant accounting judgements, estimates and assumptions and Note 11 – Mineral Properties, Plant and Equipment to the consolidated financial statements.</p> <p>As at December 31, 2025, the total net book value of mineral properties, plant and equipment of the El Limon Mill CGU was \$11.1 million.</p> <p>If there are indicators of impairment related to the mineral properties, plant and equipment, an evaluation is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. An asset's recoverable amount is determined as the higher of its fair value less costs of disposal and its value-in-use. An impairment loss exists if the asset's carrying amount exceeds the recoverable amount.</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none">• Tested how management determined the recoverable amount of the El Limon Mill CGU, which included the following:<ul style="list-style-type: none">– Assessed the appropriateness of the method used by management and tested the mathematical accuracy of the discounted cash flow model.– Tested underlying data used in the discounted cash flow model.– Evaluated the reasonableness of significant assumptions in the discounted cash flow model by:

Key audit matter

How our audit addressed the key audit matter

As at December 31, 2025, management identified an impairment indicator related to the El Limon Mill CGU associated with changes in the expected source and timing of mineral feed to the mill which may result in delays to achieve the planned utilization levels.

The recoverable amount of the El Limon Mill CGU was determined based on its value in use through a discounted cash flow model. Significant assumptions used in the discounted cash flow model included future production volumes and operating costs, forecasted commodity prices, the discount and foreign exchange rates, the recovery rate and the average grade contained within the processed mineral. Management's estimates of the average grade contained within the processed mineral and future production volumes, which are based on quantities of mineral reserves and resources, were compiled by geology and engineering experts (management's experts).

The determination of the recoverable amount is subject to risk, judgment and uncertainty.

Based on the impairment assessment conducted by management, no impairment charge was required as the recoverable amount exceeds the carrying amount of the El Limon Mill CGU.

We considered this a key audit matter due to the significant audit effort and subjectivity in performing procedures to test the significant assumptions used by management in determining the recoverable amount, which involved judgement by management. We were also assisted by professionals with specialized skill and knowledge in the field of valuation.

- using the work of management's experts in performing the procedures to evaluate the reasonableness of future production volumes, the quantities of mineral reserves and resources and the expected average grade. As a basis for using this work, the competence, capabilities and objectivity of management's experts was evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated. The procedures performed also included evaluation of the methods and assumptions used by management's experts, tests of the data used by management's experts and an evaluation of their findings;
- comparing operating costs and recovery rate to current and past performance of the Company;
- comparing forecasted commodity prices and exchange rates to market and industry data;
- assessing the reasonableness of the discount rate with the assistance of professionals with specialized skill and knowledge in the field of valuation; and
- assessing whether these significant assumptions were consistent with evidence obtained in other areas of the audit.

- Tested the disclosures made in the consolidated financial statements with regard to the impairment assessment of mineral properties, plant and equipment of the El Limon CGU.

Comparative information

The consolidated financial statements of the Company for the year ended December 31, 2024, excluding the reclassifications that were applied to revise certain comparative information as disclosed in note 28 to the

financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on April 30, 2025. As part of our audit of the consolidated financial statements for the year ended December 31, 2025, we also audited the reclassifications applied to certain comparative information presented. In our opinion, such reclassifications are appropriate and have been properly applied. Other than with respect to the reclassifications that were applied to revise certain comparative information, we were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the year ended December 31, 2024. Accordingly, we do not express an opinion or any other form of assurance on those consolidated financial statements taken as a whole.

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.

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.

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 Alejandra Glazebrook.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia

April 30, 2026

Soma Gold Corp.**Consolidated Statement of Financial Position****As at December 31, 2025 and 2024**

(Expressed in Canadian Dollars, unless otherwise indicated)

	Notes	2025	2024
ASSETS			
Current assets			
Cash		6,301,514	7,840,109
Short-term investments	9	1,668,732	-
Trade and other receivables	6	17,781,041	15,584,678
Income taxes receivables		4,765,994	374,679
Inventory	7	9,970,227	7,393,576
Prepays and deposits	8	1,502,880	1,122,154
Total current assets		41,990,388	32,315,196
Non-current assets			
Exploration and evaluation assets	10	20,306,329	9,736,562
Mineral properties, plant and equipment	11	42,431,394	37,194,792
TOTAL ASSETS		104,728,111	79,246,550
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	12, 17	19,505,050	11,609,424
Income taxes payable		-	3,183,871
Equipment financing – current portion	13	669,150	2,513,837
Lease obligation – current portion	14	467,930	371,897
Deferred revenue – current portion	15	2,300,139	1,370,108
Acquisition payable – current portion	16	684,604	-
Contingent consideration – current portion	19, 28	1,149,436	853,763
Total current liabilities		24,776,309	19,902,900
Non-current liabilities			
Deferred income tax liability		5,946,000	5,318,000
Equipment financing	13	184,688	673,362
Lease obligations	14	751,104	899,969
Deferred revenue	15	1,299,740	2,807,666
Acquisition payable	16	2,053,812	-
Subordinated loan	17	21,484,381	30,454,720
Decommissioning and restoration provision	18	2,236,399	1,906,054
Contingent consideration	19, 28	1,542,576	1,321,930
TOTAL LIABILITIES		60,275,009	63,284,601
SHAREHOLDERS EQUITY			
Share capital	22	80,983,496	54,722,533
Share reserves	22	7,554,017	6,609,025
Contributed surplus	22	7,710,130	7,710,130
Deficit		(54,709,616)	(51,774,742)
Accumulated other comprehensive income (loss)		2,915,075	(1,304,997)
TOTAL SHAREHOLDERS' EQUITY		44,453,102	15,961,949
TOTAL LIABILITIES AND EQUITY		104,728,111	79,246,550

Approved for issuance by the Board of Directors on April 27, 2026:

(signed)	“Geoffrey Hampson”	Geoffrey Hampson (Director)
(signed)	“Terry Krepiakovich”	Terry Krepiakovich (Director)

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

Soma Gold Corp.**Consolidated Statement of Income (Loss) and Comprehensive Income****For the years ended December 31, 2025 and 2024**

(Expressed in Canadian Dollars, except for shares)

	Notes	2025	2024
Revenue		87,251,514	89,367,574
Cost of Sales	20	(66,176,931)	(64,170,548)
Income from Mine Operations		21,074,583	25,197,026
Staffing and management costs		4,252,562	3,824,768
Other general and administration		2,001,716	2,323,547
Professional and consulting fees		1,386,411	1,162,818
Share-based compensation	22	871,101	140,233
Investor relations		686,537	425,992
Depreciation		139,647	102,129
Operating Income		11,736,609	17,217,539
Finance costs		(6,664,717)	(6,962,003)
Other losses	21	(3,624,808)	(662,583)
Foreign exchange gains (losses)		(364,958)	464,239
Income Before Tax		1,082,126	10,057,192
Current income tax expense	26	(3,389,000)	(7,544,000)
Deferred income tax expense	26	(628,000)	1,714,000
Net Income (Loss)		(2,934,874)	4,227,192
Other Comprehensive Income			
An item that may be reclassified to profit or loss:			
Foreign currency translation adjustment		4,220,072	(3,242,774)
Total Comprehensive Income		1,285,198	984,418
Net Income (Loss) per Common Share:			
Basic	25	(0.03)	0.05
Diluted	25	(0.03)	0.04
Weighted Average Number of Common Shares Outstanding:			
Basis	25	101,727,144	91,778,040
Diluted	25	101,727,144	94,288,264

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

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Consolidated Statement of Changes in Equity

