



CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Jaguar Mining Inc.

Opinion

We have audited the consolidated financial statements of Jaguar Mining Inc. (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2025 and December 31, 2024
- the consolidated statements of operations and comprehensive (loss) for the years then ended
- the consolidated statements of cash flows for the years then ended
- the consolidated statements of changes in shareholders' equity for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the “financial statements”).

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

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 Financial Statements**” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of reclamation provisions

Description of the matter

We draw attention to Notes 3(c)(xi), 3(d)(iii) and 14 to the financial statements. The Entity has recorded reclamation provisions of \$65,731 thousand for obligations for environmental rehabilitation or reclamation resulting from mining, extraction and processing activities. The provisions are determined using expectations of future activities and the amount and timing of associated cash flows discounted to their present value using a pre-tax discount rate.

Why the matter is a key audit matter

We identified the assessment of reclamation provisions as a key audit matter. This matter represented an area of significant risk of material misstatement requiring specialized skills and knowledge to evaluate the Entity's selection of the future activities and the amount and timing of associated cash flows, and the pre-tax discount rate used to determine the present value of the reclamation provisions.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter.

We assessed the professional competence, experience and objectivity of the Entity's experts who produced the mine closure plans and estimated the amount of expected cash flows

We compared certain expected future activities included in the Entity's estimate of the reclamation provisions to the most recent mine closure study filed with the environmental authorities and compared subsequent changes to local laws and regulations.

Due to the specialized skills and knowledge used by the Entity to select the future activities and the amount and timing of associated cash flows, we involved asset management professionals with specialized skills and knowledge, who assisted in evaluating a selection of cash flows by comparing to recent third-party quotes and relevant supporting evidence.

We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the Entity's pre-tax discount rate by comparing them to third party sources.



Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Todd Millar Buchanan.

Toronto, Canada

March 31, 2026

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of US dollars)

| | | December 31, 2025 | December 31, 2024 |
|---|---------|----------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | \$ 66,526 | \$ 46,357 |
| Short-term investments | Note 5 | 9,883 | 1,438 |
| Restricted cash | Note 4 | 812 | 923 |
| Inventory | Note 6 | 16,011 | 15,343 |
| Recoverable taxes | Note 7 | 2,235 | 3,933 |
| Other accounts receivable | | 834 | 328 |
| Prepaid expenses and advances | | 1,284 | 2,226 |
| Total current assets | | 97,585 | 70,548 |
| Non-current assets | | | |
| Property, plant and equipment | Note 8 | 261,923 | 253,440 |
| Mineral exploration projects | Note 9 | 11,663 | 10,681 |
| Deferred tax assets | Note 13 | 10,281 | 7,234 |
| Recoverable taxes | Note 7 | 5,211 | 2,340 |
| Other accounts receivable | | 1,833 | - |
| Restricted cash | Note 4 | 1,302 | 753 |
| Total assets | | \$ 389,798 | \$ 344,996 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | Note 10 | \$ 19,976 | \$ 15,803 |
| Notes payable | Note 11 | 6,112 | 3,044 |
| Lease liabilities | Note 12 | 383 | 1,363 |
| Current tax liability | Note 13 | - | 1,422 |
| Other taxes payable | | - | 487 |
| Reclamation provisions | Note 14 | 9,643 | 8,585 |
| Warrant liabilities | Note 16 | 378 | - |
| Legal and other provisions | Note 15 | 36,099 | 26,174 |
| Total current liabilities | | 72,591 | 56,878 |
| Non-current liabilities | | | |
| Lease liabilities | Note 12 | 1,917 | 2,544 |
| Other taxes payable | | - | 8,185 |
| Reclamation provisions | Note 14 | 56,088 | 28,309 |
| Legal and other provisions | Note 15 | 14,428 | 9,548 |
| Total liabilities | | \$ 145,024 | \$ 105,464 |
| SHAREHOLDERS' EQUITY | | | |
| Common shares | Note 16 | \$ 595,893 | \$ 574,634 |
| Stock options | | 653 | 1,335 |
| Deferred share units | | 3,018 | 2,743 |
| Contributed surplus | | 24,058 | 23,883 |
| Deficit | | (378,848) | (363,063) |
| Total shareholders' equity | | \$ 244,774 | \$ 239,532 |
| Total liabilities and shareholders' equity | | \$ 389,798 | \$ 344,996 |

