



St. Augustine Gold and Copper Limited

Consolidated Financial Statements

As at and for the years ended December 31, 2025 and 2024
Presented in U.S. dollars

Dated as of March 30, 2026

DAVIDSON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
St. Augustine Gold and Copper Limited

Opinion

We have audited the accompanying consolidated financial statements of St. Augustine Gold and Copper Limited (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at December 31, 2025, the Company earns no operating revenues, and has incurred an accumulated deficit of \$35,871,716. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of impairment indicators of investment in mineral property cash-generating-unit

As described in Note 3 to the consolidated financial statements, the carrying amount of the Company's investment in mineral property was \$64,380,776, and as per the consolidated statements of financial position, the value of the mineral property cash-generating unit was \$119,932,066 as at December 31, 2025. As more fully described in Note 2 to the consolidated financial statements, management assesses the investment in the mineral property cash-generating-unit for indicators of impairment at each reporting period. Management believes that the Company has complied with the terms of its agreement entered into with the government of the Philippines, and that the Company will be able to continue to obtain the necessary approvals from the government in order to develop its investment in mineral property.

The principal considerations for our determination that the assessment of impairment indicators of the investment in mineral property is a key audit matter are that there was judgment by management when assessing whether there were indicators of impairment for the investment in mineral property, specifically related to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the investment in mineral property.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating management's assessment of indicators of impairment.
- Enquiring of the Company's legal counsel as to their knowledge and understanding of ongoing lawsuits impacting the Company's ability to continue exploring its mineral property cash-generating-unit.
- Confirming the Company's mineral rights remain in good standing and compliance with underlying agreements.
- Assessing the Company's ability to fund continued exploration activities.
- Evaluating whether there were significant adverse changes in the business climate or legal factors by considering external market data and industry data.

Acquisition of Kingking Milling Corporation

As described in Note 4.A to the consolidated financial statements, during the year ended December 31, 2025, the Company acquired 100% of Kingking Milling Corp. (the "Transaction") for consideration totalling \$6,535,422 (C\$9,120,500). As more fully described in Note 2, judgment is required by the Company to assess whether the Transaction constituted a business combination or an asset acquisition, as well as assess the fair value of the consideration and net assets acquired.

The principal considerations for our determination that the acquisition of Kingking Milling Corporation is a key audit matter was that the transaction constituted a significant and material event during the year ended December 31, 2025. In addition, there was judgment by management when determining the fair value of the net assets acquired and the consideration paid, as well as the determination that the acquisition was an asset acquisition. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of fair value of the consideration and net assets acquired, as well as the judgment that the acquisition was an asset acquisition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of whether the Transaction constituted an asset acquisition.
- Examining and evaluating the contractual terms identified in underlying agreements in connection with the Transaction for consistency with the amounts recorded in the consolidated financial statements.
- Consulting with our valuations team with specialized skill and knowledge to assist in assessing the fair value of the consideration paid.
- Assessing the adequacy of the disclosures in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis and Annual Information Form.

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 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.

We obtained Management's Discussion and Analysis and Annual Information Form prior to the date of this auditor's report. 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:

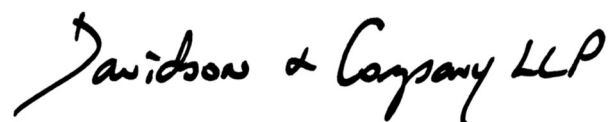
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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 activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 year 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 Stephen Hawkshaw.



Chartered Professional Accountants

Vancouver, Canada

March 31, 2026

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St. Augustine Gold and Copper Limited
Consolidated statements of financial position
As at December 31, 2025 and 2024
(Presented in U.S. dollars)

	Notes	December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash		\$ 20,296,451	\$ 145,908
Prepays and other current assets		1,320,425	151,993
Total current assets		21,616,876	297,901
Non-current assets			
Investment in mineral property	3	64,380,776	63,879,922
Investment in NADECOR	4.C	28,942,735	29,898,156
Note receivable from NADECOR	4.B	5,784,052	5,847,205
Advances to joint ventures	5.B	4,905,640	2,382,175
Note receivable from joint venture	5.B	9,617,974	9,299,271
Intangible asset	4.A	6,104,609	-
Other non-current assets		196,280	196,280
Total non-current assets		119,932,066	111,503,009
Total assets		\$ 141,548,942	\$ 111,800,910
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued wages	6.A	\$ 1,086,609	\$ 1,694,471
Due to related parties	6.B	10,829,502	1,467,878
Total current liabilities		11,916,111	3,162,349
Shareholders' equity			
Share capital	7.A	168,802,263	139,398,520
Share option reserves	7.B	12,033,926	12,033,926
Warrant reserves	7.C	1,215,488	1,215,488
Accumulated deficit		(35,871,716)	(30,126,661)
Accumulated other comprehensive loss		(16,547,130)	(13,882,712)
Total equity		129,632,831	108,638,561
Total liabilities and shareholders' equity		\$ 141,548,942	\$ 111,800,910

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Approved on behalf of the Board of Directors.

“SIGNED”
Yolanda L. Coronel-Armenta
Director

“SIGNED”
Eugene T. Mateo
Director

St. Augustine Gold and Copper Limited

Consolidated statements of loss and comprehensive loss

For the years ended December 31, 2025 and 2024

(Presented in U.S. dollars)

	Notes	Years ended December 31,	
		2025	2024
Operating expenses			
Wages and share-based compensation	6.A	\$ 3,070,000	\$ 220,000
General and administrative costs	8	2,482,002	414,429
Total operating expenses		(5,552,002)	(634,429)
Interest income		605,880	673,952
Other income		90,506	80,142
Foreign exchange loss		(157,706)	(503,502)
Total other income		538,680	250,592
Loss from investment in NADECOR	4.C	(433,908)	(202,316)
Loss from investments in joint ventures	5.B	(270,011)	(418,078)
Loss before income tax expense		(5,717,241)	(1,004,231)
Income tax expense	9.A	(27,814)	(1,169)
Loss		(5,745,055)	(1,005,400)
Foreign exchange translation loss		(2,664,418)	(1,719,901)
Total comprehensive loss		\$ (8,409,473)	\$ (2,725,301)
Loss per common share, basic and diluted	10	\$ (0.00)	\$ (0.00)
Weighted average common shares outstanding, basic and diluted		1,265,701,395	1,011,404,797

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

St. Augustine Gold and Copper Limited
Consolidated statements of cash flows
For the years ended December 31, 2025 and 2024
(Presented in U.S. dollars)

	Notes	Years ended December 31,	
		2025	2024
Cash flows from operating activities			
Loss		\$ (5,745,055)	\$ (1,005,400)
Effects of foreign currency changes		139,399	504,390
Interest income		(605,880)	(673,952)
Share-based compensation	6.I	2,850,000	-
Loss from investment in NADECOR	4.C	433,908	202,316
Loss from investments in joint ventures	5.B	270,011	418,078
Changes in non-cash operating working capital		(986,250)	(1,633)
Cash generated from operations		(3,643,867)	(556,201)
Interest paid		-	-
Income tax paid		-	-
Net cash used by operating activities		(3,643,867)	(556,201)
Cash flows from investing activities			
Increase in investment in mineral property	3	(502,302)	(558,794)
Advances to joint ventures	5.B	(2,581,340)	(384,831)
Changes in non-cash investing working capital		569,765	649,284
Acquisition of KML from NADECOR	6	327,141	-
Interest income		50,551	62
Net cash used by investing activities		(2,136,185)	(294,279)
Cash flows from financing activities			
Private placement of shares	7.A	18,737,262	-
Advances (to) from related party	6.C	9,361,624	446,293
Net cash provided by financing activities		28,098,886	446,293
Net increase (decrease) in cash		22,318,834	(404,187)
Effect of exchange rate changes on cash		(2,168,291)	69,557
Cash, beginning of year		145,908	480,538
Cash, end of year		\$ 20,296,451	\$ 145,908