For the years ended December 31, 2025, and 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, 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	22	700,000	213,500	(68,500)	-	-	-	145,000
Issuance of RSU shares	22	66,665	24,334	(24,334)	-	-	-	-
Share-based compensation	22	-	-	140,233	-	-	-	140,233
Gain on debt restructuring	17	-	-	-	538,688	-	-	538,688
Net Income		-	-	-	-	4,227,192	-	4,227,192
Other comprehensive loss		-	-	-	-	-	(3,242,774)	(3,242,774)
December 31, 2024		92,115,152	54,722,533	6,609,025	7,710,130	(51,774,742)	(1,304,997)	15,961,949
Issuance of common stock pursuant to debt settlement	17, 22	8,695,652	10,000,000	-	-	-	-	10,000,000
Issuance of common stock pursuant to private placement	22	14,997,826	17,247,500	-	-	-	-	17,247,500
Share issuance costs	22	-	(1,702,740)	315,544	-	-	-	(1,387,196)
Exercise of stock options	22	1,540,000	706,870	(306,320)	-	-	-	400,550
Issuance of RSU shares	22	16,668	9,333	(9,333)	-	-	-	-
Share-based compensation	22	-	-	871,101	-	-	-	871,101
Warrants issued for royalty repurchase	11, 22	-	-	74,000	-	-	-	74,000
Net loss		-	-	-	-	(2,934,874)	-	(2,934,874)
Other comprehensive income		-	-	-	-	-	4,220,072	4,220,072
December 31, 2025		117,365,298	80,983,496	7,554,017	7,710,130	(54,709,616)	2,915,075	44,453,102

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

Soma Gold Corp.**Consolidated Statement of Cash Flows****For the years ended December 31, 2025, and 2024**

(Expressed in Canadian Dollars, unless otherwise indicated)

	Notes	2025	2024
OPERATING ACTIVITIES			
Net income (loss)		(2,934,874)	4,227,192
Non-cash items:			
Finance costs		6,664,717	6,962,003
Depreciation	11	18,593,302	16,147,177
Other losses	21	3,624,808	662,583
Share-based compensation	22	871,101	140,233
Deferred income tax expense (recovery)	26	628,000	(1,714,000)
Unrealized foreign exchange losses (gains)		(1,631,906)	(464,239)
Working capital changes:			
Trade and other receivables		(414,340)	(4,189,554)
Income taxes changes		(3,559,402)	(58,028)
Inventory		(1,633,400)	794,282
Prepays deposits and advance payments		(256,292)	(168,281)
Trade payables and accrued liabilities		5,405,323	(1,345,317)
Deferred revenue	15, 28	(1,846,597)	(1,677,346)
Short-term investments	9	(1,668,732)	-
Income taxes paid		(3,965,693)	-
Net cash flows from operating activities		17,876,015	19,316,705
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation of assets	10	(5,469,441)	(1,230,440)
Expenditures on construction in progress	11	(6,397,967)	(1,031,625)
Expenditures on mineral properties, plant and equipment	11	(14,322,374)	(9,273,307)
Disposition of property, plant and equipment	11	40,980	-
Net cash flows used in investing activities		(26,148,802)	(11,535,372)
FINANCING ACTIVITIES			
Proceeds from private placement	22	17,247,500	-
Share issuance costs	22	(1,387,196)	-
Proceeds from exercise of stock options	22	400,550	145,000
Repayment of equipment financing	13	(2,550,676)	(2,845,648)
Lease payments	14	(669,431)	(385,810)
Contingent consideration payment	19	(811,023)	-
Repayment of the Subordinated loan	17	(5,000,000)	-
Interest paid		(1,009,227)	-
Proceeds from the promissory note		-	1,348,263
Repayment of the promissory note		-	(1,403,839)
Proceeds from loan		-	4,105,182
Net cash flows from financing activities		6,220,497	963,148
Net change in foreign currency exchange rates		513,695	(2,686,075)
Net change in cash and cash equivalents		(1,538,595)	6,058,406
Cash, beginning of year		7,840,109	1,781,703
Cash, end of year		6,301,514	7,840,109

Cash flow revision of prior year (Note 28)

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

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Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

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

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). 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 April 27, 2026.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries as of December 31, 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.

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.

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Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

The consolidated financial statements include:

Subsidiary's name	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
Four Points Mining S.A.S. ("FPM")	Colombia	100%	100%	Gold production, mineral exploration and development
Zara Holdings S.A.S. ("Zara")	Columbia	100%	100%	Gold production, mineral exploration and development
Operadora Minera S.A.S. ("Operadora")	Colombia	100%	100%	Gold production, mineral exploration and development
Comercializadora Internacional Jade S.A.S. ("Jade")	Colombia	100%	-	Gold purchasing and exporting
Summit Minerals S.A.S. ("Summit")	Colombia	100%	-	Gold production, mineral exploration and development
Soma Gold US Inc	United States	100%	100%	Administration

3. Material Accounting Policies

Foreign currencies

Items included in the financial statements of each of the subsidiaries of the Company are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). The Company's Functional Currency is the Canadian dollar ("CAD"). The Functional Currency of Angra is the Brazilian Real. The Functional Currency of CML and Soma Gold US Inc. is the US dollar ("USD"). The Functional Currency of FPM, Zara, Operadora, Jade and Summit is the Colombian Peso.

Effective January 1, 2025, the Company adopted the amendments to IAS 21, Lack of Exchangeability, which requires an entity to assess at each reporting date whether a foreign currency is exchangeable into another currency. A currency is considered exchangeable when an entity is able to obtain the other currency within a time frame that admits only a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If a currency is deemed not exchangeable, the Company estimates the spot exchange rate as the rate at which a normal exchange transaction would occur between market participants at the measurement date. The Company assesses that all currencies in which its entities operate are exchangeable into the Company's Functional Currency as of December 31, 2025. As such, the adoption of this amendment did not have a material or significant impact on the consolidated financial statements.

Transactions denominated in foreign currencies are translated into the Functional Currency of an entity as follows:

- Monetary assets and liabilities denominated in foreign currencies are translated at the Functional Currency rates of exchange at the reporting date;

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(Expressed in Canadian Dollars, unless otherwise indicated)

- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction and are not subsequently re-translated;
- Revenue and expenses are translated at the average exchange rate for the period or the exchange rate at the date of the transaction, if appropriate; and
- Exchange gains and losses on translation are included in earnings.

The presentation currency of the Company is the CAD. For any entities with functional currencies other than the CAD, foreign currency balances and transactions are translated into the presentation currency as follows:

- Assets and liabilities are translated at the rates of exchange at the reporting date;
- Revenue and expenses are translated at average exchange rates throughout the reporting period or at rates that approximate the actual exchange rates; and
- Exchange gains and losses are recognized in other comprehensive income or loss as cumulative translation differences.

On disposal of foreign operations, the cumulative translation differences recognized in equity are reclassified to profit or loss and recognized as part of the gain or loss on disposal.

Financial instruments

Financial assets – Classification

Financial assets are classified at initial recognition as either measured at amortized cost, fair value through profit and loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”). The classification depends on the Company’s business model for managing the financial assets and the contractual terms which give rise to the cash flows.

For assets measured at fair value, gains and losses will either be recorded in earnings or other comprehensive income (“OCI”). For investments in debt instruments, this will depend on the business model for which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Financial assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the statements of income (loss).

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Company’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortized cost – Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on

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(Expressed in Canadian Dollars, unless otherwise indicated)

a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in earnings when the asset is derecognized or impaired. Interest income from these financial assets is included in interest and finance income using the effective interest rate method.

- FVOCI – Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in earnings. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to earnings and recognized in other gains (losses). Interest income from these financial assets is included in interest and finance expenses using the effective interest rate method. Foreign exchange gains and losses are presented in foreign exchange gain (loss) and impairment expenses in other expenses.
- FVTPL – Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in earnings and presented net in the statements of income (loss) within other gains (losses) in the period in which it arises.