Subsequent events

Note 16(b), 27

On behalf of the Board:

(signed) "Jeffrey Kennedy"

(signed) "Luis Albano Tondo"

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

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS)

For the years ended December 31, 2025 and 2024

(Expressed in thousands of US dollars, except per share amounts and number of shares)

| | | Years ended December 31, | |
|---|----------------------|-----------------------------|------------|
| | | 2025 | 2024 |
| Revenue | <i>Note 18</i> | \$ 135,167 | \$ 158,630 |
| Operating costs | <i>Note 19</i> | 50,381 | 73,270 |
| Depreciation | | 12,224 | 25,860 |
| Gross profit | | 72,562 | 59,500 |
| Exploration and evaluation costs | | 2,129 | 2,114 |
| Stock-based compensation | <i>Note 16(b)(c)</i> | 846 | 447 |
| General and administrative expenses | | 9,505 | 7,792 |
| Satinoco event | <i>Note 15(b)</i> | 51,189 | 26,327 |
| Legal, recoverable tax and other provisions expenses | | 1,696 | 7,736 |
| Net impairment charges | <i>Note 8</i> | - | 1,427 |
| Other operating expenses | | 1,700 | 659 |
| Operating income | | 5,497 | 12,998 |
| Foreign exchange loss (gain) | | 8,579 | (9,233) |
| Financial instruments (gain) | <i>Note 5</i> | (9,007) | (48) |
| Finance costs | | 6,279 | 3,371 |
| Changes in reclamation provisions for non-operating sites | <i>Note 14</i> | 30,801 | 13,016 |
| Other non-operating (income) | <i>Note 20</i> | (13,546) | (170) |
| (Loss) income before income taxes | | (17,609) | 6,062 |
| Current income tax expense | <i>Note 13</i> | 844 | 8,783 |
| Deferred income tax (recovery) | <i>Note 13</i> | (2,668) | (1,434) |
| Total income tax expense (recovery) | | (1,824) | 7,349 |
| Net (loss) | | \$ (15,785) | \$ (1,287) |
| Total comprehensive (loss) | | \$ (15,785) | \$ (1,287) |
| Earnings per share | <i>Note 17</i> | | |
| Earnings per share | | | |
| Basic | | \$ (0.20) | \$ (0.02) |
| Diluted | | \$ (0.20) | \$ (0.02) |
| Weighted average shares outstanding | | | |
| Basic | | 80,621,821 | 79,176,793 |
| Diluted | | 80,621,821 | 79,176,793 |

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024
(Expressed in thousands of US dollars)