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

St. Augustine Gold and Copper Limited

Consolidated statements of changes in shareholders' equity

For the years ended December 31, 2025 and 2024

(Presented in U.S. dollars)

	Notes	Shares	Share capital	Share option reserves	Warrant reserves	Accumulated deficit	Accumulated other comprehensive loss	Total
Balance, January 1, 2024		1,011,404,767	\$ 139,398,520	\$ 12,033,926	\$ 1,215,488	\$ (29,121,261)	\$ (12,162,811)	\$ 111,363,862
Foreign exchange translation loss		-	-	-	-	-	(1,719,901)	(1,719,901)
Loss		-	-	-	-	(1,005,400)	-	(1,005,400)
Balance, December 31, 2024		1,011,404,767	139,398,520	12,033,926	1,215,488	(30,126,661)	(13,882,712)	108,638,561
Shares for debt	7.A	25,306,166	1,202,549	-	-	-	-	1,202,549
Note conversion	7.A	185,000,000	6,535,422	-	-	-	-	6,535,422
Private placements	7.A	357,538,196	18,737,262	-	-	-	-	18,737,262
Shares for services	7.A	300,000	78,510	-	-	-	-	78,510
Share-based compensation	6.l	-	2,850,000	-	-	-	-	2,850,000
Foreign exchange translation loss		-	-	-	-	-	(2,664,418)	(2,664,418)
Loss		-	-	-	-	(5,745,055)	-	(5,745,055)
Balance, December 31, 2025		1,579,549,129	\$ 168,802,263	\$ 12,033,926	\$ 1,215,488	\$ (35,871,716)	\$ (16,547,130)	\$ 129,632,831

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

St. Augustine Gold and Copper Limited

Notes to the consolidated financial statements

For the years ended December 31, 2025 and 2024

Financial disclosures are presented in U.S. dollars unless otherwise noted

1. Organization & description of business and continuance of operations

St. Augustine Gold and Copper Limited (the “Company” or “SAGC”) was incorporated on January 27, 2010, in the British Virgin Islands. The address of the Company’s corporate office is No. 21, Greenwood Lane, Singapore, 286949. The registered address of the Company is Jayla Place, Wickham’s Cay 1, Road Town, Tortola VG 1110, British Virgin Islands.

The Company has earned no revenues since its recapitalization in 2011 and is focused on the exploration and evaluation of its mineral property. The Company (through a related party company, prior to the Company’s incorporation) and Nationwide Development Corporation (“NADECOR”), a Philippine corporation, entered into a Letter of Intent dated November 10, 2009, and executed a Memorandum of Understanding (“MOU”) on April 27, 2010. Under these agreements, subsequent amendments and related agreements, the Company became responsible for providing technical assistance for operations and acquired the right to earn-in an aggregate 60% equity position, through direct and indirect investments, in the King-king Joint Venture envisioned in the MOU. The earn-in is based on expenditures made to benefit the King-king copper gold project (the “Project”) as well as direct payments to NADECOR. The MOU will be superseded following fulfillment of the terms of an amended agreement executed in 2013 and amended in August 2014 (Note 4.A).

The Project is a copper-gold mineral reserve located at Sitio Gumayan, Barangay King-king, Municipality of Pantukan, Davao de Oro, on Mindanao Island, Philippines. A National Instrument 43-101-compliant Preliminary Feasibility Technical Report had been completed and published on SEDAR on July 31, 2025.

The Philippine Environmental Management Bureau approved the Project Environmental Impact Study and issued the Environmental Compliance Certificate (“ECC”) to NADECOR for the Kingking Project on February 26, 2015.

On January 4, 2016, Mines and Geosciences Bureau (“MGB”) approved the Declaration of Mine Project Feasibility (“DMPF”) therefore authorizing NADECOR and the Company to proceed in the development, construction and operation of the King-king Project per approved plans and strategies.

In June 2016, MGB issued an order approving the assignment of the Mineral Production Sharing Agreement (“MPSA”) to Kingking Mining Corporation (“KMC”) pursuant to the deeds of assignment dated October 22, 2010 and November 25, 2013.

On August 8, 2016, the Company announced that the Department of Environment and Natural Resources (“DENR”) through MGB has approved the renewal of the amended MPSA for another 25-year term.

The Company is dependent upon its ability to obtain additional financing to complete a definitive feasibility study, advance permitting and development activities, develop the mine site, and fund ongoing operations

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company is a pre-revenue exploration and development-stage entity and has not generated operating revenues since inception. As at December 31, 2025, the Company had an accumulated deficit of \$35,871,716 (December 31, 2024 – \$30,126,661) and incurred a net loss of \$5,745,055 for the year then ended (2024 – \$1,005,400). While the Company had working capital of \$9,700,765 as at December 31, 2025 (December 31, 2024 – working capital deficiency of \$2,864,448), it has remaining commitments and will require additional financing to advance its mineral property interests and meet its ongoing corporate obligations. The Company’s ability to continue as a going concern is dependent upon its ability to secure additional financing, advance the development of the Kingking Project, and ultimately achieve profitable operations. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying amounts or classification of assets and liabilities that would be necessary if the Company were unable to continue as a going concern.

These Financial Statements were authorized for issue by the Board of Directors on March 30, 2026.

St. Augustine Gold and Copper Limited

Notes to the consolidated financial statements

For the years ended December 31, 2025 and 2024

Financial disclosures are presented in U.S. dollars unless otherwise noted

2. Material accounting policy information

A. Statement of compliance

These Financial Statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) effective for the Company’s reporting year ended December 31, 2025.

B. Basis of presentation

The Financial Statements have been prepared using historical costs and fair values of certain items. Also, the Financial Statements have been prepared using the accrual method of accounting, except for cash flow information. The use of “₱” refers to Philippine pesos and “CAD\$” refers to Canadian dollars.

C. Basis of consolidation

The Financial Statements include the accounts of the Company and its subsidiaries (Note 14). Intercompany balances and transactions are eliminated on consolidation.

D. Segment reporting

The Company operates in a single reportable operating segment, which is the exploration and evaluation of its mineral property. The Company’s sole mineral property interest, the Kingking Project, is located in the Philippines.

E. Significant accounting estimates, judgments and assumptions

The preparation of these Financial Statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and reported amounts of income and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses.

Management uses historical experience and other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

The preparation of these consolidated financial statements requires management to make significant judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The most significant judgments and estimates relate to the following:

i. Impairment assessment of investment in mineral property

Management determines at each reporting period whether there are any indicators of impairment. If there are indicators, the carrying value of the investment in mining property is compared to the recoverable amount to calculate the amount of the impairment. If no indicators of impairment are identified, no impairment test is performed. At December 31, 2025, the Company determined there is no impairment. Management believes that the Company and NADECOR have complied with the terms of the MPSA agreement with the Philippine government and that the Company and NADECOR will be able to continue to obtain, as needed, the approvals from the government that are required under the MPSA to develop and complete the Kingking Project.

On February 22, 2017, KMC received a show cause order from the DENR directing KMC to explain why the MPSA should not be cancelled for being located within a protected watershed area. On February 27, 2017, management of KMC responded to the show cause order providing detailed explanation that there is no factual and legal basis to validly cancel, terminate or suspend the MPSA.

The matter is currently awaiting a decision from the DENR. However, in the Company’s view, the likelihood of the MPSA being cancelled is remote.

