Soma Gold Corp.

Interim Condensed Consolidated Financial Statements (Unaudited)

For the three and six months ended June 30, 2026 and 2025

Soma Gold Corp.

Interim Condensed Consolidated Statement of Financial Position (Unaudited)

As at June 30, 2026 and December 31, 2025

(Expressed in Canadian Dollars, unless otherwise indicated)

	Notes	2026	2025
ASSETS			
Current assets			
Cash		7,328,162	6,301,514
Short-term investments		-	1,668,732
Trade and other receivables	4	19,849,004	17,781,041
Income taxes receivables		8,624,289	4,765,994
Inventory	5	10,127,220	9,970,227
Prepaids and deposits	6	1,506,587	1,502,880
Total current assets		**47,435,262**	**41,990,388**
Non-current assets			
Exploration and evaluation assets	7	27,177,979	20,306,329
Mineral properties, plant and equipment	8	54,213,164	42,431,394
TOTAL ASSETS		**128,826,405**	**104,728,111**
LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	9, 15	28,997,919	19,505,050
Equipment financing – current portion	11	982,404	669,150
Lease obligations – current portion	12	394,469	467,930
Deferred revenue – current portion	13	2,347,345	2,300,139
Acquisition payable – current portion	14	710,789	684,604
Contingent consideration – current portion	17	1,140,868	1,149,436
Total current liabilities		**34,573,794**	**24,776,309**
Non-current liabilities			
Deferred income tax liability	10	7,225,000	5,946,000
Equipment financing	11	520,405	184,688
Lease obligations	12	728,062	751,104
Deferred revenue	13	684,735	1,299,740
Acquisition payable	14	2,132,368	2,053,812
Subordinated loan	15	-	21,484,381
Decommissioning and restoration provision	16	2,659,956	2,236,399
Contingent consideration	17	2,166,580	1,542,576
TOTAL LIABILITIES		**50,690,900**	**60,275,009**
SHAREHOLDERS EQUITY			
Share capital	20	111,887,373	80,983,496
Share reserves	20	8,344,273	7,554,017
Contributed surplus	20	7,351,922	7,710,130
Deficit		(60,716,323)	(54,709,616)
Accumulated other comprehensive income		11,268,260	2,915,075
TOTAL SHAREHOLDERS' EQUITY		**78,135,505**	**44,453,102**
TOTAL LIABILITIES AND EQUITY		**128,826,405**	**104,728,111**

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

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

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

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

Soma Gold Corp.

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

For the three and six months ended June 30, 2026 and 2025

(Expressed in Canadian Dollars, except for shares)

	Notes	For the three months ended June 30, 2026	For the three months ended June 30, 2025	For the six months ended June 30, 2026	For the six months ended June 30, 2025
Revenue		20,438,170	23,010,534	42,935,101	50,889,366
Cost of Sales	18	(18,402,760)	(17,344,762)	(38,071,198)	(35,414,216)
Income from Mine Operations		**2,035,410**	**5,665,772**	**4,863,903**	**15,475,150**
Staffing and management costs		1,340,052	1,015,104	2,785,202	2,061,573
Other general and administration		681,613	439,546	1,429,682	899,972
Professional and consulting fees		360,940	321,563	662,295	598,765
Share-based compensation	20	450,889	53,267	1,009,090	601,483
Investor relations		169,173	175,744	294,996	309,772
Depreciation		39,260	24,906	78,711	50,787
Operating Income (loss)		**(1,006,517)**	**3,635,642**	**(1,396,073)**	**10,952,798**
Finance costs		(1,193,664)	(1,645,615)	(2,586,704)	(3,392,883)
Other losses	19	(456,504)	(79,664)	(492,061)	(44,571)
Foreign exchange gains (losses)		(120,484)	255,543	(242,709)	(203,932)
Income (loss) Before Tax		**(2,777,169)**	**2,165,906**	**(4,717,547)**	**7,311,412**
Current income tax expense		(10,160)	(432,943)	(10,160)	(2,408,234)
Deferred income tax expense	10	(1,092,945)	(133,673)	(1,279,000)	(139,673)
Net Income (loss)		**(3,880,274)**	**1,593,290**	**(6,006,707)**	**4,763,505**
Other Comprehensive Income (Loss)					
An item that may be reclassified to profit or loss:					
Foreign currency translation adjustment		5,649,607	(2,444,492)	8,353,185	117,926
Total Comprehensive Income (Loss)		**1,769,333**	**(851,202)**	**2,346,478**	**4,881,431**
Net income (loss) per common share:					
Basic	23	(0.03)	0.02	(0.05)	0.05
Diluted	23	(0.03)	0.02	(0.05)	0.05
Weighted average number of common shares outstanding:					
Basis	23	121,974,589	92,437,058	121,832,765	92,279,757
Diluted	23	121,974,589	96,055,815	121,832,765	95,777,745

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

Soma Gold Corp.