Financial assets – Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for a financial asset measured at amortized cost is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial asset measured at amortized cost, other than a trade receivable, has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to the 12-month expected credit losses. For trade receivables, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses.

For a financial asset that becomes credit-impaired, the Company measures the expected credit losses as the difference between the gross carrying amount of the financial asset and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognizes the amount of expected credit losses (or reversal) required to adjust the loss allowance at each reporting date to the required amount as an impairment loss (or gain) in net income or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash holdings in business and savings accounts held at major financial institutions with an original maturity date of three months or less. Cash and cash equivalents are classified at amortized cost.

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Trade and other receivables

The Company's trade receivables result from sales transactions in accordance with IFRS 15, Revenue from Contracts with Customers. The trade and other receivables are classified at amortized cost.

Short-term investments

The Company's short-term investments comprise Tax Refund Securities (TIDIS) issued by the Dirección de Impuestos y Aduanas Nacionales (DIAN) in Colombia. These instruments are initially recognized at fair value and subsequently measured at FVTPL as the Company intends to hold for sale on the secondary market to generate immediate liquidity.

Financial liabilities

Financial liabilities are measured at amortized cost unless they are required to be measured at FVPTL (such as instruments held for trading or derivatives) or the Company has opted to measure at FVPTL.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments, including the contingent consideration associated with the Company's purchase of Operadora (Note 19). Gains or losses on financial liabilities at FVTPL are recognized in profit or loss.

Loans, borrowings and payables

Trade payables and accrued liabilities, acquisition payables, equipment financing and the subordinated loan are recognized initially at fair value, net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are held at amortized cost using the effective interest method.

Financial liabilities are derecognized when the obligation specified in the underlying contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss. However, if a financial liability is settled or modified in a transaction with a shareholder acting in their capacity as a shareholder, any resulting gain or loss is recognized directly in equity. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of new liability. The difference in the respective carrying amounts is recognized in the statements of income (loss).

Derivatives

Derivative instruments, including embedded derivatives in financial liabilities or non-financial contracts, are recorded at FVTPL. Fair values for derivative instruments are determined using valuation techniques, with assumptions based on market conditions existing at the statement of financial position date or settlement date of the derivative.

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Impairment of non-financial assets

The carrying amounts of non-financial assets included in mineral properties, plant and equipment and exploration and evaluation assets are reviewed for indicators of impairment at the end of each reporting period. If there are indicators of impairment, an evaluation is undertaken to determine whether the carrying amounts are in excess of their recoverable amounts. An asset's recoverable amount is determined as the higher of its fair value less costs of disposal ("FVLCD") and its value-in-use. An impairment loss exists if the asset's carrying amount exceeds the recoverable amount and is recorded as an expense immediately.

Value in use is determined as the present value of the future cash flows expected to be derived from the continuing use of an asset or cash-generating unit in its present form. These 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 or cash-generating unit for which estimates of future cash flows have not been adjusted.

Fair value is the price that would be received from selling an asset in an orderly transaction between market participants at the measurement date. Costs of disposal are incremental costs directly attributable to the disposal of an asset. Estimated future cash flows are calculated using estimated future prices, mineral reserves and resources and operating and capital costs. All inputs used are those that an independent market participant would consider appropriate.

Tangible assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount, but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized into earnings immediately.

Income or loss per common share

Basic income or loss per common share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares issued and outstanding for the relevant year.

Diluted income or loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Revenue recognition

The Company produces doré which contains both gold and silver. The doré is further processed to produce refined metals. The Company's performance obligations relate primarily to the delivery of mine production in doré form to its customers.

Revenue is recognized when control is transferred to the customer in an amount that reflects the consideration the Company expects to receive in exchange for those products. In determining whether the Company has satisfied the performance obligation, it considers the indicators of the transfer of control, which include, but

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are not limited to, whether the Company has a present right of payment; the customer has legal title to the asset; the Company has transferred physical possession of the asset to the customer; and the customer has the significant risks and rewards of ownership of the products.

Under the Company's purchase and refining agreement (Note 15), the Company is required to deliver 100% of production directly to the customer's designated refinery for further processing. The delivery of doré to the refinery is cash-settled directly and is recorded based on the spot price on the date of delivery. The Company 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. The delivery value is 97.8% of the delivered gold, and 70.3% of the delivered silver multiplied by the respective spot prices of gold and silver. 2.2% of the delivered gold and 29.7% of the delivered silver are treatment and refining charges. Control over the gold and silver-bearing doré is transferred to the customer, and revenue is recognized upon the physical delivery of doré to the refinery. Revenue is recognized net of the treatment and refining charges on the statements of income (loss).

Revenue is based on estimated mineral content on date of delivery which is subject to adjustment upon final measurements based on weights and assays. Any adjustments in final gold and silver content are considered as new sales or taken into account in subsequent deliveries if less than originally stated.

Deferred revenue

The Company has entered into an offtake agreement, amended offtake agreement, and a purchase and refining agreement with a group of related companies, as further disclosed in Note 15. Significant judgment was required in assessing whether these agreements were linked, and whether the substance of these related agreements met "own use" criteria. In determining whether the agreements were linked, the Company considered whether they were entered into at the same time and in contemplation of each other, whether they had the same counterparty, and whether they relate to a similar risk. "Own use" applies to contracts that were entered into to be held for the purpose of the receipt or delivery of a commodity. "Own use" contracts must result in physical delivery of the commodity.

As these agreements involve a significant period between the receipt of cash and the delivery of the mineral products, a significant financing component has been identified. The deferred revenue balance is accreted at each reporting period using a discount rate that reflects the Company's credit characteristics at the inception of the contract. This accretion is recognized as finance costs in the consolidated statements of income (loss) and increases the carrying value of the deferred revenue liability.

Deferred revenue is unwound and recognized as revenue in the consolidated statements of income (loss) when control of the mineral products is transferred to the customer, which occurs when the mineral products are credited to the customer's account at the refinery. The amount of revenue recognized is based on the quantity of gold delivered to the refinery relative to the total commitment, including a proportional allocation of the capitalized financing component.

The Company assessed the appropriate accounting treatment and the carrying value of deferred revenue, treated as a commodity transaction, based on the terms of the agreements. The Company applied significant judgement on the discount rate, expected future production results and assumptions made regarding exercises of certain clauses of the agreement.

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Decommissioning and restoration provision

The Company has provisions for decommissioning and restoration costs which include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Decommissioning and restoration costs are a normal consequence of mining and a majority of decommissioning and restoration expenditures are expected to be incurred at the end of the life of mine. Decommissioning and restoration costs are estimated and discounted to their net present value and capitalized to the carrying amount of the related asset along with the recording of a corresponding liability as soon as the obligation to incur such costs arises. The discount rate used to calculate the net present value is a pre-tax rate that reflects risks specific to the liability.

Inventory

In-circuit and finished metal inventory (gold and silver) are valued at the lower of weighted average production cost and net realizable value. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and applicable depreciation of plant and equipment. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future production costs to convert the inventories into saleable form and estimated costs to sell.

Materials and supplies inventory is measured at the lower of cost and net realizable value. Costs include acquisition, freight and other directly attributable costs. Replacement costs of materials and spare parts are generally used as the best estimate of net realizable value.

Any write-downs of inventory to net realizable value are recorded within cost of sales in the statements of income (loss). If there is a subsequent increase in the value of inventory, the previous write-downs to net realizable value are reversed up to cost to the extent that the related inventory has not been sold.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring and maintaining licenses and costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are capitalized. Exploration and evaluation costs incurred before the Company has obtained the legal rights to explore an area are expensed.

Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property has been determined, expenditures are reclassified to mineral properties within mineral properties, plant and equipment. Subsequent exploration expenditures on the project are capitalized if such costs are expected to be recouped in full through successful development and exploitation of the property, or, alternatively, through the sale of the property.

Exploration and evaluation assets are tested for impairment immediately prior to reclassification to mineral properties.

Mineral properties

Mineral properties include the fair value attributable to mineral reserves and resources acquired in a business combination or asset acquisition, underground mine development costs and previously capitalized exploration

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and evaluation costs. Upon commencement of production, a mineral property is depleted using the unit-of-production method. Unit-of-production depletion rates are determined using gold ounces mined over the estimated mineral reserves and resources of the mine. Commercial production was declared for the Cordero mine on January 1, 2023.

Plant and equipment

Plant and equipment are stated at historical cost net of accumulated depreciation and impairment losses. The initial cost of an asset is comprised of its purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated future cost of dismantling and removing the asset. The purchase price or construction cost is the fair value of consideration given to acquire the asset.

Where an item of plant and equipment is comprised of major components with different useful lives, the components are accounted for as separate items of plant and equipment.

Costs incurred for major overhaul of existing equipment and sustaining capital are capitalized as plant and equipment and are subject to depreciation once they are available for use. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as repairs and maintenance.

The carrying amounts of plant and equipment are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned, or the estimated life of mine or lease, if shorter. Depreciation starts on the date when commissioning is complete, and the asset is ready for its intended use.

The major categories of plant and equipment are depreciated at the following useful lives:

Office equipment	4-5 years
Vehicles	5-7 years
Equipment and Machinery	2-10 years
Right-of-use Assets	Term of lease
Building and Infrastructure	4-20 years

Depreciation methods and estimated useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

Lease obligations and right-of-use assets

At inception, the Company reviews all contracts to determine if it is, or contains, a lease. The parameters of the lease are then reviewed and assessed for the application of IFRS 16 to each lease. All small value leases and/or leases for a term of less than 12 months are recorded as an expense on a straight-line basis over the lease term.

The Company recognizes the right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially recorded at cost based on the initial amount of the lease liability. The right-of-use asset is amortized on a straight-line basis over the life of the lease.

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The lease liability is initially measured at the present value of lease payments discounted at the interest rate implicit in the lease agreement or the Company's incremental borrowing rate if the implicit rate cannot be readily determined.

Share capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs include commissions, professional fees, and regulatory fees.

Stock options

Options granted to employees under the Company's equity settled share-based option plan are measured at fair value at the date of grant. Fair value is determined using the Black-Scholes option pricing model, which relies on estimates of the risk-free interest rate, expected share price volatility, future dividend payments, forfeiture rate and the expected average life of the options. The fair value determined at the grant date is recognized as an expense over the vesting period in accordance with the vesting terms and conditions (graded vesting method), with a corresponding increase in share reserves in equity.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Income and mining taxes

Income taxes include Canadian, Colombian, and Brazilian income taxes. The provision for income tax for the year comprises current and deferred income tax. Income tax is recognized in the statements of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively. Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted, at the end of the reporting year, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable earnings. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates at the end of the reporting year applicable to the year of expected realization. A deferred tax asset is recognized only to the extent that it is probable that future taxable earnings will be available against which the asset can be utilized.

Provisions and Contingent Liabilities

A provision is a liability of uncertain timing or amount. A liability is recognized as a provision when it is probable that an outflow of economic benefits will be required to settle the present obligation arising from a past event, and a reliable estimate of the obligation's amount can be made. A past event is deemed to give rise to a present

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obligation if, taking account of all available evidence, it is more likely than not (i.e. 51% or more) that a present obligation exists at the end of the reporting period.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Also, a contingent liability is a present obligation that arises from past events whose settlement involving an outflow of resources embodying economic benefits required to settle the obligation is not probable, or the amount of such obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed as contingent liabilities when their occurrence is probable.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Estimates and judgments are regularly evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and accounting estimates that the Company has made in the preparation of the financial statements including those that could result in a material effect in the next financial year on the carrying amounts of assets and liabilities:

Sources of estimation uncertainty

Impairment of mineral properties, plant and equipment

The Company considers both external and internal sources of information in assessing whether there are any indications that the Company's mineral properties, plant and equipment are impaired and whether previously recorded impairments should be reversed. External sources of information include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its mineral properties, plant and equipment. Internal sources of information include the manner in which mineral properties, plant and equipment are being used or are expected to be used and indications of economic performance of the assets. In determining the recoverable amounts of the Company's mineral properties, plant and equipment, management makes estimates of the future operating results and discounted net cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. Changes in estimated future production volumes and operating costs, forecasted commodity prices, discount and foreign exchange rates, the recovery rate and the average grade contained within the processed mineral, and/or changes in current economics, regulatory or legal requirements and comparable market transactions can result in a write-down or a reversal of a previous write-down of the carrying amounts of the Company's mineral properties, plant and equipment. The determination of the recoverable amount is subject to risk, judgement and uncertainty.

Changes in the mineable ore reserves and resources available may impact the carrying value of mineral properties, exploration and evaluation properties, plant and equipment, site closure and reclamation

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provision, changes in the recognition of deferred tax amounts, contingent consideration and deferred revenue balances, and changes in the recognition of depreciation and depletion.

Contingent consideration

Contingent consideration arises from the 1% net smelter returns royalty (“NSR”) royalty payment due on the acquisition of Operadora (Note 19). The contingent consideration was initially recognized at the date of acquisition as part of the consideration transferred, at the acquisition date fair value. The contingent consideration is remeasured to fair value at each reporting date with changes recognized in profit or loss. The fair value is determined using a discounted cash flow estimate which requires estimating the amount and timing of future gold production, future gold prices and an appropriate discount rate.

Decommissioning and restoration provision

Decommissioning and restoration provision (“DRP”) arise from the acquisition, development and construction of mining properties and plant and equipment due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. The major parts of the carrying amount of DRPs relate to rehabilitation, demolition of buildings and mine facilities, ongoing water treatment and ongoing care and maintenance of closed mines. The Company recognizes a DRP at the time the environmental disturbance occurs. This requires management to make estimates of future costs the Company will incur to comply with reclamation laws and regulations, the timing of those costs, rates of inflation and an appropriate discount rate.

Amortization of property, plant and equipment and depletion of mining interests

Amortization rates are determined based on the estimated useful lives of the assets and depletion rates on the estimated recoverable resources of the mineral property. If the asset life or recoverable resources estimates differ from the initial estimates the amortization or depletion rates, as applicable, would be adjusted on a prospective basis.

The Company estimates its mineral reserves and resources based on information compiled and reviewed by qualified persons as defined in accordance with NI 43-101 requirements. The estimation of mineral reserves and resources requires judgment to interpret available geological data, select an appropriate mining method and establish an extraction schedule. It also requires assumptions about future commodity prices, exchange rates, production costs and recovery rates. There are uncertainties inherent in estimating mineral reserves and resources and assumptions that are valid at the time of estimation which may change significantly when new information becomes available. New geological data as well as changes in the above assumptions may change the economic status of reserves and may, ultimately, result in the reserves being revised.

Key accounting policy judgments

Impairment and reversal of impairment of mineral properties, plant and equipment

The application of the Company’s accounting policy for impairment of mineral properties, plant and equipment requires judgment to determine whether indicators of impairment exist. The review of impairment indicators includes consideration of both external and internal sources of information, including factors such as market and economic conditions, metal prices and forecasts, capital expenditure requirements, future operating

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costs and production volumes. At December 31, 2025, an indicator of impairment was noted for the Company's El Limon Mill associated with changes in the expected source and timing of mineral feed – see Note 11.