St. Augustine Gold and Copper Limited

Notes to the consolidated financial statements

For the years ended December 31, 2025 and 2024

Financial disclosures are presented in U.S. dollars unless otherwise noted

ii. Determination of cash-generating units

Cash-generating units are identified at the smallest group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Since inception, the Company has not generated cash from operations; its sole potential cash-generating unit is its interest in the Project mineral asset. This value is held through the Company's investment in mineral property, investment in NADECOR and investments in joint ventures.

iii. Significant influence over associates

Management deems the Company to have significant influence over an associate when the Company is able to influence the financial and operating decisions of the associate. The Company has determined that its investment in NADECOR is an investment in associate.

iv. Determination of joint control

When the Company is party to a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Company's investments in joint ventures are described in detail at Note 5.

v. Deferred taxes

Deferred tax is recognized using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

vi. Equity instrument and share capital

Equity instruments are classified in accordance with IAS 32 Financial Instruments: Presentation. Common shares issued by the Company are recognized in equity at the proceeds received or the fair value of the consideration received. Transaction costs that are directly attributable to the issuance of equity instruments are accounted for as a deduction from equity, net of any related income tax effects. The Company exercises judgment in assessing the classification of financial instruments, including an evaluation of contractual terms and conditions to determine whether the instruments meet the definition of equity and do not contain features that would require classification as financial liabilities.

vii. Share-based payment

The Company applies judgment in determining the grant date, the fair value of equity instruments issued, whether the fair value of goods or services received can be measured reliably, and whether the related costs should be recognized in profit or loss or capitalized to mineral property or intangible assets based on the nature of the services received.

viii. Asset acquisition

The Company applied judgment in determining that the acquisition of Kingking Milling Corporation did not constitute a business combination under IFRS 3 and should instead be accounted for as an asset acquisition. Management also applied judgment in identifying and measuring the intangible asset recognized on acquisition.

St. Augustine Gold and Copper Limited

Notes to the consolidated financial statements

For the years ended December 31, 2025 and 2024

Financial disclosures are presented in U.S. dollars unless otherwise noted

ix. Shares for debt

Equity instruments issued in settlement of debt are valued using IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments and IFRS 9 Financial Instruments. This requires the use of significant judgment in determining the fair value of the equity instruments issued and comparing it with the carrying amount of the liability extinguished, with any resulting difference recognized in profit or loss. Changes in the assumptions used in determining fair value may materially affect the amounts recognized in the financial statements.

x. Warrants with milestone-based vesting

The Company applies judgment in determining the accounting treatment of warrants issued subject to milestone-based vesting conditions, including whether and when services are received for purposes of IFRS 2, whether vesting conditions have been satisfied, and the period over which any related expense should be recognized

xi. Impairment of Intangible

The Group exercises significant judgment and estimation in assessing the recoverability of its intangible asset. In accordance with IAS 38 Intangible Assets and subsequently evaluated following impairment assessments under IAS 36 Impairment of Assets. The recoverable amount is determined as the higher of value-in-use and fair value less costs of disposal, based on key assumptions including projected future cash flows, timing of project development, discount rates, and prevailing regulatory and market conditions. Changes in these assumptions may materially affect the recoverable amount and may result in further impairment or reversal in future periods.

xii. Going Concern

The consolidated financial statements have been prepared on a going concern basis in accordance with IAS 1 Presentation of Financial Statements, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. In making this assessment, management exercises significant judgment in evaluating the Company's ability to continue as a going concern, taking into account available liquidity, working capital position, existing and planned financing arrangements, and the timing and extent of future expenditures required to advance the Company's mineral property interests. Management also considers factors such as the Company's history of operating losses, absence of operating revenues, and dependence on external financing. Where events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, management evaluates the adequacy of disclosures and the appropriateness of the going concern assumption. Changes in these assumptions and judgments may materially affect the financial statements.

F. Functional and presentation currency

The Company's functional and presentation currency is the U.S. dollar ("\$"). The functional currency of all material subsidiaries is the Philippine peso, and the functional currency of Kingking Mining Corporation ("KMC"), NADECOR and Kingking Gold and Copper Mines, Inc. ("KGCMI") is the Philippine peso.

G. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies (whose functional currency is other than the U.S. dollar) are translated to U.S. dollars at the exchange rate at the time of the transaction or at the average exchange rate for the period. Monetary assets and liabilities denominated in foreign currencies are translated to

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U.S. dollars at the period end exchange rate. Foreign currency differences arising on translation are recognized in profit or loss in the period in which they arise.

ii. Foreign operations

Assets and liabilities of foreign operations (whose functional currency is other than the U.S. dollar) are translated into U.S. dollars at period end exchange rates while income and expenses are translated using average rates for the period. Gains and losses from the translation are deferred and included in the cumulative translation adjustment which is part of accumulated other comprehensive income (loss).

H. Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the consolidated statement of profit or loss.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates at the end of the period, and which are expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

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

I. Cash

Cash includes cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

J. Investment in mineral property

The Company's directed purpose is to develop the Project under an agreement with NADECOR and will receive an economic interest in a joint venture based upon certain required expenditures being incurred. Those expenditures which are directly allowed under the MOU are included in the investment in mineral property account. Amounts not allowed to earn-in are either reported in the investment in mineral property under IFRS 6 – Exploration for and Evaluation of Mineral Resources, or expensed, depending on the character of the expenditure. Under the terms of the MOU, accrued amounts earn-in upon cash settlement. As more fully described in Note 4.A, an agreement was signed in October 2013 and amended in August of 2014, which will eventually supersede the terms of the MOU.

Direct costs related to the acquisition, exploration and evaluation of the Project are capitalized until the viability of the property is determined. Once economic viability is established, qualifying expenditures will be capitalized in accordance with relevant standards until production commences. Management periodically reviews any impairment indicators on the Project, taking into consideration the results of exploration and evaluation activities, estimated mineral market prices, reports of experts and other relevant information. If the Project is to be abandoned or is determined to be impaired, the investment will be adjusted to fair value.

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K. Impairment of non-financial assets

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

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to dispose. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss.

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

L. Financial instruments

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of IAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

i. Classification, measurement and reclassification of financial assets in accordance with IFRS 9

Under IFRS 9, the classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Company's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

All of the Company's financial assets meet these criteria and are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

The Company's financial assets at amortized cost are presented in the statement of financial position as cash, note receivable from NADECOR, advances to joint ventures, and note receivable from joint venture.

For purposes of cash flows reporting and presentation, cash in banks generally earn interest based on daily bank deposit rates. These are unrestricted and readily available for use in the Company's operations and are subject to insignificant risks of changes in value.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in the consolidated statement of profit or loss as part of interest income.

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ii. Impairment of financial assets under IFRS 9

The Company assesses its expected credit loss (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost. Recognition of credit losses is no longer dependent on the Company's identification of a credit loss event. Instead, the Company considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all receivables. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Company also assesses impairment of receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due.

The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of likelihood of default over a given time horizon.
- *Loss given default* – It is an estimate of loss arising in case where a default occurs at a given time. It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the Company would expect to receive, including the realization of any collateral.
- *Exposure at default* – It represents the gross carrying amount of the financial instruments subject to the impairment calculation.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

iii. Derecognition of financial assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

iv. Equity and financial liabilities

Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the appropriate reporting standard.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

The Company applies the residual value approach for warrants issued as part of unit offerings, where applicable, whereby the fair value of the warrants is determined as the residual amount after allocating proceeds to the common shares issued.

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Financial liabilities

Financial liabilities include contractual obligations to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities under potentially unfavorable conditions. Financial liabilities also include contracts which may be settled in an entity's equity instruments.

Other liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expenses over the corresponding period. The effective interest rate is the rate that discounts estimated future cash payments over the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

The Company has classified accounts payable and accrued wages and due to related parties as other financial liabilities.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or they expire.