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended June 30, 2026, and 2025

(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, 2025		**117,365,298**	**80,983,496**	**7,554,017**	**7,710,130**	**(54,709,616)**	**2,915,075**	**44,453,102**
Issuance of common stock pursuant to debt settlement	15	23,436,442	23,202,078	-	(358,208)	-	-	22,843,870
Issuance of common stock pursuant to private placement	20	10,000,000	7,500,000	-	-	-	-	7,500,000
Share issuance costs	20		(784,489)	127,400	-	-	-	(657,089)
Exercise of stock options	20	990,000	814,400	(336,900)	-	-	-	477,500
Exercise of share purchase warrants	20	81,277	162,554	-	-	-	-	162,554
Issuance of RSU shares	20	16,666	9,334	(9,334)			-	-
Share-based compensation	20	-	-	1,009,090	-	-	-	1,009,090
Net loss		-	-	-	-	(6,006,707)	-	(6,006,707)
Other comprehensive income		-	-	-	-	-	8,353,185	8,353,185
June 30, 2026		**151,889,683**	**111,887,373**	**8,344,273**	**7,351,922**	**(60,716,323)**	**11,268,260**	**78,135,505**
December 31, 2024		**92,115,152**	**54,722,533**	**6,609,025**	**7,710,130**	**(51,774,742)**	**(1,304,997)**	**15,961,949**
Exercise of stock options	20	1,190,000	547,265	(257,215)	-	-	-	290,050
Issuance of RSU shares	20	16,668	6,084	(6,084)	-	-	-	-
Share-based compensation	20	-	-	601,483	-	-	-	601,483
Net income		-	-	-	-	4,763,505	-	4,763,505
Other comprehensive income		-	-	-	-		117,926	117,926
June 30, 2025		**93,321,820**	**55,275,882**	**6,947,209**	**7,710,130**	**(47,011,237)**	**(1,187,071)**	**21,734,913**

Soma Gold Corp.

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

For the six months ended June 30, 2026, and 2025

(Expressed in Canadian Dollars, unless otherwise indicated)

	Notes	2026	2025
OPERATING ACTIVITIES			
Net income (loss)		**(6,006,707)**	**4,763,505**
Non-cash items:			
Finance costs		2,586,704	3,392,883
Depreciation	8	6,841,985	10,808,229
Other losses	19	492,061	44,571
Share-based compensation	20	1,009,090	601,483
Deferred income tax expense	10	1,279,000	139,673
Unrealized foreign exchange losses (gains)		(223,790)	203,932
Working capital changes:			
Trade and other receivables		571,303	(3,753,687)
Income taxes changes		(421,705)	-
Inventory		1,064,664	(1,199,225)
Prepaids deposits and advance payments		153,025	(120,353)
Trade payables and accrued liabilities		505,171	(640,465)
Deferred revenue	13, 25	(1,280,026)	(1,211,147)
Short-term investments		1,668,732	-
Income taxes paid		(2,581,017)	-
Net cash flows from operating activities		**5,658,490**	**13,029,399**
INVESTING ACTIVITIES			
Expenditures on exploration and evaluation of assets	7	(593,555)	(1,275,496)
Expenditures on construction in progress	8	(1,152,142)	(2,485,916)
Expenditures on mineral properties, plant and equipment	8	(9,004,482)	(6,395,281)
Net cash flows used in investing activities		**(10,750,179)**	**(10,156,693)**
FINANCING ACTIVITIES			
Proceeds from private placement	20	7,500,000	-
Share issuance costs	20	(657,089)	-
Proceeds from exercise of stock options and share purchase warrants	20	640,054	290,050
Repayment of equipment financing	11	(309,727)	(1,594,893)
Lease payments	12	(429,245)	(270,438)
Contingent consideration payment	17	(416,768)	-
Interest paid		(545,543)	-
Repayment of subordinated loan	15	-	(3,500,000)
Net cash flows used in financing activities		**5,781,682**	**(5,075,281)**
Net change in foreign currency exchange rates		**336,655**	**(1,820,380)**
Net change in cash and cash equivalents		1,026,648	(4,022,955)
Cash, beginning of period		6,301,514	7,840,109
Cash, end of period		**7,328,162**	**3,817,154**

Cash flow revision of prior year (Note 25)

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 interim condensed consolidated financial statements (unaudited) (the "consolidated financial statements") have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), as applicable to the preparation of interim condensed consolidated financial statements including International Accounting Standards ("IAS") 34. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2025.