Impairment of exploration and evaluation assets

The application of the Company's accounting policy for impairment of exploration and evaluation assets requires judgment to determine whether indicators of impairment exist including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and evaluation of the results of exploration and evaluation activities up to the reporting date.

Functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency involves certain judgements to determine the primary economic environment of an entity. The Company re-evaluates the functional currency of its entities when there is a change in events and conditions which previously determined the primary economic environment of an entity.

Deferred revenue

The Company assessed the appropriate accounting treatment and the carrying value of deferred revenue, which is a commodity transaction, based on the terms of the agreement. The Company applied significant judgement on the discount rate, expected future production results, forecast metal prices and assumptions made regarding exercises of certain clauses of the agreement. "Own use" applies to contracts that were entered into to be held for the purpose of the receipt or delivery of a commodity. "Own use" contracts must result in physical delivery of the commodity and cannot be settled net in cash or through offsetting contracts. The Company applied significant judgement in determining whether "own use" applies to its offtake agreement (Note 15).

5. New Accounting Standards and Recent Pronouncements

The following new accounting standards, amendments to accounting standards, and their interpretations were issued by the IASB but were not mandatory or effective as of the date of issuance of the Company's financial statements. The Company has not early adopted any standards, interpretations, or amendments that have been issued but are not yet effective.

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Amendments to the Classification and Measurement of Financial Instruments - IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures

In May 2024, the IASB issued narrow-scope amendments to IFRS 9 (Financial Instruments) and IFRS 7 (Financial Instruments: Disclosures) to respond to feedback from the 2022 Post-implementation Review of the Accounting Standard, clarify the set of requirements and respond to the questions arising in practice.

These new requirements:

- provide clarification on the date of recognition and derecognition of some financial assets and liabilities, including those with contingent features;
- provide clarification with additional guidance added for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- introduce an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs; and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments apply to annual reporting periods beginning on or after January 1, 2026, with early application permitted.

The Company is currently assessing the impact of the new standard on its consolidated financial statements presentation and disclosure.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 (Presentation and Disclosure in Financial Statements), which will replace IAS 1 (Presentation of Financial Statements) and introduce three sets of requirements aiming to achieve comparability of the financial performance of similar entities, adding transparency and providing more relevant information to financial statements users. These new requirements:

- Improve comparability between entities by introducing a defined structure for the statement of profit or loss composed of five categories (operating, investing, financing, income taxes and discontinued operations) and required subtotals.
- Provide enhanced guidance on grouping financial statement information based on their common characteristics across the financial statements and define which items are presented in the primary financial statements and what information is to be disclosed in the notes.
- Define presentation and disclosure requirements for totals, subtotals, and line items, specifying description requirements that faithfully represent the characteristics of the item, including, but not limited to, terms used and amounts aggregation methods.
- Implement new disclosure requirements for management-defined performance measures (MPM) or non-GAAP measures to enhance the interpretation of financial information,

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communicate management's view of financial performance, and provide insight into performance metrics.

- Define classification requirements of foreign exchange differences, derivatives and designated hedging instruments unless it involves undue costs of efforts.

IFRS 18 applies retrospectively to annual reporting periods beginning on or after January 1, 2027, with early application permitted and with a requirement to restate comparative information.

The Company is currently assessing the impact of the new standard on its consolidated financial statements presentation and disclosure.

6. Trade and Other Receivables

As of December 31, 2025 and 2024, the Company's receivables consist of the following:

	2025	2024
Trade receivables	4,842,780	4,186,195
Employee allowances	471,522	518,133
Value-added tax receivable	12,415,187	10,803,723
Other	51,552	76,627
	17,781,041	15,584,678

7. Inventory

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

	2025	2024
Materials and supplies	8,119,735	5,925,702
Gold in-circuit	1,850,492	1,467,874
	9,970,227	7,393,576

The amount of inventory recognized as an expense for the year ended December 31, 2025 was \$14,727,000 (2024 - \$14,844,000), and it is included as a production cost in the cost of sales (Note 20).

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8. Prepaids and Deposits

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

	2025	2024
Advances to suppliers	366,537	132,093
Prepaid insurance	585,091	509,224
Prepaid software	166,401	231,894
Other advances	384,851	248,943
	1,502,880	1,122,154

9. Short-term Investments

As of December 31, 2025, the Company's short-term investments comprise Tax Refund Securities (TIDIS) issued by the Dirección de Impuestos y Aduanas Nacionales (DIAN) in Colombia of \$1,668,732. These instruments are issued instead of cash for tax refund purposes in Colombia and are converted by the Company to cash within one to two weeks.

10. Exploration and Evaluation Assets

	Nechi	Zara	Otu Centro	Tucumã	El Limon	Escondida	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	447,872	1,161,202	2,663,779	11,764	782,683	4,039,090	9,106,390
Foreign exchange	29,681	358,570	641,097	141,414	65,023	227,592	1,463,377
December 31, 2025	1,173,288	4,086,451	7,543,203	2,205,065	1,031,640	4,266,682	20,306,329

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.

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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 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\$3,000,000 in cash or common shares 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.

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.

Soma Gold Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars, unless otherwise indicated)

Escondida Project

During the year ended December 31, 2025, the Company acquired 100% of the rights to the Concession Mining Contract No. KB5-15371 (the "La Escondida Mine") located in Cáceres, Antioquia, Colombia. The acquisition includes all associated mining assets, permits and equipment and it is accounted for as an asset acquisition.

The total purchase price for the acquisition is US \$3,000,000, structured as follows:

- (i) First Installment: US \$1,000,000 total, payable in two tranches of US \$500,000 on the First Closing Date and Second Closing Date (completed);
- (ii) Second Installment: US \$500,000 due on the first anniversary of the First Closing Date;
- (iii) Third Installment: US \$500,000 due on the second anniversary of the First Closing Date; and
- (iv) Fourth Installment: US \$1,000,000 due on the third anniversary of the First Closing Date.

Outstanding installments for the purchase price are included within acquisition payables on the consolidated statement of financial position.

The Company is obligated to pay 5% per annum simple interest on the Second, Third, and Fourth installments, accruing from the Closing Date until the day prior to each respective payment. Additionally, a 0.5% Net Smelter Royalty (NSR) was granted to the Seller. The Company maintains an exclusive option to purchase this NSR at any time for a cash consideration of US \$750,000.

Soma Gold Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024**

(Expressed in Canadian Dollars, unless otherwise indicated)

11. 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	11,847,624	82,544	2,724,226	302,311	-	481,346	5,469,441	20,907,492
Disposals	-	-	(40,980)	-	-	-	-	(40,980)
Transfers	-	647,223	(162,824)	-	162,824	-	(647,223)	-
Foreign exchange	4,973,419	615,850	896,655	22,672	316,706	220,939	18,057	7,064,298
December 31, 2025	61,244,099	7,683,717	20,835,580	492,071	3,350,147	2,569,981	4,865,474	101,041,069

Soma Gold Corp.

Notes to the Consolidated Financial Statements

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(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	12,293,428	2,539,517	2,556,019	112,139	398,390	694,055	-	18,593,548
Foreign exchange	2,946,290	399,817	521,709	11,727	127,768	93,349	-	4,100,660
December 31, 2025	40,311,073	5,472,723	9,546,249	265,311	1,570,135	1,444,184	-	58,609,675

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
December 31, 2025	20,933,026	2,210,994	11,289,331	226,760	1,780,012	1,125,797	4,865,474	42,431,394

Soma Gold Corp.