M. Share-based payment

The share option plan allows the Company's management, consultants and other qualified individuals to acquire shares of the Company. The fair value of share purchase options granted is recognized as compensation expense or capitalized to investment in mineral property depending on the nature of the services provided, with a corresponding increase in equity. The fair value of share-based payments is calculated using the Black-Scholes Option Pricing model. Equity attributable to share-based compensation is reclassified as share capital equity upon exercise.

In situations where equity instruments are issued to non-employees and the goods and services received cannot be reliably valued, then they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

The cost of equity-settled transactions is recognized, together with a corresponding increase in share option reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest. When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms not been modified, if the original terms of the award are met. Additional charges are recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. If a new award is substituted for a cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The Company accounts for equity-settled share-based payments in accordance with IFRS 2.

Equity instruments issued to employees and non-employees are measured at the fair value of the equity instruments at the grant date, unless the fair value of goods or services received can be reliably measured. The fair value is recognized as an expense or capitalized to mineral property or intangible assets, depending on the nature of the services received, with a corresponding increase in equity.

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N. Earnings (Loss) per share

Earnings (loss) per share (“EPS”) is computed by dividing the net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted EPS is computed in a manner similar to basic EPS except that the weighted average number of common shares outstanding are increased to include additional common shares for the assumed exercise of share options and warrants, if dilutive. The number of additional common shares is calculated by assuming that outstanding share options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting years.

O. Leases as lessee

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

i) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

P. Provisions

The Company reports provisions when the following conditions are met:

- an entity has a present obligation (legal or constructive) because of a past event;
- it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and

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- a reliable estimate can be made of the amount of the obligation.

Whether or not a present obligation exists is determined by examining all available evidence, and whether the evidence suggests that an obligation is more likely than not present.

Q. Investments in other entities

The Company accounts for investments below the threshold of having significant influence at fair value, depending on the nature of the investment. If the Company moves beyond the threshold of having significant influence, the cost of the investment is deemed to be the initial cost as the basis for the use of the equity method of accounting for the investment.

If the Company has significant influence over an investee as defined under IAS 28 – Investments in Associates and Joint Ventures, the investment is initially recognized at cost and is adjusted periodically to reflect the Company's portion of the investees' comprehensive profit or loss through the Company's consolidated statement of profit or loss. The Company's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in associate, which has also been grouped with the Company's investment in mineral property as a cash-generating unit for impairment consideration. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss in the consolidated statement of profit or loss.

If the Company is party to a joint arrangement, an assessment is made as to whether the relationship is a joint venture or a joint operation. This determination is driven by the Company's rights and obligations under the agreement that formed the joint arrangement. Joint operations are recognized by the Company to the extent of the Company's share of the assets, liabilities, revenues and expenses relating to its involvement in the joint operation. Joint ventures are accounted for using the equity method under IAS 28.

After application of the equity method to its investments in joint ventures, the Company determines whether it is necessary to recognise an impairment loss on its investments in joint ventures. At each reporting date, the Company determines whether there is objective evidence that the investments are impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

R. Provisions and Asset Retirement Obligations

The Company recognizes a provision for asset retirement obligations ("ARO") in the period in which it is incurred if a reasonable estimate of fair value can be made. The Company reports a provision when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

For the Kingking Project, ARO represents the present value of estimated future costs for reclamation and closure of the mine site. These estimates are based on the Company's interpretation of current regulatory requirements and constructive obligations. The liability is initially measured at fair value and subsequently adjusted for the accretion of interest and changes in the estimated amount or timing of the underlying future cash flows. Correspondingly, the initial cost of the related asset is increased by the same amount and depreciated over the useful life of the asset once production commences.

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S. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an asset acquisition is the fair value of the consideration transferred at the date of acquisition.

- **Recognition and Measurement:** Following initial recognition, intangible assets are carried at cost less than any accumulated depreciation and accumulated impairment loss.
- **Amortization:** Intangible Assets with finite lives are amortized over the useful economic life. Intangible assets not yet available for use, such as those related to MillingCo's role in the Kingking Project, are not amortized. Amortization will commence once the asset is available for use in the manner intended by Management.

T. Standards issued but not yet effective

i. IFRS 18 – Presentation and Disclosure in the Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosure in the Financial Statements ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027 and is to be applied retrospectively, with early adoption permitted.

The Company is currently assessing the impact of the standard on its consolidated financial statements.

3. Investment in mineral property

The following table summarizes changes to the investment in mineral property as at December 31, 2025 and December 31, 2024:

	December 31, 2025	December 31, 2024
Beginning balance	\$ 63,879,922	\$ 63,322,576
Additions	500,854	557,346
Ending balance	\$ 64,380,776	\$ 63,879,922

The Company's investment in mineral property arises from its rights and expenditures under the MOU and related agreements. Additionally, the Company owns 25% of NADECOR directly (Note 4.C). Management expects to fulfill the terms of the Project Framework Agreement ("PFA") (Note 4.A), which will supersede the terms of the MOU. However, until the PFA is substantially completed, the MOU is the current contract in force underlying this asset at December 31, 2025.

The Company has committed to fund approximately \$43,500,000 to complete a definitive feasibility study for the Project, for which the Company will earn a 45% interest in the Project. The underlying earn-in accumulates as expenditures are made, along with other milestones and earn-in commitments. An additional 6% can be earned through interim payments to NADECOR and an additional 9% can be earned by funding a minimum of \$32,000,000 in capital development expenditures ("CapEx"), subject to adjustment according to outcomes contemplated in the MOU. To earn the full 60% potential interest in the Project, the Company will spend, or pay to NADECOR, a

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minimum of \$83,000,000, as outlined by the agreement summarized below and subject to adjustments for outcomes contemplated in the MOU. A significant variable which can change this minimum commitment is the planned tonnage throughput of mine operations. In the event that the Company's minimum commitment increases, the Company and NADECOR share in the economic benefit of cost savings against CapEx at the ratio of the earn-in. The Company also incurs costs related to the Project which do not qualify for progress towards the earn-in. The expenditure requirements and progress towards the payments are summarized as follows:

Item	Earn-in amount	December 31, 2025	December 31, 2024
Exclusivity payment to NADECOR (i)	\$ 400,000	\$ 400,000	\$ 400,000
Initial payment to NADECOR (ii)	3,100,000	3,100,000	3,100,000
Initial BFS funding (iii)	30,000,000	30,000,000	30,000,000
Incremental BFS funding (iv)	5,000,000	5,000,000	5,000,000
Incremental BFS funding (iv)	8,500,000	8,500,000	8,500,000
Payments to NADECOR (v)	4,000,000	1,231,000	1,231,000
CapEx funding (vi)	32,000,000	24,560,089	23,947,450
Totals	\$ 83,000,000	\$ 72,791,089	\$ 72,178,450

- (i) Direct payment to NADECOR made in 2009;
- (ii) \$3,000,000 was paid in 2010. The remaining \$100,000 was paid in 2012;
- (iii) Direct project expenditures made by the Company pursuant to the Preferred Shares Investment Agreement ("PSIA"). The full amount has been expended;
- (iv) Direct project expenditures after the fulfillment of \$30,000,000 required to be expended following the PSIA;
- (v) The timing of direct payments to NADECOR is contingent on events contemplated in the MOU. During 2011, \$981,000 was paid, \$250,000 was paid during 2013, and the balance is expected to be paid if the terms of the PFA are not fulfilled; and
- (vi) Total CapEx based on planned mine throughput. The minimum commitment is \$32,000,000, and is subject to adjustment depending on the planned throughput of the mine. PFS results indicate that throughput would increase the Company's CapEx commitment should the terms of the PFA not be completed.