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

The interim condensed consolidated financial statements were approved for issuance by the Company's Board of Directors on August 27, 2026.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries as of June 30, 2026 and December 31, 2025. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, it has:

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

(Expressed in Canadian Dollars, unless otherwise indicated)

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

The consolidated financial statements include:

Subsidiary's name	Principal place of business	Ownership interest		Principal activities
		2026	2025	
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%	100%	Gold purchasing and exporting
Summit Minerals S.A.S (“**Summit**”)	Colombia	100%	100%	Gold production, mineral exploration and development
Soma Gold US Inc.	United States	100%	100%	Administration

3. Accounting Policies and Adoption of New Accounting Standards

Adoption of new standards

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 amendments to update classification and measurement requirements in *IFRS 9 Financial Instruments* and *IFRS 7 Financial Instruments: Disclosures*. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified the assessment of the cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest (“SPPI”) criterion, including financial assets that have environmental, social and corporate governance (“ESG”)-linked features and other similar contingent features. The IASB also added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and updated the disclosures for equity instruments designated at fair value through other comprehensive income.

(Expressed in Canadian Dollars, unless otherwise indicated)

The amendments apply retrospectively to reporting periods beginning on or after January 1, 2026. For financial liabilities settled in cash using an electronic payment system, the Company applied the election to deem these financial liabilities to be discharged before the settlement date. The adoption of these amendments did not have a material impact on the Company's interim condensed consolidated financial statements.

Standard not yet adopted

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued *IFRS 18 Presentation and Disclosure in Financial Statements*, which replaces *IAS 1 Presentation of Financial Statements* and introduces a defined structure for the statement of profit or loss by requiring all income and expenses to be categorized as operating, investing, financing, income taxes and discontinued operations with subtotals. Although IFRS 18 will not impact the recognition and measurement of items in the financial statements, it will impact the presentation and disclosure of certain aspects of the financial statements, including the disclosure of explanations around management-defined performance measures ("MPMs"). IFRS 18 also provides additional guidance on principles of aggregation and disaggregation that apply to the primary financial statements and notes.

IFRS 18 applies retrospectively to 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.

4. Trade and Other Receivables

As at June 30, 2026 and December 31, 2025, the Company's receivables consist of the following:

	2026	**2025**
Trade receivables	1,204,719	4,842,780
Employee allowances	698,363	471,522
Value-added tax receivable	17,754,224	12,415,187
Other	191,698	51,552
	19,849,004	**17,781,041**

5. Inventory

As at June 30, 2026 and December 31, 2025, the Company's inventory consists of the following:

	2026	**2025**
Materials and supplies	8,078,338	8,119,735
Gold in-circuit	2,048,882	1,850,492
	10,127,220	**9,970,227**

(Expressed in Canadian Dollars, unless otherwise indicated)

The amount of inventory recognized as an expense for the three and six-month period ended June 30, 2026 was $4,245,000 (2025 - $4,336,000) and $8,516,000 (2025 - $7,960,000), respectively, and it is included as a production cost in the cost of sales (Note 18).

6. Prepaids and Deposits

As of June 30, 2026 and December 31, 2025, the Company's prepaids and deposits consist of the following:

	2026	**2025**
Advances to suppliers	522,494	366,537
Prepaid insurance	385,206	585,091
Prepaid software	257,356	166,401
Other advances	341,531	384,851
	1,506,587	**1,502,880**

7. Exploration and Evaluation Assets

	Nechi	**Zara**	**Otu Centro**	**Tucumã**	**El Limon**	**Escondida**	**Total**
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**
Additions	221,639	738,465	2,234,445	6,944	662,922	146,563	4,010,978
Foreign exchange	82,874	608,230	1,192,995	198,331	200,518	577,724	2,860,672
June 30, 2026	**1,477,801**	**5,433,146**	**10,970,643**	**2,410,340**	**1,895,080**	**4,990,969**	**27,177,979**

Nechi Gold Project

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

Zara Properties

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

Otu Centro Properties

On May 17, 2023, the Company 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 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 tonnes per day (“tpd”).

Escondida Project

On November 28, 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 was accounted for as an asset acquisition.

The total purchase price for the acquisition was 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.