Notes to the Consolidated Financial Statements

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(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 10) and Mill in Antioquia, Colombia. The El Limon Mill has been on care and maintenance but is being refurbished to restart operations.

As at December 31, 2025, an indicator of impairment was noted for the El Limon Mill CGU associated with changes in the expected source and timing of mineral feed to the mill which may result in delays to achieve planned utilization levels. As a result of an indicator of impairment being noted, the recoverable amount of the CGU was estimated. The estimated recoverable amount of the CGU exceeded its carrying value of \$11.1 million and no impairment charge was recorded in the year.

The estimated recoverable amount of the CGU was determined based on its value in use through a discounted cash flows model. Significant assumptions used in the discounted cash flow model included future production volumes and operating costs, forecasted commodity prices, the discount and foreign exchange rates, the recovery rate and the average grade contained within the processed mineral. These were determined based on a combination of market and industry data, reserve and resource estimates, and historical data from internal and external sources. Management’s estimates of the average grade contained within the processed mineral and future production volumes, which are based on quantities of mineral reserves and resources, were compiled by geology and engineering experts. The discount rate used was 14.7%.

The project had been 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 would have decreased to 0.5% up to a maximum of US\$1,000,000. In September 2025, Soma repurchased the royalty for \$1.9 million in cash and the issuance of 200,000 common share purchase warrants exercisable at \$2.00 per share for a period of three years (valued at \$74,000).

12. Trade Payables and Accrued Liabilities

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

	2025	2024
Trade accounts payables	13,175,722	7,133,008
Employee benefits liabilities	2,792,818	2,179,632
Accrued liabilities	1,384,436	769,271
Salaries and wages payable	491,922	460,060
Withholdings payable	1,660,152	1,067,453
	19,505,050	11,609,424

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Notes to the Consolidated Financial Statements

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13. Equipment Financing

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

	2025	2024
Opening balance	3,187,199	4,464,563
Increase in equipment financing	272,124	863,048
Interest	211,114	360,534
Repayments	(2,761,790)	(2,845,648)
Foreign exchange	(54,809)	344,702
Closing balance	853,838	3,187,199
Less: current portion	(669,150)	(2,513,837)
Non-current portion	184,688	673,362

The Company has entered into multiple financing arrangements with Sandvik Financial Services S.A., Komatsu Colombia S.A.S and Impoxfast 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 \$6,796,535 as of December 31, 2025 (2024 - \$6,389,642). The financed equipment is included in the equipment & machinery and vehicles categories of mineral properties, plant and equipment (Note 11).

14. Lease Obligations

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

	2025	2024
Opening balance	1,271,866	652,952
Disposals	-	(241,098)
Additions	476,186	1,138,310
Adjustments	-	36,280
Interest	117,902	67,502
Lease payments	(787,333)	(385,810)
Foreign exchange	140,413	3,730
Closing balance	1,219,034	1,271,866
Less: current portion	(467,930)	(371,897)
Non-current portion	751,104	899,969

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

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15. Deferred Revenue

As of December 31, 2025 and 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	968,102	893,397
Gold deliveries	(1,846,597)	(1,677,346)
Revaluation	(8,931)	(254,393)
Foreign exchange	309,531	(245,925)
Closing balance	3,599,879	4,177,774
Less: current portion	(2,300,139)	(1,370,108)
Non-current portion	1,299,740	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.

The Company completed Tranches 1 and 2 of the Offtake Agreement in January 2023 requiring a 12% NSR in the first 24,500 gold ounces delivered and a 6% NSR on the next 22,000 gold ounces delivered, respectively. Tranche 3 - a 1% NSR until the end of production 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 US\$3 million from Goldlogic and is obligated to deliver a monthly 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. The Company settles the respective liability with deliveries of gold from its own production, and therefore, the "own use" exemption has been met. The Company also facilitates payments between parties of the arrangement. The payments are made after the delivery under the contractual provisions has occurred and do not change the substance of the arrangement.

The outstanding deliveries under the original Offtake Agreement as a percentage of the total deliveries expected under the arrangement are subject to estimation uncertainty. Cumulative revenue recognized to date is subject to 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 year ended December 31, 2025, the Company delivered 17,461 (2024 - 27,383) ounces of gold respectively under the Offtake Agreement. The delivery of the gold for the year ended December 31, 2025, resulted in a decrease in deferred revenue of \$1,846,597 (2024 - \$1,677,346), respectively.

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

16. Acquisition Payable

As of December 31, 2025 and 2024, the Company's acquisition payable consists of short-term payable of \$684,604 (2024 - \$Nil) and long-term payable of \$2,053,512 (2024 - \$Nil) related to the acquisition of the Escondida Project (Note 10).

17. Related Parties Transactions

For the year ended December 31, 2025 and 2024, the Company paid or accrued remunerations to its directors and officers as follows:

	2025	2024
Staffing and management costs	1,206,935	1,232,472
Share-based compensation	521,120	54,275

All amounts due to related parties are unsecured, non-interest-bearing, and have no specific repayment terms unless otherwise stated.

During the year ended December 31, 2025 and 2024, the Company paid the following expenditures to a Company controlled by a director:

	2025	2024
Office rent	25,200	56,800
Consulting fees	119,232	306,851

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"). On September 1, 2024, the Subordinated Loan Agreement was amended to make the entire principal amount of the Subordinated Loan, together with any unpaid interest, repayable only on the maturity date, July 31, 2030.

During the year ended December 31, 2025, \$245,672 (2024 - \$773,266) of accretion and \$3,729,170 (2024 - \$4,040,294) of interest were expensed as finance costs in the statements of profit related to the Subordinated Loan. During the year ended December 31, 2025, cash payments totaling \$5,000,000 were made against the loan (2024 - \$Nil). An additional \$10,000,000 repayment was made through the issuance of 8,695,562 Units under the same terms as the Company's private placement. Each Unit was valued at \$1.15 and consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of \$2.00 for a period of 36 months.

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The outstanding face value of the Amended Loan, including accrued interest, as of December 31, 2025, was \$24,540,815 (2024 - \$35,811,645).

	2025	2024
Opening balance	30,454,720	26,179,848
Interest and accretion	3,974,842	4,813,560
Repayment in cash	(5,000,000)	-
Repayment through issuance of common shares	(10,000,000)	-
Loss on partial debt extinguishment	2,054,819	-
Gain on debt restructuring	-	(538,688)
Closing balance	21,484,381	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 December 31, 2025 and 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 December 31, 2025, there is \$15,374 (2024 - \$39,787) in trade payables and accrued liabilities owed to executives and directors of the Company.

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

18. Decommissioning and Restoration Provision

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

	2025	2024
Opening balance	1,906,054	1,876,693
Changes in estimated costs	435,707	123,362
Changes in economic assumptions	(508,883)	(156,022)
Accretion on provision	183,934	176,996
Foreign exchange	219,587	(114,975)
Closing balance	2,236,399	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.

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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 3.3% to 6.3% (2024 - 2.96% to 6.72%) and a discount rate of 13.0% to 13.1% (2024 - 9.65%) in calculating the provision. As of December 31, 2025, the liability for retirement and remediation on an undiscounted basis before fair value adjustment is \$3,175,512 (2024 - \$2,342,181).

Approximately 15% of the provision is anticipated to be utilized in 2026 with the reclamation of the previous tailings pond facility. The remainder is expected to be incurred in the years 2031-2033 following the closure of the Cordero mine.