A reconciliation of the progress made towards the earn-in to the amounts invested in mineral property included on the accompanying consolidated statements of financial position is as follows:

Reconciliation of Investment in mineral property to earn-in	December 31, 2025	December 31, 2024
Investment in mineral property	\$ 64,380,776	\$ 63,879,922
Qualifying fundraising costs	1,788,362	1,788,362
Other (i)	6,621,951	6,510,166
Estimated earn-in balance	\$ 72,791,089	\$ 72,178,450

- (i) Other items include earn-in expenditures that do not qualify as direct mineral property expenditures.

4. Transactions with Nationwide Development Corporation

A. Project Framework Agreement ("PFA")

On October 3, 2013, the Company, NADECOR and Queensberry Mining & Development Corp. ("Queensberry, Note 6.C) executed the PFA, which was amended in August 2014. In November 2013, NADECOR's

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shareholders ratified the execution and implementation of the PFA. The Company received shareholder approval and conditional Toronto Stock Exchange (“TSX”) approval in December 2013. The Company received shareholder approval and conditional TSX approval in July 2014 for the PFA amendment. NADECOR shareholders approved the PFA amendment in June 2014. The PFA amendment was executed on August 8, 2014. The amended PFA’s purpose is to restructure and align NADECOR and the Company’s financial interests in the Project. Upon completion of the amended PFA’s terms, it will supersede the MOU and related agreements. The primary terms of this agreement, as amended, include the following completed items:

- In 2013, NADECOR established a mining company (Kingking Mining Corporation; “KMC”) which is 40% owned by NADECOR, 40% by the Company, and 20% by Queensberry (in accordance with Philippine nationality requirements). NADECOR is required to transfer the MPSA to KMC (Note 5.B);
- The Company extends a credit facility to NADECOR of up to ₱860,000,000 (approximately \$20,000,000), subject to available funds (Note 4.B);
- During 2014 the Company settled NADECOR debts of ₱110,000,000 (approximately \$2,500,000) and \$2,218,810 in exchange for additions to the receivable under the credit facility (Note 4.B);
- In 2013 NADECOR reimbursed \$2,800,000 million in Project expenditures to the Company;
- In 2013 NADECOR acknowledged that the Company has earned-in to a 50% economic interest in the Project, and this interest remains in effect whether or not the other terms of the PFA are entirely fulfilled;
- In June 2016, MGB approved the assignment of MPSA to KMC.

The Company entered into a Share Purchase Agreement with NADECOR to acquire 100% of MillingCo for CAD\$9,120,500, settled via a convertible note.

The Company assessed the acquisition as an asset acquisition, as MillingCo failed to meet the definition of a business.

Purchase price consideration	CAD\$9,120,500	\$	6,535,422
Cash		\$	327,141
Receivables			110,142
Intangible asset			6,104,609
Accounts payable			(6,470)
		\$	6,535,422

Assets Acquired and Liabilities Assumed

The transaction resulted in the recognition of an intangible asset of \$6,104,609, representing rights and interests associated with MillingCo in relation to the Kingking Project.

Nature of Intangible Asset

The intangible asset represents contractual and economic rights associated with MillingCo’s role in supporting the development of the Kingking Project, including rights linked to processing, infrastructure, and related project arrangements.

The asset is not yet available for use and is therefore not amortized, but is tested for impairment annually, or more frequently if indicators of impairment exist.

Related Party Transaction

NADECOR is a significant shareholder and associate of the Company. Accordingly, this transaction is a related party transaction and an upstream transaction from an associate for purposes of IAS 28, as NADECOR recognized a gain on sale associated with MillingCo (the Company’s portion of 25% was

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eliminated) as well as an unrealized gain on common shares held in the Company, through other comprehensive income, which have been eliminated in full.

Key Terms of Associated Agreements

The acquisition forms part of a broader framework of agreements relating to the Kingking Project, which include

- provisions for funding of project development activities;
- arrangements related to processing and infrastructure development; and
- economic participation mechanisms, including royalty arrangements of approximately 7% of certain project revenues, where applicable.

On July 24, 2025, the Company settled the convertible note through conversion into 185,000,000 common shares of the Company.

KMC (Note 5.B) will be loaned \$11,000,000 under a credit facility which has been committed to secure land acquisitions (\$10,000,000) and to compensate Queensberry (Note 6.C) for certain services provided (\$1,000,000). The Queensberry service contract contains milestone payments related to permitting and transfer of the MPSA to KMC, the Project joint venture. KMC paid \$500,000 of this amount as payable upon issuance of the ECC in April 2015. The Company had advanced \$7,500,000 of the facility to KMC at December 31, 2025 and December 31, 2024 (Note 5.B).

B. Note receivable from NADECOR

At December 31, 2025, NADECOR owed the Company \$5,784,052 under the terms of the facility established by the amended PFA (Note 4.A) (December 31, 2024 – \$5,847,205). The balance includes ₱110 million (approximately \$2,500,000) advanced in cash to settle NADECOR's debt to Queensberry and Company shares issued against other NADECOR debts, valued at \$2,218,810, as well as other advances and accrued interest. The note matured October 3, 2023, at which time a single installment for principal and accrued interest was due. The maturity date can be extended an additional 15 years at NADECOR's option, pursuant to the terms of the original agreement. During the year ended December 31, 2024, the maturity date was extended an additional 15 years. The note accrues interest at one-year SOFR per annum until the date of commercial production of the Project, at which time interest will accrue at one-year SOFR plus 2%. The note may be repaid at any time without premium or penalty.

C. Investment in NADECOR

On March 15, 2013, the Company executed an agreement with NADECOR (the "NADECOR Subscription") whereby the Company acquired 25% of NADECOR's common shares for ₱1.8 billion (\$43,520,407). The terms of this agreement were fully executed in 2013 and the Company holds 25% of NADECOR's issued and outstanding common stock.

The Company accounts for its investment in NADECOR as an investment in an associate using the equity method. NADECOR is a Philippine entity engaged in the development of the Kingking Project. The Company's share of losses is limited to its investment in NADECOR and any additional financial support provided.

Upstream transactions between NADECOR and the Company are eliminated to the extent of the Company's ownership interest in accordance with IAS 28.

NADECOR's ability to transfer funds to the Company in the form of cash dividends is limited by law while NADECOR has an accumulated deficit. The law does not have significant restrictions on NADECOR's ability to repay Philippine loans or advances made by the Company.

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Set out below is summarized financial information for NADECOR, prepared in accordance with IFRS, together with a reconciliation to the carrying amount of the Company's investment recognized in the consolidated statement of financial position.

The following reconciles the summarized financial information of NADECOR to the carrying amount recognized in the consolidated financial statements:

Item	December 31, 2025	December 31, 2024
Current assets	\$ 506,728	\$ 330,849
Non-current assets	185,270,472	127,550,925
Current liabilities	(2,216,219)	(2,441,945)
Non-current liabilities	(18,999,554)	(5,487,205)
Net assets	164,561,427	119,952,624
Less : Removal of 25% of shareholdings	(1,545,473)	-
Less: Reversal of unrealized gain on shareholdings	(40,402,097)	-
Net assets, adjusted for eliminations	122,613,857	119,952,624
Share of net assets	25%	25%
Carrying amount before elimination of upstream	30,653,464	29,898,156
Less: elimination of upstream transaction	(1,710,729)	-
Carrying amount on statement of financial position	28,942,735	29,898,156
Income (loss)	4,286,583	(809,262)
Other comprehensive income (loss)	40,402,097	(5,453,710)
Total comprehensive income (loss)	44,688,680	(6,262,972)
Less: Elimination of upstream transaction	(6,842,920)	-
Less: reversal of unrealized gain on shareholdings	(40,402,097)	-
Comprehensive loss, adjusted for eliminations	(2,556,337)	(6,262,972)
Share of comprehensive loss	25%	25%
Proportionate share of loss	(639,084)	(202,316)
Adjustment to equity pick-up for reversal of 25% shareholdings	205,176	-
Proportionate share of loss, adjusted	(433,908)	(202,316)
Proportionate share of comprehensive loss	-	(1,363,428)

5. Investments in joint ventures

The Company is invested in two joint ventures.