(Expressed in Canadian Dollars, unless otherwise indicated)

8 Mineral Properties, Plant and Equipment

Cost

	Mineral Properties	Building and Infrastructure	Equipment and Machinery	Office Equipment	Vehicles	Rights-of-use Assets	Construction in Progress	Total
December 31, 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**
Additions	7,900,350	-	3,107,496	50,992	127,890	218,788	2,411,687	13,817,203
Disposals	-	-	-	-	-	(185,976)	-	(185,976)
Foreign exchange	7,785,411	932,417	2,157,395	62,186	443,925	344,273	413,143	12,138,750
June 30, 2026	**76,929,860**	**8,616,134**	**26,100,471**	**605,249**	**3,921,962**	**2,947,066**	**7,690,304**	**126,811,046**

(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, 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**
Additions	5,163,617	87,916	941,726	41,149	182,110	425,106	-	6,841,624
Disposal	-	-	-	-	-	(163,552)	-	(163,552)
Foreign exchange	5,023,057	714,754	1,105,647	32,707	217,158	216,812	-	7,310,135
June 30, 2026	**50,497,747**	**6,275,393**	**11,593,622**	**339,167**	**1,969,403**	**1,922,550**	**-**	**72,597,882**

Net book value

	Mineral Properties	Building and Infrastructure	Equipment and Machinery	Office Equipment	Vehicles	Rights-of-use Assets	Construction in Progress	Total
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
June 30, 2026	**26,432,113**	**2,340,741**	**14,506,849**	**266,082**	**1,952,559**	**1,024,516**	**7,690,304**	**54,213,164**

* Depreciation and depletion expenses for the six months ended June 30, 2026 reflects the prospective adjustment to depletion rates following the updated mineral resource estimate.

(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 7) 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 sources and timing of mineral feed to the mill which may result in delays of between 6 to 18 months, 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 ended December 31, 2025. No impairment indicators were noted as of the period ended June 30, 2026.

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).

9. Trade Payables and Accrued Liabilities

As at June 30, 2026 and December 31, 2025, the Company's trade payables and accrued liabilities consist of the following:

	2026	**2025**
Trade accounts payables	21,038,930	13,175,722
Employee benefits liabilities	3,202,548	2,792,818
Accrued liabilities	1,597,924	1,384,436
Salaries and wages payable	531,330	491,922
Withholdings payable	2,627,187	1,660,152
	28,997,919	**19,505,050**

(Expressed in Canadian Dollars, unless otherwise indicated)

10. Deferred Income Tax Liability

As at June 30, 2026 and December 31, 2025, the Company's Company's recognized deferred tax assets and liabilities are as follows:

	2026	2025
Deferred income tax assets		
Non-capital losses	5,328,000	3,730,000
Other	1,342,000	1,162,000
	6,670,000	**4,892,000**
Deferred income tax liabilities		
Exploration and evaluation of assets	(4,383,000)	(3,115,000)
Mineral properties and plant and equipment	(9,512,000)	(7,306,000)
Notes payable	-	(417,000)
	(13,895,000)	(10,838,000)
Net deferred income tax liability	**(7,225,000)**	**(5,946,000)**

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

	2026	2025
Opening balance	**(5,946,000)**	**(5,318,000)**
Deferred income tax expense through income statement	(1,279,000)	(628,000)
Closing balance	**(7,225,000)**	**(5,946,000)**

11. Equipment Financing

As at June 30, 2026 and December 31, 2025, the Company's equipment financing consists of the following:

	2026	2025
Opening balance	**853,838**	**3,187,199**
Increase in equipment financing	884,055	272,124
Interest	46,036	211,114
Repayments	(355,763)	(2,761,790)
Foreign exchange	74,643	(54,809)
Closing balance	**1,502,809**	**853,838**
Less: current portion	(982,404)	(669,150)
Non-current portion	**520,405**	**184,688**

The Company has entered into multiple financing arrangements with Sandvik Financial Services S.A. and Impoxfast S.A.S., respectively, 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.

(Expressed in Canadian Dollars, unless otherwise indicated)

The financing is secured by the underlying equipment purchased, which has a net book value of $7,850,060 as of June 30, 2026 (December 31, 2025 - $6,796,535). The financed equipment is included in the equipment & machinery and vehicles categories of mineral properties, plant and equipment (Note 8).

12. Lease Obligations

As at June 30, 2026 and December 31, 2025, the Company's lease obligations consist of the following:

	2026	2025
Opening balance	**1,219,034**	**1,271,866**
Additions	218,788	476,186
Disposals	(25,297)	-
Interest	53,280	117,902
Lease payments	(482,525)	(787,333)
Foreign exchange	139,251	140,413
Closing balance	**1,122,531**	**1,219,034**
Less: current portion	(394,469)	(467,930)
Non-current portion	**728,062**	**751,104**

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

13. Deferred Revenue

As at June 30, 2026 and December 31, 2025, the Company's deferred revenue consists of the following:

	2026	2025
Opening balance	**3,599,879**	**4,177,774**
Interest	372,842	968,102
Gold deliveries	(1,280,026)	(1,846,597)
Revaluation	28,111	(8,931)
Foreign exchange	311,274	309,531
Closing balance	**3,032,080**	**3,599,879**
Less: current portion	(2,347,345)	(2,300,139)
Non-current portion	**684,735**	**1,299,740**

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.