19. Contingent Consideration

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

	2025	2024
Opening balance	2,175,693	2,225,997
Payments	(811,023)	(877,693)
Foreign exchange	(186,014)	66,366
Loss on fair value adjustment	1,513,356	761,023
Closing balance	2,692,012	2,175,693
Less: current portion (Note 28)	(1,149,436)	(853,763)
Non-current portion	1,542,576	1,321,930

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\$ 4,598 (2024 - US\$ 2,561), and average USD-CAD exchange rate of 1.36 (December 31, 2024 - 1.40). If all other variables remain constant, a 10% change in the quantity of gold produced, the gold price or the exchange rate would change the contingent consideration by \$269,000 (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.

20. Cost of Sales

	2025	2024
Production costs	47,723,276	48,125,500
Depreciation	18,453,655	16,045,048
	66,176,931	64,170,548

Soma Gold Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian Dollars, unless otherwise indicated)

21. Other Losses

	Notes	2025	2024
Other losses		(65,564)	(155,953)
Loss from debt extinguishment	17	(2,054,819)	-
Losses on revaluation of deferred revenue and contingent consideration	15, 19	(1,504,425)	(506,630)
		(3,624,808)	(662,583)

22. Share Capital

Authorized

Unlimited common shares without par value.

Transactions

The following transactions impacted the number of common shares outstanding for the year ended December 31, 2025:

- (i) The Company completed a non-brokered private placement under the Listed Issuer Financing Exemption contained in NI 45-106. A total of 14,997,826 units (the “Units”) were sold at a price \$1.15 for aggregate gross proceeds of \$17,247,500. Each Unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share at an exercise price of \$2.00 for a period of 36 months from the date of issuance. The warrants are subject to an accelerated exercise provision that stipulates that if the shares of the Company trade above \$3.00 for a period of 30 days, the warrants will expire 30 days after such date, unless exercised. In addition, 898,968 finders’ warrants with the same terms were issued in connection with the private placement.
- (ii) The Company issued an additional 8,695,652 Units on the same terms as the private placement in settlement of a \$10,000,000 subordinate loan repayment (Note 17).
- (iii) The Company issued 1,540,000 common shares for proceeds of \$400,550 related to exercising stock options.
- (iv) The Company issued 16,668 common shares valued at \$9,333 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.

Soma Gold Corp.

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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 December 31, 2025 and 2024, and the changes during the year ended December 31, 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	2,075,000	0.79	3.38
Exercised	(1,540,000)	0.26	-
December 31, 2025	6,027,000	0.54	2.22

During the year ended December 31, 2025, the Company granted 2,075,000 (2024 - 500,000) options with various vesting terms ranging from immediate vesting to graded vesting over a period of three years and 1,540,000 (2024 - 700,000) 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 year ended December 31, 2025 and 2024, were as follows:

	Dec. 12 2025	Nov. 28 2025	Aug. 27 2025	May 28 2025	Jan. 24 2025	Dec. 19 2024	Nov. 13 2024	Apr. 29 2024
Risk-free rate	3.01%	2.72%	2.70%	2.64%	2.98%	3.12%	3.14%	3.81%
Expected life	5	5	3	3	5	3	5	5
Expected volatility	64%	65%	61%	61%	92%	92%	92%	97%
Forfeiture rate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The total share-based compensation expense related to the vesting of stock options for the year ended December 31, 2025 was \$793,982 (2024 - \$125,392), respectively.

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Stock options outstanding on December 31, 2025, were as follows:

Expiry Date	Exercise Price	Options Outstanding	Options Exercisable
	\$/share	#	#
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 ⁽¹⁾	0.51	150,000	150,000
March 27, 2028 ⁽²⁾	0.46	800,000	800,000
May 3, 2028 ⁽³⁾	0.66	300,000	300,000
May 28, 2028	1.07	200,000	100,000
August 27, 2028	1.43	100,000	25,000
April 29, 2029	0.56	200,000	200,000
November 13, 2029	0.55	100,000	100,000
January 24, 2030 ⁽⁴⁾	0.50	1,425,000	1,425,000
November 28, 2030	1.61	250,000	83,333
December 12, 2030	1.71	100,000	100,000
	0.54	6,027,000	5,685,333

⁽¹⁾ 50,000 options were exercised subsequent to the year ended December 31, 2025

⁽²⁾ 100,000 options were exercised subsequent to the year ended December 31, 2025

⁽³⁾ 300,000 options were exercised subsequent to the year ended December 31, 2025

⁽⁴⁾ 200,000 options were exercised subsequent to the year ended December 31, 2025

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

Expiry Date	Exercise Price	Options Outstanding	Options Exercisable
	\$/share	#	#
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

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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)	0.78
December 31, 2025	163,332	1.55

The total share-based compensation expense related to the vesting of RSUs for the year ended December 31, 2025 was \$77,119 (2024 - \$14,841), 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

The Company’s warrants outstanding as at December 31, 2025 and 2024 and the changes during the year ended December 31, 2025 are as follows:

	Number of warrants	Exercise Price
	#	\$/share
December 31, 2023 and 2024	-	-
Granted	12,945,707	2.00
December 31, 2025	12,945,707	2.00

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Warrants outstanding on December 31, 2025, were as follows:

Expiry Date	Exercise Price	Warrants Outstanding
	\$/share	#
August 15, 2028	2.00	4,347,826
August 18, 2028 ⁽¹⁾	2.00	7,553,256
August 20, 2028	2.00	844,625
September 12, 2028	2.00	200,000
	2.00	12,945,707

⁽¹⁾ 81,277 warrants were exercised subsequent to the year ended December 31, 2025

23. 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; 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.

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 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 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 6.

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

Soma Gold Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024**

(Expressed in Canadian Dollars, unless otherwise indicated)

requirements and also closely monitors their liquidity position and may choose to seek additional financing opportunities if warranted.

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

	2025	2024
Cash	6,301,514	7,840,109
Working capital	17,214,079	13,266,059

The Company's financial obligations consist of trade payables and accrued liabilities equipment financing, lease obligations, acquisition payable, a subordinated loan and contingent consideration. The maturity analysis of the financial obligations as of December 31, 2025, is as follows:

	1 year	2-3 years	4-5 years	More than 5 years	Total
Trade payables and accrued liabilities	19,505,050	-	-	-	19,505,050
Equipment financing – principal and interest	714,545	192,582	-	-	907,127
Lease obligations – principal and interest	546,812	558,416	302,476	-	1,407,704
Acquisition payable	684,604	2,053,812	-	-	2,738,416
Subordinated loan – principal and interest	-	-	42,192,776	-	42,192,776
Contingent consideration	1,205,539	1,839,761	-	-	3,045,300
	22,656,550	4,644,571	42,495,252	-	69,796,373

The maturity analysis of the financial obligations as of December 31, 2024, is as follows:

	1 year	2-3 years	4-5 years	More than 5 years	Total
Trade payables and accrued liabilities	11,609,424	-	-	-	11,609,424
Equipment financing – principal and interest	2,694,178	730,811	-	-	3,424,989
Lease obligations – principal and interest	468,862	540,228	500,730	20,864	1,530,684
Subordinated loan – principal and interest	-	-	-	69,298,254	69,298,254
Contingent consideration	853,763	735,821	586,109	-	2,175,693
	15,626,227	2,006,860	1,086,839	69,319,118	88,039,044

Soma Gold Corp.

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

	2025	2024
USD-denominated:		
• Monetary assets	6,267,866	11,299,696
• Monetary liabilities	895,136	3,558,552
COP-denominated:		
• Monetary assets	20,365,471	12,306,310
• Monetary liabilities	19,615,116	15,261,494

The effect on earnings before taxes on December 31, 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 \$614,000 (2024 - \$479,000). The Company does not use derivative instruments to hedge exposure to foreign exchange rate risk.

Price risk

The Company is exposed to price risk with respect to the price of gold as the Company earns its revenue from the sale of gold at market prices.