A. Kingking Gold and Copper Mines, Inc. ("KGCMI")

The Company has invested cash totaling \$752,913 in KGCMI through December 31, 2025 and 2024, in exchange for 40% of KGCMI's voting common shares. At December 31, 2025 and December 31, 2024, the Company was owed \$nil for advances made to KGCMI.

KGCMI was incorporated to become the joint venture entity to hold the rights to develop and operate the Project in the Philippines. However, NADECOR arranged for a new entity, KMC (Note 5.B), to hold the rights to develop and operate the Project. It is expected that the assets and liabilities of KGCMI will be distributed to KMC. The Company accounts for this investment using the equity method; accordingly, the investment will be adjusted for

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the Company's share of profit and loss at each reporting period. As KGCMI is a project site operating entity and its activities have historically been limited, the Company did not recognize a material share of loss attributable to KGCMI in these consolidated financial statements.

At December 31, 2025 and 2024, KGCMI had current assets of approximately of \$43,000, non-current assets of approximately \$520,000, current liabilities of approximately \$163,000, and non-current liabilities of approximately \$50,000.

B. Kingking Mining Corporation ("KMC")

KMC was incorporated on October 30, 2013, to take KGCMI's (Note 5.A) role as the entity which will hold the rights to develop and operate the Project in the Philippines. The Company had invested \$58,706 in KMC as at December 31, 2025 and December 31, 2024.

At December 31, 2025, the Company was owed \$4,905,640 for advances made to KMC (December 31, 2024 – \$2,382,175). During the year ended December 31, 2025, advances to KMC were reduced by \$57,875

At December 31, 2025, KMC owed the Company \$9,617,974, comprised of \$7,500,000 in principal and \$2,117,974 in accrued interest (December 31, 2024 - \$9,299,271; \$7,500,000 for principal and \$1,799,271 for accrued interest) under the credit facility established concurrent with amended PFA (Note 4.A). The maturity date can be extended an additional 15 years at KMC's option, pursuant to the terms of the original agreement. During the year ended December 31, 2024, the maturity date was extended an additional 15 years. The note accrues interest at one-year SOFR per annum until the date of commercial production of the Project, at which time interest will accrue at one-year SOFR plus 2%. The note may be repaid at any time without premium or penalty.

Below is the summarized financial information of KMC prepared under IFRS for the years ended December 31, 2025 and 2024 and reconciliation with the carrying amount of the investment on the consolidated statements of financial position:

Item	December 31, 2025	December 31, 2024
Current assets	\$ 1,786,897	\$ 352,881
Non-current assets	13,285,996	11,900,579
Current liabilities	(14,950,747)	(12,062,497)
Non-current liabilities	(7,711,031)	(7,635,160)
Net liabilities	\$ (7,588,885)	\$ (7,444,197)
Loss	\$ (675,027)	\$ (1,045,196)
Foreign exchange translation gain	530,339	216,695
Comprehensive loss	\$ (144,688)	\$ (828,501)
Share of comprehensive loss	40%	40%
Proportionate share of loss	\$ (270,011)	\$ (418,078)
Proportionate share of translation gain	\$ 212,136	\$ 86,678
Proportionate share of total comprehensive loss	\$ (57,875)	\$ (331,400)

The carrying amount of the Company's investments in KMC and KGCMI totaled \$nil as at December 31, 2025 and December 31, 2024. The Company carries its investment in KMC at \$nil and the Company has reduced its advances to joint ventures for losses in excess of the Company's carrying value investment in KMC. During the years ended December 31, 2025, the Company's share of KMC's total comprehensive loss was \$57,875 (2024 – \$331,400) which also decreased the Company's advances to joint ventures.

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6. Related party transactions

Certain key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

The following related parties transacted with the Company in the reporting period of these Financial Statements. The terms and conditions of transactions with key management personnel and their related parties are intended to be equivalent to those that prevail in arm's length transactions.

A. Transactions with officers and directors

The aggregate value of transactions with officers and directors is as follows:

Compensation	Notes	Years ended December 31,	
		2025	2024
Officer salaries and director compensation		\$ 626,400	\$ 657,063
Share-based compensation	6.I	2,850,000	-
Total		\$ 3,476,400	\$ 657,063

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, specifically its officers and directors. As at December 31, 2025, a total of \$939,546 is owed to key management in relation to salaries and compensation (December 31, 2024 - \$1,106,764). This amount has been included in accounts payable and accrued wages on the consolidated statement of financial position. Wage expenses capitalized into the mineral asset during the year ended December 31, 2025 was \$220,000 (2024 - \$220,000).

B. Transactions with Other Related Parties

Transactions	Years ended December 31,	
	2025	2024
Services rendered:		
Dentons Canada LLP (i)	\$ 154,382	\$ 20,112
Related party receivable	December 31, 2025	December 31, 2024
NADECOR (Note 4.B)	\$ 5,784,052	\$ 5,847,205
KMC note receivable (Note 5.B)	9,617,974	9,299,271
KMC advances receivable (Note 5.B)	4,905,640	2,382,175
Total	\$ 20,307,666	\$ 17,528,651
Related party balances payable	December 31, 2025	December 31, 2024
Dentons Canada LLP (i)	\$ 28,503	\$ -
Queensberry (Note 6.C)	55,174	661,460
Prime Asset Ventures, Inc. (Note 6.D)	249,498	627,810
Faithful Holdings, Inc. (Note 6.E)	515,367	178,608
Metanoia South Pte. Ltd. (Note 6.H)	9,980,960	-
Total	\$ 10,829,502	\$ 1,467,878

The aggregate value of transactions and outstanding balances with other related parties were as follows:

- (i) In 2025 and 2024, Dentons Canada LLP acted as the Company's securities counsel and the partner of the account was also the Corporate Secretary.

C. Queensberry Mining and Development Corp. ("Queensberry")

The Company and Queensberry are party to agreements described in Note 4. The Company's CEO, Manuel Paolo A. Villar, is the majority shareholder of Faithful Holdings, Inc., the new parent of Queensberry.

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Queensberry is the Company's largest shareholder. Queensberry has entered into management service agreements with the Company and KMC, effective May 2015 ("May 2015 Service Agreement") and November 2014 ("November 2014" Service Agreement"), to compensate Queensberry ₱800,000 and ₱560,000 per month (approximately \$17,500 and \$12,000), respectively. Queensberry received \$500,000 from KMC as payable upon issuance of the ECC in April 2015 in accordance with the service contract (Note 4.A). As at December 31, 2025, Queensberry had total advances to the Company amounting to \$55,174 (December 31, 2024 - \$661,460).

On June 10, 2025, the Company completed the debt settlement (the "Debt Settlement") transaction with Queensberry Mining and Development Corp. (the "Creditor"). Pursuant to the Debt Settlement, the Company issued an aggregate of 25,306,166 common shares in the capital of the Company, in consideration for the settlement of a total of CAD \$1,670,207 or \$1,202,549 in connection with certain funds advanced to the Company by the Creditor.

D. Prime Asset Ventures Inc. ("PAVI")

In 2016, Queensberry assigned the May 2015 Service Agreement and November 2014 Service Agreement to PAVI, the former parent company of Queensberry. The Company's CEO is the majority shareholder of PAVI.

E. Agata Mining Ventures, Inc. ("AMVI")

The Company and AMVI, an affiliate, entered into a contract for services in March 2018 wherein the Company shall render technical services, legal consultancy and administration services to AMVI for a monthly fee of ₱525,000.