(Expressed in Canadian Dollars, unless otherwise indicated)

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 contract changes, the Company's estimates of mineral reserves and resources increase, or the mine plans are amended.

During the three and six months ended June 30, 2026, the Company delivered 3,580 (2025 - 5,153) and 7,309 (2025 - 10,717) ounces of gold under the Offtake Agreement, respectively. The delivery of gold for the three and six months ended June 30, 2026 resulted in a decrease in deferred revenue of $1,187,530 (2025 - $591,444) and $1,280,026 (2025 - $1,211,147), respectively.

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

14. Acquisition Payable

As at June 30, 2026 and December 31, 2025, the Company's acquisition payable consists of short-term payable of $710,789 (December 31, 2025 - $684,604) and long-term payable of $2,132,368 (December 31, 2025 - $2,053,812) related to the acquisition of the Escondida Project (Note 7).

15. Related Parties Transactions

During the three and six months ended June 30, 2026 and 2025, the Company paid or accrued remunerations to its directors and officers as follows:

	Three months ended June 30,		**Six months ended June 30,**	
	2026	**2025**	**2026**	**2025**
Staffing and management costs	273,664	485,461	523,533	680,951
Share-based compensation	269,482	5,907	584,872	458,051

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

(Expressed in Canadian Dollars, unless otherwise indicated)

During the three and six months ended June 30, 2026 and 2025, the Company paid the following expenditures to a Company controlled by a director:

	Three months ended June 30,		Six months ended June 30,	
	2026	**2025**	**2026**	**2025**
Office rent	6,615	6,300	12,915	12,600
Consulting fees	36,460	37,079	61,660	65,729

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.

On June 2, 2026, the Company settled the total outstanding debt of $25,780,086 under the amended subordinated loan agreement, with a carrying book value of $22,843,870, through the issuance of 23,436,442 common shares at a deemed price of $1.10 per common share. The fair value of the common shares on the settlement date was $23,202,078 ($0.99 per common share), resulting in a $358,208 difference between the loan carrying book value and the fair market value of the shares issued, which was recognized directly in contributed surplus. Following the settlement of the Subordinated Loan, the ownership interest of Conex Services Inc. increased to 51.4%, representing a controlling interest in the Company.

During the three and six months ended June 30, 2026, $50,779 (2025 - $57,103) and $120,219 (2025 - $124,806) of accretion and $503,046 (2025 - $1,021,679) and $1,239,270 (2025 - $2,096,028) of interest were expensed as finance costs in the statements of income (loss) and comprehensive income (loss) related to the Subordinated Loan, respectively. The outstanding face value of the Subordinated Loan, including accrued interest, as of June 30, 2026, was $Nil (December 31, 2025 - $24,540,815).

	June 30, 2026	**December 31, 2025**
Opening balance	**21,484,381**	**30,454,720**
Interest and accretion	1,359,489	3,974,842
Repayment in cash	-	(5,000,000)
Repayment through issuance of common shares	(23,202,078)	(10,000,000)
Loss on debt repayment	358,208	-
Loss on partial debt extinguishment	-	2,054,819
Closing balance	**-**	**21,484,381**

Included in the Subordinated Loan was a prepayment option that was not clearly or closely related to the host contract and was accounted for separately as an embedded derivative. Management assesses the fair value of the embedded derivative at each reporting period and determined it to be non-material and as such, it has not been adjusted for.

(Expressed in Canadian Dollars, unless otherwise indicated)

Other Balances and Transactions

As at June 30, 2026, trade payables and accrued liabilities included $198,085 (December 31, 2025 - $15,374) owing to executives and directors of the Company.

16. Decommissioning and Restoration Provision

As at June 30, 2026 and December 31, 2025, the Company's Decommissioning and Restoration Provision consists of the following:

	2026	2025
Opening balance	**2,236,399**	**1,906,054**
Changes in estimated costs	-	435,707
Changes in economic assumptions	34,432	(508,883)
Accretion on provision	92,206	183,934
Foreign exchange	296,919	219,587
Closing balance	**2,659,956**	**2,236,399**

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

The Company valued the provision using the present value of the expected reclamation cash flows based on an appropriate discount rate to reflect the time value and risk of the cash flows. The Company used inflation rates of 3.0% to 6.4% (December 31, 2025 - 3.3% to 6.3%) and a discount rate of 12.00% to 12.05% (December 31, 2025 - 13.00% to 13.10%) in calculating the provision. As of June 30, 2026, the liability for retirement and remediation on an undiscounted basis is $3,709,475 (December 31, 2025 - $3,175,512).