| | | Years ended December 31. | |
|---|------------|-----------------------------|------------------|
| | | 2025 | 2024 |
| OPERATING ACTIVITIES | | | |
| Net loss for the period | | \$ (15,785) | \$ (1,287) |
| Adjustments and non-cash items | | | |
| Depreciation and amortization | | 15,444 | 25,997 |
| Accretion interest expense | | 5,204 | 2,895 |
| Interest expense | | 802 | 452 |
| Impairment charges | | - | 1,427 |
| Unrealized foreign exchange loss (gain) | | 9,530 | (9,622) |
| Current income tax expense | | 844 | 8,783 |
| Deferred income tax (recovery) | | (2,668) | (1,434) |
| Changes in reclamation provisions for non-operating sites | Note 14 | 30,801 | 13,016 |
| Recovery on reversal of withholding tax provisions | Note 20 | (8,170) | - |
| Satinoco provisions expense | Note 15(b) | 26,968 | 23,843 |
| Legal and other provisions expense | | 3,244 | 7,520 |
| Change in fair value on short-term investments | Note 5 | (9,007) | (48) |
| Other activities (recovery) expense | Note 21 | (1,794) | 1,427 |
| Changes in operating assets and liabilities | Note 22 | (34,472) | (7,204) |
| Cash provided by operating activities before income taxes | | 20,941 | 65,765 |
| Income taxes paid | | (2,422) | (8,416) |
| Net cash provided by operating activities | | 18,519 | 57,349 |
| INVESTING ACTIVITIES | | | |
| Investment in short-term investments | Note 5 | (422) | (1,390) |
| Investment in mineral exploration projects | | (982) | - |
| Additions of property, plant and equipment | | (22,331) | (33,589) |
| Proceeds from disposition of short-term investments | | 984 | - |
| Proceeds from dispositions of property, plant and equipment | | 4,120 | 301 |
| Proceeds from disposition of mineral exploration projects | | - | 4,000 |
| Net cash (used in) investing activities | | (18,631) | (30,678) |
| FINANCING ACTIVITIES | | | |
| Cash received upon issuance of shares via private placement | Note 16(a) | 19,936 | - |
| Cash received upon issuance of notes payable | Note 25(f) | 8,000 | 6,000 |
| Cash received upon issuance of shares via stock options exercised | Note 16(b) | 1,295 | 99 |
| Repayment of notes payable and lease liabilities | Note 25(f) | (6,783) | (8,598) |
| Interest paid | | (165) | (245) |
| Share issuance costs paid | | (1,051) | - |
| Net cash provided by (used in) financing activities | | 21,232 | (2,744) |
| Effect of exchange rate changes on cash and cash equivalents | | (951) | 389 |
| Net increase (decrease) in cash and cash equivalents | | 20,169 | 24,316 |
| Cash and cash equivalents at the beginning of the period | | 46,357 | 22,041 |
| Cash and cash equivalents at the end of the period | | \$ 66,526 | \$ 46,357 |

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2025 and 2024

(Expressed in thousands of US dollars)

| | Common Shares | | Broker Warrants | | Stock Options | | Deferred Share Units | | Contributed Surplus | Deficit | Total Equity |
|--|-----------------------|-------------------|-----------------|-------------|--------------------|-----------------|----------------------|-----------------|---------------------|---------------------|-------------------|
| | Shares | Amount | Warrants | Amount | Options | Amount | Units | Amount | | | |
| Balance as at January 1, 2024 | Note 16 79,066,665 | \$ 574,000 | Note 16 - | \$ - | Note 16 993,792 | \$ 1,390 | Note 16 843,455 | \$ 2,776 | \$ 23,883 | \$ (361,776) | 240,273 |
| Stock options granted and outstanding | - | - | - | - | - | 21 | - | - | - | - | 21 |
| Stock options exercised | 64,500 | 175 | - | - | (64,500) | (76) | - | - | - | - | 99 |
| Deferred share units granted and outstanding | - | - | - | - | - | - | 290,318 | 426 | - | - | 426 |
| Deferred share units redeemed | 176,920 | 459 | - | - | - | - | (176,920) | (459) | - | - | - |
| Net (loss) | - | - | - | - | - | - | - | - | - | (1,287) | (1,287) |
| Balance as at December 31, 2024 | 79,308,085 | \$ 574,634 | - | \$ - | 929,292 | \$ 1,335 | 956,853 | \$ 2,743 | \$ 23,883 | \$ (363,063) | \$ 239,532 |
| Balance as at January 1, 2025 | 79,308,085 | \$ 574,634 | - | \$ - | 929,292 | \$ 1,335 | 956,853 | \$ 2,743 | \$ 23,883 | \$ (363,063) | \$ 239,532 |
| Shares issued from private placement | 5,090,910 | 19,936 | - | - | - | - | - | - | - | - | 19,936 |
| Shares issuance cost, net of income taxes | - | (672) | - | - | - | - | - | - | - | - | (672) |
| Warrants granted and outstanding | - | (378) | 199,999 | - | - | - | - | - | - | - | (378) |
| Stock options granted and outstanding | - | - | - | - | 392,328 | 269 | - | - | - | - | 269 |
| Stock options exercised | 791,804 | 2,098 | - | - | (791,804) | (803) | - | - | - | - | 1,295 |
| Stock options forfeited | - | - | - | - | (48,202) | (148) | - | - | 148 | - | - |
| Deferred share units granted and outstanding | - | - | - | - | - | - | 260,394 | 577 | - | - | 577 |
| Deferred share units redeemed | 70,326 | 275 | - | - | - | - | (70,326) | (275) | - | - | - |
| Deferred share units forfeited | - | - | - | - | - | - | (7,509) | (27) | 27 | - | - |
| Net (loss) | - | - | - | - | - | - | - | - | - | (15,785) | (15,785) |
| Balance as at December 31, 2025 | 85,261,125 | \$ 595,893 | 199,999 | \$ - | 481,614 | \$ 653 | 1,139,412 | \$ 3,018 | \$ 24,058 | \$ (378,848) | \$ 244,774 |