F. TVI Resource Development Phils., Inc. ("TVIRD")

The Company and TVIRD, an affiliate, entered into a contract for services in March 2018 wherein the Company shall render legal consultancy and administration services to TVIRD for a monthly fee of ₱100,000.

G. Faithful Holdings Inc. ("FHI")

In 2019, PAVI assigned the May 2015 Service Agreement and November 2014 Service Agreement to FHI. In 2020, the May 2015 Service Agreement was not renewed.

H. Metanoia South Pte. Ltd. ("MSPL")

On December 23, 2025, Metanoia South Pte. Ltd advanced approximately \$10 million to the Company. MSPL is 100% owned by Prime Resources Holdings Inc. The advance from MSPL is unsecured, bears interest at 15% per annum, and is repayable within nine months in a single payment of principal and interest.

I. Share-based compensation

The Company issued shares to NP Capital Corp., a company wholly-owned by Nicolas Paraskevas, a related party, at a subscription price of CAD\$0.073 per share. The market price of the Company's shares on the grant date was approximately CAD\$0.31 per share, resulting in a benefit to the recipient of \$2,850,000 (CAD\$3,910,500) recognized as share-based compensation in the statements of profit and loss. This share-based compensation was approved by the Company's shareholders in a Special Stockholders Meeting held on September 12, 2025.

7. Shareholders' equity

A. Share capital

The Company is authorized to issue an unlimited number of common shares of no par value.

On June 10, 2025, the Company completed the debt settlement (the "Debt Settlement") transaction with Queensberry Mining and Development Corp. (the "Creditor"). Pursuant to the Debt Settlement, the Company issued an aggregate of 25,306,166 common shares in the capital of the Company in consideration for the settlement of a total of CAD \$1,670,207 (\$1,202,549) in connection with certain funds advanced to the Company by the Creditor.

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On July 7, 2025, the Company announced that the convertible note issued on May 30, 2025 to NADECOR was fully converted into equity in accordance with its terms. The total principal amount of CAD \$9,120,500 (\$6,535,422) was converted into 185,000,000 common shares of the Company at conversion rate of CAD\$0.0493 per share.

On July 24, 2025, the Company concluded a private placement with various shareholders, covering 341,038,196 common shares at a subscription price of CAD\$0.073 per share, for a total investment of CAD\$24,895,379 (\$17,878,004).

On July 24, 2025, the Company announced the appointment of Nicolaos Paraskevas as Executive Director of the Corporation and member of the Board of Directors of the Company, hence considered an “insider” of the Corporation pursuant to the TSX Company Manual.

On September 12, 2025, the Company’s shareholders approved the private placement of Mr. Paraskevas of 16,500,000 common shares at a price of CAD\$0.073 per common share, for aggregate gross proceeds of CAD\$1,204,500 (\$859,258).

On November 12, 2025, the Company issued 300,000 common shares to a consultant pursuant to the exercise of stock options at a price of CAD\$0.37 per share, for total consideration of CAD \$111,000 (\$78,510).

On December 12, 2025, the Company issued 16,500,000 common shares to NP Capital Corp., a company wholly-owned by Mr. Paraskevas.

B. Share option reserves

The Company has a share option plan approved by the Company’s shareholders that allows the Board of Directors to grant options to employees, officers, independent contractors, and directors. Shares reserved and available for grant and issuance equals 10% of the total issued and outstanding common shares as calculated from time to time. Under the plan, the exercise price of each option cannot be less than the market price of the Company’s stock on the date of grant. The options are granted for a term determined by the Board of Directors for maximum term of ten (10) years.

Options generally expire 90 days following employment termination and vest over a two-year period, although individual option contract terms may change the standard terms under the plan at the discretion of the Board of Directors.

Share option reserves totalled \$12,033,926 at December 31, 2025 and December 31, 2024.

C. Warrants

The Company has issued warrants in connection with prior equity financings and other transactions. Each warrant entitles the holder to acquire one common share of the Company at a specified exercise price prior to expiry.

On December 11, 2025, the Company issued 33,000,000 warrants to NP Capital Corp., a company wholly-owned by Nicolas Paraskevas in connection with advisory and strategic services provided to the Company. The warrants are subject to milestone-based vesting conditions related to financing activities and advancement of the Kingking Project.

Management assessed the arrangement under IFRS 2 and concluded that, as at December 31, 2025, the applicable vesting conditions had not been satisfied. Accordingly, no share-based compensation expense and no corresponding warrant reserve were recognized in 2025 in respect of these warrants.

If and when the applicable vesting conditions are satisfied, the Company will recognize the related share-based payment expense over the relevant vesting period, with a corresponding credit to equity. The warrants also meet the definition of equity instruments under IAS 32, as they are exercisable into a fixed number of the Company’s own common shares for a fixed exercise price.

Key terms of the warrants are as follows:

- Number of warrants : 33,000,000

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- Exercise price: CAD\$0.11
- Expiry date: December 11, 2030
- Vesting: Subject to performance-based milestones related to financing activities and advancement of the Kingking Project.

Valuation of Warrants

The fair value of the warrants was determined at the grant date using a recognized option pricing model.

The Company used the Black-Scholes option pricing model, with the following assumptions:

- Expected volatility: 94.57%
- Risk-free interest rate 2.94%
- Expected life: 5 years
- Dividend yield: 0%

The resulting fair value of warrants of CAD\$8,717,822 (\$6,359,119) will be recognized in warrant reserves within shareholder's equity over the vesting period. A total of \$nil was recorded for the year ending December 31, 2025 as no milestones have been met.

8. General and administrative costs

The Company's general and administrative costs for the years ended December 31, 2025 and 2024 are composed of the following:

	Years ended December 31,	
	2025	2024
Professional fees	\$ 2,107,524	\$ 313,809
Legal fees	193,657	28,640
Director fees	62,358	46,400
Stock listing and transfer fees	106,042	24,411
Others	12,421	1,169
Total	\$ 2,482,002	\$ 414,429

9. Income taxes

A. Current income taxes

The major components of income tax expense for the years ended December 31, 2025 and 2024 are:

	December 31,	
	2025	2024
Expected tax benefit at statutory income tax rate of 0%	\$ -	\$ -
Tax rate differential	(53,647)	35,122
Permanent differences	71,538	(43,438)
Deferred tax asset not recognized	9,924	9,486
Tax Expense	27,814	1,169

Taxation in the Company's operational jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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	December 31,	
	2025	2024
Current tax expense	\$ 473	\$ 34
Deferred tax expense	27,341	1,135
Income tax expense	\$ 27,814	\$ 1,169

A reconciliation between tax expense and the accounting loss multiplied by the Company's domestic tax rate for the years ended December 31, 2025 and 2024 is as follows:

	December 31,	
	2025	2024
Non-capital losses	\$135,492	\$ 776
Capital assets	(145,416)	(10,262)
Deferred tax asset not recognized	9,924	9,486
Total	\$ -	\$ -

As at December 31, 2025, the Company has a deferred tax liability of approximately \$27,000 primarily related to unrealized foreign currency gains included in the accounts payable. There was no corresponding liability as of December 31, 2024.

B. Unrecognized tax losses / unrecognized deductible temporary differences

As of December 31, 2025, the Company has estimated non-capital losses for foreign income tax purposes that may be carried forward to reduce taxable income derived in future years, totaling approximately \$496,000 for which no deferred tax asset was recognized. The majority of the operating losses were incurred in the Netherlands, approximately \$434,000, which begin expiring in 2026.

10. Earnings (loss) per share ("EPS")

A. Basic EPS

Basic EPS is computed by dividing net loss for the year by the weighted average number of common shares outstanding during that year.