Approximately 20% of the provision is anticipated to be settled 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.

17. Contingent Consideration

As at June 30, 2026 and December 31, 2025, the Company's Contingent Consideration is as follows:

	2026	2025
Opening balance	**2,692,012**	**2,175,693**
Payments	(416,768)	(811,023)
Foreign exchange	205,912	(186,014)
Loss on fair value adjustment	826,292	1,513,356
Closing balance	**3,307,448**	**2,692,012**
Less: current portion	(1,140,868)	(1,149,436)
Non-current portion	**2,166,580**	**1,542,576**

(Expressed in Canadian Dollars, unless otherwise indicated)

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$ 4,440 (December 31, 2025 - US$ 4,598), and average USD-CAD exchange rate of 1.38 (December 31, 2025 - 1.36). During the six months ended June 30, 2026, the Company updated its mineral resource estimate and mine planning models. This updated mineral resource estimate resulted in an increase of $1,057,000 (2025 - $Nil) in the present value of the liability. 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 $331,000 (December 31, 2025 - $269,000).

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.

18. Cost of Sales

	Three months ended		**Six months ended**	
		June 30,		**June 30,**
	2026	**2025**	**2026**	**2025**
Production costs	16,116,955	12,118,059	31,307,924	24,656,774
Depreciation	2,285,805	5,226,703	6,763,274	10,757,442
	18,402,760	**17,344,762**	**38,071,198**	**35,414,216**

19. Other Losses

	Notes	**Three months ended**		**Six months ended**	
			June 30,		**June 30,**
		2026	**2025**	**2026**	**2025**
Other income (losses)		371,172	(79,664)	362,342	(29,557)
Losses on revaluation of deferred revenue and contingent consideration	13, 17	(827,676)	-	(854,403)	(15,014)
		(456,504)	**(79,664)**	**(492,061)**	**(44,571)**

20. Share Capital

Authorized

Unlimited common shares without par value.

Transactions

The following transactions impacted the number of common shares outstanding for the six months ended June 30, 2026:

(i) The Company completed a non-brokered private placement pursuant to the Listed Issuer Financing Exemption under National Instrument 45-106. A total of 10,000,000 common shares were issued at a price of $0.75 per share for aggregate gross proceeds of $7,500,000. In connection with the placement, the Company paid $525,000 finder's fees in cash and issued 700,000 finder's warrants, valued at $127,400. Each finder's warrant is exercisable into one common share at an exercise price of $1.10 for a period of 24 months from the date of issuance.

(ii) The Company issued 990,000 common shares for proceeds of $477,500 related to exercising stock options.

(iii) The Company issued 81,277 common shares for proceeds of $162,554 in relation to exercising share purchase warrants.

(iv) The Company issued 16,666 common shares valued at $9,334 in relation to previously granted restricted share units.

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

(v) The Company completed a non-brokered private placement pursuant to the Listed Issuer Financing Exemption under National Instrument 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.

(vi) 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.

(vii) The Company issued 1,540,000 common shares for proceeds of $400,550 related to exercising stock options.

(viii) The Company issued 16,668 common shares valued at $9,333 in relation to previously granted restricted share units.

(Expressed in Canadian Dollars, unless otherwise indicated)

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 at June 30, 2026 and December 31, 2025, and the changes during the six months ended June 30, 2026, are as follows:

	Number of options #	Weighted Average Exercise Price $	Weighted Average Remaining Contractual Life Years
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**
Granted	1,218,334	2.06	4.72
Exercised	(990,000)	0.48	-
Expired	(500,000)	0.46	-
June 30, 2026	**5,755,334**	**0.86**	**3.35**

During the six months ended June 30, 2026, the Company granted 1,218,334 (2025 - 1,425,000) options with various vesting terms ranging from vesting immediately to vesting over a period of 3 years. 500,000 (2025 - Nil) options expired and 990,000 (2025 - 1,190,000) options were exercised. The weighted average share price for the options exercised during the six months ended June 30, 2026 was $1.69 (2025 - $1.26).

The fair value of all options granted is estimated on the grant date using the Black-Scholes option pricing model. The assumptions used in calculating the fair values of options granted during the six months ended June 30, 2026 and the year ended December 31, 2025, were as follows:

	May 28 2026	Mar. 11 2026	Dec. 12 2025	Nov. 28 2025	Aug. 27 2025	May 28 2025	Jan. 24 2025
Risk-free rate	3.10%	3.03%	3.01%	2.72%	2.70%	2.64%	2.98%
Expected life	5	5	5	5	3	3	5
Expected volatility	64%	64%	64%	65%	61%	61%	92%
Forfeiture rate	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The total share-based compensation expense related to the vesting of stock options for the three and six months ended June 30, 2026 was $399,580 (2025 - $47,360) and $786,721 (2025 - $587,432), respectively.