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

1. Nature of business

Jaguar Mining Inc. (the “Company” or “Jaguar”) is a corporation continued under the *Business Corporations Act* (Ontario) engaged in the acquisition, exploration, development, and operation of gold producing properties in Brazil. The address of the Company’s registered and principal executive office is 25 Adelaide St. East, Suite 1400, Toronto, Ontario, Canada, M5C 3A1.

These consolidated financial statements of the Company as at for the years ended December 31, 2025 and 2024, include the accounts of the Company and its wholly-owned subsidiaries: (i) Mineração Serras do Oeste Ltda. (“MSOL”) and (ii) Mineração Onças de Pitangui Ltda. (“MOPL”). All significant intercompany accounts and transactions have been eliminated on consolidation.

MSOL is the operating subsidiary for (i) the Turmalina Complex comprising the Turmalina mine and one processing facility, (ii) the Caeté Complex comprising the Pilar mine and one processing facility, and (iii) the Paciência Complex comprising the Santa Isabel mine which has been on care and maintenance since 2012. MOPL is the operating subsidiary for the Pitangui and Acuruí gold mineral exploration projects which are located, respectively, in proximity to the Turmalina Complex and Paciência Complex.

2. Basis of preparation

a) Statement of compliance

The Company’s consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”), effective as at December 31, 2025. The Company’s material accounting policies and significant estimates and judgments are described in Note 3 of these consolidated financial statements for the year ended December 31, 2025.

These consolidated financial statements were authorized for issuance by the Board of Directors on March 31, 2026.

3. Material accounting policies and significant estimates and judgments

a) Basis of measurement

These consolidated financial statements have been prepared on a going concern and historical cost basis.

The consolidated financial statements include the accounts of Jaguar Mining Inc. and its subsidiaries. The Company consolidates its subsidiaries where it has the ability to exercise control. Subsidiaries are consolidated from the acquisition date, which is the date on which the Company obtains control of the acquired entity. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation.

b) Functional and presentation currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which the entities operate, which the Company has determined is the U.S. dollar. Determination of functional currency requires certain judgements to determine the primary economic environment. In line with the Company’s functional currency, these consolidated financial statements are presented in U.S. dollars.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

c) Material accounting policies

(i) Basis of consolidation

Subsidiaries are entities controlled by the Company. The financial statements of the Company's subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Business combinations

The Company determines whether a business is acquired when the integrated set of assets and activities includes at a minimum, an input and substantive process and whether the acquired set has the ability to contribute to the creation of outputs.

The Company also has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. If substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the concentration test is met, and the transaction is determined not to be a business combination. If the assets acquired are not a business, the transaction is accounted for as an asset acquisition.

(iii) Cash and cash equivalents

The Company considers deposits in banks, certificates of deposit and financial investments with remaining maturities of three months or less at the time of acquisition to be cash and cash equivalents. Cash held on deposit as security is classified as restricted cash.

(iv) Short-term investments

Short-term investments include marketable securities which are readily tradable in an active market and can be quickly converted into cash with an established market price. These are equity instruments that the Company holds for short-term investment purposes, typically with the intention of selling them within one year or within the normal operating cycle, whichever is longer.

(v) Inventory

Gold in process, unrefined gold doré and ore in stockpiles are stated at the lower of the weighted average total production cost or net realizable value. Production costs include direct labour, employee benefits, direct material and other direct product costs including depreciation and amortization. Net realizable value represents estimated selling price in the ordinary course of business, less any further costs expected to be incurred to completion.