B. Diluted EPS

Diluted EPS is computed by dividing net loss for the year by the diluted number of common shares. Diluted common shares include the effects of instruments, such as share options and warrants, which could cause the number of common shares outstanding to increase.

The Company reported losses for the years ended December 31, 2025 and 2024; the Company has accordingly presented basic and diluted EPS, which are the same, on a single line in the consolidated statements of profit or loss. Diluted EPS did not include the effect of share options or warrants as they were anti-dilutive.

11. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the continued evaluation of (and future development of) its Project and to maintain a flexible capital structure which optimizes costs of capital at an acceptable risk.

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In the management of capital, the Company considers items included in equity attributable to shareholders to be capital. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the Company's assets. In order to maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments, acquire or dispose of assets, or to bring in joint venture partners.

To facilitate the management of its capital requirements, the Company prepares annual expenditures budgets which are updated as necessary depending on various factors, including general industry conditions. The annual and updated budgets are approved by the Company's Board of Directors.

There were no changes to the Company's approach to managing capital during the year ended December 31, 2025.

12. Financial instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. At December 31, 2025, the Company's financial instruments include cash, advances to joint ventures, notes receivable, accounts payable and accrued wages and due to related parties for which there are no differences in the carrying values and fair values, due to their short-term nature. The types of risk exposures are detailed below.

The Company is required to classify fair value measurements using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

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

The financial risks arising from the Company's operations include credit risk, liquidity risk, foreign exchange risk, and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management monitors these exposures and implements appropriate measures on a timely basis.

The Company does not generally engage in derivative financial instruments for trading or speculative purposes.

A. Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company maintains the majority of its cash in financial institutions located in the Philippines. The Company carries credit risk through its long-term receivables from NADECOR (Note 4.B) and KMC (Note 5.B). The Company's receivable from NADECOR is secured by a 40% interest in KMC, and the Company is a common shareholder in both NADECOR and KMC. Other current assets include tax refunds collectible and are considered to be low credit risk.

B. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through the management of its capital structure.

Following is a summary of current obligations:

At December 31, 2025	Less than 1 year	1 to 3 years	Greater than 3 years	Total
Accounts payable and accrued wages	\$ 1,086,609	\$ -	\$ -	\$ 1,086,609
Due to related parties	10,829,502	-	-	10,829,502
Totals	\$ 11,916,111	\$ -	\$ -	\$ 11,916,111

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C. Foreign exchange risk

The Company is exposed to foreign exchange risk as some of its cash is held in currencies other than the U.S. dollar. The Company also incurs expenses in currencies other than the U.S. dollar regularly, and such expenditures are expected to increase over time. These subject the Company to currency transaction risk. The Company's items exposed to foreign exchange risk include the following:

Foreign Currency Assets	At December 31, 2025		At December 31, 2024	
	Foreign Amount	USD Amount	Foreign Amount	USD Amount
Cash accounts				
Philippine pesos	₱ 1,153,500,177	\$ 19,599,817	₱ 3,291,230	\$ 56,758
Total foreign currency assets		\$ 19,599,817		\$ 56,758

Foreign Currency Liabilities	At December 31, 2025		At December 31, 2024	
	Foreign Amount	USD Amount	Foreign Amount	USD Amount
Accounts payable & accrued wages				
Canadian dollars	C\$ 46,096	\$ 33,629	C\$ 42,155	\$ 29,333
Philippine pesos	₱ 542,332,072	9,215,091	₱ 41,258,458	711,516
Euros	€ 79,797	88,471	€ 86,199	88,471
Singaporean dollars	S\$ 741	577	S\$ 427	313
Total foreign currency liabilities		\$ 9,337,768		\$ 829,633

The Company has not entered into any derivative instruments to manage foreign exchange fluctuations; however, management monitors foreign exchange exposure.

The Company conducts transactions in foreign currencies, and while exchange rates are anticipated to remain stable, certain activities and expenditures will be subject to market fluctuations. The Company will be establishing policies to monitor and minimize risk concerning currency issues between the United States, Canada and the Philippines as transactions increase. Gains and losses on transactions due to fluctuations in foreign currency rates are recorded as changes in the consolidated statements of profit or loss.

Based on the above net exposures and assuming that all other variables remain constant, a 10% depreciation of the U.S. dollar against all of the above currencies would result in an increase in foreign exchange effects in the year of approximately \$1.1 million (2024 – \$90,000). This sensitivity analysis includes only outstanding foreign currency denominated items.

13. Commitments and contingencies

A. NADECOR

i. Commitments related to NADECOR

The Company's commitments to NADECOR are described in Note 3.

NADECOR has committed to pay a royalty fee of one percent (1.0%) of the Project's gross production to the Mansaka Indigenous Cultural Communities/Indigenous Peoples.

ii. Lawsuit initiated by Benguet Corporation (BC) against NADECOR, et. al.

A Complaint for rescission of contract; specific performance; loss of period of payment; to declare a lien on the MPSA; plus attorney's fees and damages was filed in court by Benguet Corporation (BC) under date of October 10, 2019, naming NADECOR as the principal defendant. On February 2, 2022, a court-issued summons was served upon the Company. It must be noted that the Company is not doing business in the Philippines, hence, there are established rules for the proper service of summons upon foreign-registered entities, which Benguet and the court process server did not comply with.

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Benguet Corporation filed a complaint against the Company, which is currently pending before the Regional Trial Court of Makati City, Branch 62. NADECOR remains the principal defendant in the case, which is still at the pre-trial stage as of the reporting date. Based on management's assessment and the advice of legal counsel, the Company believes that the claim can be successfully defended. Consequently, no provision has been recognized in the financial statements as of December 31, 2025.

B. Investments in joint ventures

i. KGCMI

The Company has subscribed to 40% of KGCMI. The Company maintains their rights to the shares of KGCMI are protected by the share subscription agreement between the Company and KGCMI. A new entity has been incorporated to take the place of KGCMI's business purpose (Note 5.A).

ii. KMC

KMC (Note 5.B), the entity to which MPSA has been assigned to in 2016, was incorporated in October 2013.

KMC has a \$3,000,000 payable due upon the finalization of a land purchase agreement and a \$500,000 outstanding milestone payment due to Queensberry (Note 4.A) upon a triggering event, both of which will be financed by the Company as per the note receivable set out in Note 4.A.

On February 22, 2017, KMC received a show cause order from the DENR directing KMC to explain why the MPSA should not be cancelled for being located within a protected watershed area. On February 27, 2017, management of KMC responded to the show cause order providing detailed explanation that there is no factual and legal basis to validly cancel, terminate or suspend the MPSA.

The matter is currently awaiting a decision from the DENR. However, in the Company's view, the likelihood of the MPSA being cancelled is remote.

C. Other

Due to the nature of the Company's operations, various legal and tax matters are outstanding from time to time. In the opinion of management, there are no matters that could have a material effect on these consolidated financial statements which require additional disclosure.

14. Subsidiaries

D. Listing of subsidiaries consolidated by the Company:

Name	Country of Incorporation	Ownership Interest	Principal Activity
St. Augustine Mining, Ltd.	Cayman Islands	100%	Domestic operations
Asia Pacific Dutch BV	Netherlands	100%	Holding company
SAML-Dutch Cooperatief U.A.	Netherlands	100%	Holding company
Asia Pacific SAML Holdings	Philippines	100%	Holding company
MDC Operating Services Phils. Ltd.	Philippines	100%	Philippine employment (inactive)
San Augustin Services Inc.	Philippines	100%	Foreign operations
Kinking Milling Corporation	Philippines	100%	Foreign operations
St. Augustine Gold & Copper (Singapore) Pte. Ltd.	Singapore	100%	Holding company

D. Asset ownership by geographic location

All of the Company's non-current assets (other than financial instruments) are located in the Philippines as at December 31, 2025 and 2024.