(Expressed in Canadian Dollars, unless otherwise indicated)

Stock options outstanding as at June 30, 2026, were as follows:

Expiry Date	Exercise Price $/share	Options Outstanding #	Options Exercisable #
January 10, 2027	0.35	1,562,000	1,562,000
December 16, 2027	0.30	500,000	500,000
December 19, 2027	0.51	100,000	100,000
March 27, 2028	0.46	200,000	200,000
May 28, 2028	1.07	200,000	200,000
August 27, 2028	1.43	100,000	75,000
April 29, 2029	0.56	200,000	200,000
November 13, 2029	0.55	100,000	100,000
January 24, 2030	0.50	1,225,000	1,225,000
November 28, 2030	1.61	250,000	-
December 12, 2030	1.71	100,000	100,000
March 11, 2031	2.06	1,118,334	279,584
May 28, 2031	0.91	100,000	-
	0.86	**5,755,334**	**4,541,584**

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, 2024	**75,000**	**0.54**
Granted	105,000	0.51
Settled	(16,668)	0.78
December 31, 2025	**163,332**	**1.55**
Granted	236,666	2.06
Settled	(16,666)	1.27
June 30, 2026	**383,332**	**0.69**

The total share-based compensation expense related to the vesting of RSUs for the three and six months ended June 30, 2026 was $51,309 (2025 - $5,907) and $222,369 (2025 - $14,051), 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.

(Expressed in Canadian Dollars, unless otherwise indicated)

Warrants

The Company's warrants outstanding as at June 30, 2026 and December 31, 2025 and the changes during the six months ended June 30, 2026 are as follows:

	Number of warrants	Exercise Price
	#	$/share
December 31, 2025	**-**	**-**
Granted	12,945,707	2.00
December 31, 2025	**12,945,707**	**2.00**
Granted	700,000	1.10
Exercised	(81,277)	2.00
June 30, 2026	**13,564,430**	**1.95**

Warrants outstanding on June 30, 2026 were as follows:

Expiry Date	Exercise Price	Warrants Outstanding
	$/share	#
August 15, 2028	2.00	4,347,826
August 18, 2028	2.00	7,471,979
August 20, 2028	2.00	844,625
September 12, 2028	2.00	200,000
June 25, 2028	1.10	700,000
	1.95	**13,564,430**

21. Financial Risk Management

Liquidity risk

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

As at June 30, 2026 and December 31, 2025, the Company had:

	2026	2025
Cash	7,328,162	6,301,514
Working capital	12,861,468	17,214,079

(Expressed in Canadian Dollars, unless otherwise indicated)

The Company's financial obligations consist of trade payables and accrued liabilities equipment financing, lease obligations, acquisition payable-and contingent consideration. The maturity analysis of the financial obligations as at June 30, 2026, is as follows:

	1 year	**2-3 years**	**4-5 years**	**More than 5 years**	**Total**
Trade payables and accrued liabilities	28,997,919	-	-	-	28,997,919
Equipment financing – principal and interest	1,071,174	611,071	-	-	1,682,245
Lease obligations – principal and interest	477,745	632,555	184,495	-	1,294,795
Acquisition payable	710,789	2,132,368	-	-	2,843,157
Contingent consideration	1,230,775	2,264,761	449,631	-	3,945,167
	32,488,402	**5,640,755**	**634,126**	**-**	**38,763,283**

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.

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.

(Expressed in Canadian Dollars, unless otherwise indicated)

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 June 30, 2026:

	Carrying value		Fair value hierarchy		
	FVTPL	**Amortized costs**	**Level 1**	**Level 2**	**Level 3**
Financial liabilities					
Contingent consideration	3,307,448	-	-	-	3,307,448

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

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 17). As at June 30, 2026, the fair value of the subordinated loan is $Nil as it was settled in the quarter (December 31, 2025 - 20,363,856).

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 $7,500,000 (Note 20). The capital structure of the Company currently consists of equity attributable to shareholders of $78,135,505 (December 31, 2025 - $44,453,102) and a subordinated loan of $Nil (December 31, 2025 - $21,484,381). The Company manages the capital structure and makes adjustments as appropriate depending on changes in economic conditions and the risk characteristics of the underlying assets, primarily mineral properties. In order to maintain or adjust the capital structure, the Company may issue new shares through equity offerings or sell assets to fund operations. Management reviews its capital management approach on a regular basis, and there have been no changes to the Company's approach during the six months ended June 30, 2026. The Company is not subject to externally imposed capital requirements.