Fair values

The carrying value of cash, short-term investments, 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, acquisition payable and subordinated loan 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, subordinated loan and contingent consideration, for disclosure purposes, 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.

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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.

As of December 31, 2025:

	Carrying value		Fair value hierarchy		
	FVTPL	Amortized costs	Level 1	Level 2	Level 3
Financial liabilities					
Contingent consideration	2,692,012	-	-	-	2,692,012

As of December 31, 2024:

	Carrying value		Fair value hierarchy		
	FVTPL	Amortized costs	Level 1	Level 2	Level 3
Financial liabilities					
Contingent consideration	2,175,693	-	-	-	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 19). As at December 31, 2025, the fair value of the subordinated loan is \$20,363,856 (2024 - 30,264,308).

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 Company also recently completed a private placement and raised gross proceeds of \$17,247,500 (Note 22). The capital structure of the Company currently consists of equity attributable to shareholders of \$42,935,102 (2024 - \$15,961,949) and a subordinated loan of \$21,484,381

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(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 year ended December 31, 2025. The Company is not subject to externally imposed capital requirements.

24. 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 reportable segments for the year ended December 31, 2025 and 2024:

For the year ended December 31, 2025:

	Colombia	Brazil	Total Segments	Corporate and other	Total
Revenue	87,251,514	-	87,251,514	-	87,251,514
Cost of sales	66,176,931	-	66,176,931	-	66,176,931
Depreciation	18,453,655	-	18,453,655	139,647	18,593,302
Income (loss)	10,309,455	(159,194)	10,150,261	(13,085,135)	(2,934,874)

For the year ended December 31, 2024:

	Colombia	Brazil	Total Segments	Corporate and other	Total
Revenue	89,367,574	-	89,367,574	-	89,367,574
Cost of sales	64,170,548	-	64,170,548	-	64,170,548
Depreciation	16,045,048	-	16,045,048	102,129	16,147,177
Income (loss)	13,578,201	(156,934)	13,421,267	(9,194,075)	4,227,192

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

As of December 31, 2025:

	Colombia	Brazil	Total Segments	Corporate and other	Total
Total assets	96,938,717	2,050,220	98,988,937	5,739,174	104,728,111
Total liabilities	31,394,459	708	31,395,167	28,879,842	60,275,009

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As of December 31, 2024:

	Colombia	Brazil	Total Segments	Corporate and other	Total
Total assets	76,601,203	1,891,560	78,492,763	753,787	79,246,550
Total liabilities	27,021,637	6,803	27,028,440	36,256,161	63,284,601

During the year ended December 31, 2025 and 2024, the Company had one significant customer accounting for 99% of its revenue. The Company does not consider itself to be economically dependent on this customer as transactions with this party could be replaced by transactions with other parties on similar terms and conditions.

25. 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 year ended December 31, 2025, and 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 year ended December 31, 2025, and 2024:

		2025	2024
Income (loss) for the year	\$	(2,934,874)	4,227,192
Basic weighted average number of common shares outstanding	#	101,727,144	91,778,040
Share options	#	-	2,476,617
RSUs	#	-	33,607
Diluted weighted average number of common shares outstanding	#	101,727,144	94,288,264
Earnings per common share			
Basic	\$/share	(0.03)	0.05
Diluted	\$/share	(0.03)	0.04

For the year ended December 31, 2025, Nil (2024 - 600,000) options and Nil (2024 - Nil) RSUs were excluded from the calculation as their effect was anti-dilutive.

Soma Gold Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024**

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26. Income Taxes

The income taxes recognized in the statements of income (loss) are as follows:

	2025	2024
Current tax expense	3,389,000	7,544,000
Deferred tax expense (recovery)	628,000	(1,714,000)
Total income tax expense	4,017,000	5,830,000

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian federal and provincial tax rates to the loss before tax due to the following:

	2025	2024
Income for the year before income taxes	1,082,126	10,057,192
Statutory tax rate	27%	27%
Income tax expense computed at statutory rates	292,000	2,715,000
Impact of share issue costs	(375,000)	-
Permanent items and other	1,304,000	(2,090,000)
Impact of tax rates in foreign jurisdictions	520,000	1,267,000
Change in unrecognized deferred tax assets	779,000	351,000
Adjustment to prior year tax estimated	544,000	1,198,000
Impact of foreign exchange, withholding taxes and others	953,000	2,389,000
Total income tax expense	4,017,000	5,830,000

The approximate tax effect of each item that gives rise to the Company's recognized deferred tax assets and liabilities as of December 31, 2025 and 2024 are as follows:

	2025	2024
Deferred income tax assets		
Non-capital losses	3,730,000	2,237,000
Other	1,162,000	1,484,000
	4,892,000	3,721,000
Deferred income tax liabilities		
Exploration and evaluation of assets	(3,115,000)	(1,718,000)
Mineral properties and plant and equipment	(7,306,000)	(6,645,000)
Notes payable	(417,000)	(676,000)
	(10,838,000)	(9,039,000)
Net deferred income tax liability	(5,946,000)	(5,318,000)

The Company's movement of net deferred tax liabilities is described below:

	2025	2024
Opening balance	(5,318,000)	(7,032,000)
Deferred income tax (expense) recovery through income statement	(628,000)	1,714,000
Closing balance	(5,946,000)	(5,318,000)

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The Company has the following deductible temporary differences for which no deferred tax assets have been recognized:

	Expiry Dates	2025	2024
Non-capital losses	2028 - 2045	40,780,000	40,853,000
Capital losses	No expiry	9,987,000	9,987,000
Financing fees	2046 - 2049	1,110,000	-
Other	No expiry	1,182,000	1,576,000
		53,059,000	52,416,000

The significant components of the non-capital and capital losses include:

- On December 31, 2025, the Company had non-capital loss carryforwards in Canada aggregating \$35,642,000 (2024 - \$36,310,000), which expire over the period between 2028 and 2045, available to offset future taxable income in Canada.
- The Company has a capital loss carry-forward in Canada of \$9,987,000 (2024 - \$9,987,000), which is available only to offset future capital gains for Canadian tax purposes and may be carried forward indefinitely.
- As of December 31, 2025, the Company had non-capital loss carryforwards in Colombia totaling \$12,479,000 (2024 - \$7,583,000), which do not expire and are available to offset future taxable income in Colombia.
- As of December 31, 2025, the Company had non-capital loss carryforwards in the United States of America aggregating \$2,677,000 (2024 - \$3,180,000), which do not expire and are available to offset future taxable income in the United States of America.
- As of December 31, 2025, the Company had non-capital loss carryforwards in Brazil aggregating \$969,000 (2024 - \$754,000), which do not expire and are available to offset future taxable income in the United States of America.

Tax attributes are subject to review and potential adjustment by the competent authority.

27. 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 December 31, 2025, the Company has recognized a provision related to certain matters of \$1,131,000 (2024 - \$1,195,000).

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Notes to the Consolidated Financial Statements

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28. Comparative Figures

The comparative figures in the consolidated statement of cash flows for the comparative period have been revised to present \$1,846,597 of cash inflows related to deferred revenue amounts from financing activities to operating activities to align with the nature of these cashflows.

The comparative figures in the consolidated statement of financial position have been revised to reclassify contingent consideration of \$853,763 from non-current liabilities to current liabilities to align with the expected settlement of the obligation.

29. Events after Reporting Period

Subsequent to the year ended December 31, 2025, the following event occurred:

- 650,000 options were exercised for proceeds of \$299,000
- 81,277 warrants were exercised for proceeds of \$162,554
- Granted 1,118,334 options to directors, employees and consultants
- Granted 159,910 RSUs to employees and consultants and 76,756 DSUs to directors