22. Segment Reporting

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

(Expressed in Canadian Dollars, unless otherwise indicated)

The following tables present revenue and profit information for the Company's reportable segments for the three and six months ended June 30, 2026 and 2025:

For the three months ended June 30, 2026:

	Colombia	Brazil	Total Segments	Corporate and other	Total
Revenue	20,438,170	-	20,438,170	-	**20,438,170**
Cost of sales	18,402,760	-	18,402,760	-	**18,402,760**
Depreciation	2,285,805	-	2,285,805	39,260	**2,325,065**
Net income (loss)	(900,383)	258,131	(642,252)	(3,238,022)	**(3,880,274)**

For the three months ended June 30, 2025:

	Colombia	Brazil	Total Segments	Corporate and other	Total
Revenue	23,010,534	-	23,010,534	-	**23,010,534**
Cost of sales	17,344,762	-	17,344,762	-	**17,344,762**
Depreciation	5,226,703	-	5,226,703	24,906	**5,251,609**
Net income (loss)	4,568,935	(39,409)	4,529,526	(2,936,236)	**1,593,290**

For the six months ended June 30, 2026:

	Colombia	Brazil	Total Segments	Corporate and other	Total
Revenue	42,935,101	-	42,935,101	-	**42,935,101**
Cost of sales	38,071,198	-	38,071,198	-	**38,071,198**
Depreciation	6,763,274	-	6,763,274	78,711	**6,841,985**
Net income (loss)	(388,588)	219,857	(168,731)	(5,837,976)	**(6,006,707)**

For the six months ended June 30, 2025:

	Colombia	Brazil	Total Segments	Corporate and other	Total
Revenue	50,889,366	-	50,889,366	-	**50,889,366**
Cost of sales	35,414,216	-	35,414,216	-	**35,414,216**
Depreciation	10,757,442	-	10,757,442	50,787	**10,808,229**
Net income (loss)	9,168,738	(81,006)	9,087,732	(4,324,227)	**4,763,505**

During the three and six months ended June 30, 2026 and 2025, 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.

(Expressed in Canadian Dollars, unless otherwise indicated)

The following tables present assets and liabilities information for the Company's operating segments as at June 30, 2026 and December 31, 2025:

As of June 30, 2026:

	Colombia	Brazil	Total Segments	Corporate and other	Total
Total assets	121,739,849	2,568,509	124,308,358	4,518,047	**128,826,405**
Total liabilities	41,020,007	23,207	41,043,214	9,647,686	**50,690,900**

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**

23. 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 three and six months ended June 30, 2026, and 2025, potential share issuances arising from the exercise of share options and settlement of RSUs were included in the calculation of diluted weighted average shares outstanding as well as their impact on income attributable to shareholders of the Company. Potentially dilutive shares associated with share options out of the money were not included in the diluted earnings per share calculation as their effect is anti-dilutive.

The following table summarizes the calculation of basic and diluted earnings per share for the three and six months ended June 30, 2026, and 2025:

		Three months ended June 30,		Six months ended June 30,	
		2026	2025	2026	2025
Income (loss) for the period	**$**	**(3,880,274)**	**1,593,290**	**(6,006,707)**	**4,763,505**
Basic weighted average number of common shares outstanding	#	121,974,589	92,437,058	121,832,765	92,279,757
Share options	#	-	3,477,400	-	3,362,278
RSUs	#	-	141,356	-	135,710
Diluted weighted average number of common shares outstanding	#	121,974,589	96,055,815	121,832,765	95,777,745
Earnings per common share					
Basic	$/share	(0.03)	0.02	(0.05)	0.05
Diluted	$/share	(0.03)	0.02	(0.05)	0.05

For the three months ended June 30, 2026, 4,541,584 (2025 - 300,000) options, 383,332 (2025 - 163,332) RSUs and 13,564,430 (2025 - Nil) warrants were excluded from the calculation as their effect was anti-dilutive. For the six months ended June 30, 2026, 4,541,584 (2025 - 3,200,000) options, 383,332 (2025 - Nil) RSUs and 13,564,430 (2025 – Nil) warrants were excluded from the calculation as their effect was anti-dilutive.

24. 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 consultation with 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 at June 30, 2026, the Company has recognized a provision related to certain matters of $1,168,000 (December 31, 2025 - $1,131,000).

25. Comparative Figures

The comparative figures in the consolidated statement of cash flows for the comparative period have been revised to present $1,211,147 cash inflows related to deferred revenue amounts from financing activities to operating activities to align with the nature of these cashflows.