Raw materials and mine operating supplies are stated at the lower of weighted average cost, and net realizable value.

(vi) Mineral exploration projects

Exploration and evaluation costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral resource are expensed as incurred.

The exploration and evaluation costs capitalized to Mineral exploration projects are those incurred to advance exploration projects with an established mineral resource. These expenditures are made to establish and expand upon a given project's technical and commercial feasibility which will underpin the Company's decision to develop said project into a mine or not. The capitalized costs include: direct costs of acquiring

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For the years ended December 31, 2025 and 2024

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

exploration properties or other resource property interests, sample collection, drilling costs, geophysical survey expenses, assay expenses, and technical and administrative overheads directly attributable to the exploration activities.

Mineral exploration projects are carried at cost, less any impairment losses recognized. If the Company determines a given project is technically feasible and commercially viable and approves the mine development of said project, the capital asset associated with the project is reclassified from Mineral exploration projects to Mining properties in Property, plant and equipment. At the time of reclassification the capital asset is reviewed for impairment in accordance with the policy noted in item (viii) below. If no economically viable ore body is discovered, previously capitalized mineral exploration project costs are expensed in the period that the project is determined to be uneconomical or abandoned.

(vii) Property, plant and equipment ("PP&E")

Plant, vehicles and equipment

At acquisition, the Company records plant, vehicles and equipment at cost, including all expenditures incurred to prepare an asset for its intended use. These expenditures consist of: the purchase price, and installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges. The Company capitalizes costs that meet the asset recognition criteria. Costs incurred that do not extend the productive capacity or useful economic life of an asset are accounted for as a cost of the inventory produced in the period.

Plant, vehicles and equipment are depreciated over their expected useful life, which commences when the assets are considered available for use. Once plant, vehicles and equipment are considered available for use they are measured at cost less accumulated depreciation and applicable impairment losses. Depreciation on equipment utilized in the development of assets, including underground mine development, is recapitalized as development costs attributable to the related asset.

Leasing arrangements

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to the statement of operations and comprehensive (loss) on a straight-line basis over the lease term.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease 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 then assesses (i) whether the contract involves the use of an identified asset, (ii) whether it has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and (iii) if it has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the consideration in the contract is allocated to each lease component proportionally on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset, which is included in property, plant and equipment, and a right-of-use lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Construction-in-progress

Assets under construction at operating mines are capitalized as construction-in-progress (“CIP”). The cost of CIP comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Construction-in-progress amounts related to development projects are included in the carrying amount of the development project.

Construction-in-progress amounts incurred at operating mines are presented as a separate asset within PP&E. Construction-in-progress also includes deposits on long lead items. Construction-in-progress is not depreciated. Depreciation commences once the asset is complete and available for use.

Depreciation and amortization

Depreciation and amortization methods and rates for significant categories of non-current assets are as follows:

| | |
|------------------------|--|
| Processing plants | - over plant life, straight-line basis |
| Vehicles | - 5 years, straight-line basis |
| Equipment | - 5-10 years, straight-line basis |
| Leasehold improvements | - over term of lease, straight-line basis |
| Mining properties | - unit-of-production method ⁽¹⁾ |

⁽¹⁾ Amortization of mining properties, pre-production and development costs are calculated and recorded on the unit-of-production basis over the mine’s estimated recoverable proven and probable mineral reserves and measured and indicated resources, as disclosed in Note 3(d).

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Depreciation or amortization is adjusted prospectively if there is a change in useful lives, reserve base or residual values.

(viii) Underground mine development costs

At the Company’s underground mines, development costs are incurred to build new drifts and ramps that enable the Company to physically access ore underground. The time over which the Company will continue to incur these costs depends on the mine life. These underground development costs are capitalized as incurred.

Capitalized underground development costs incurred to enable access to specific ore blocks or areas of the underground mine, and which only provide an economic benefit over the period of mining that ore block or area, are amortized on a units of production basis, whereby the denominator includes the ore block or area’s estimated recoverable proven and probable mineral reserves and measured and indicated resources.

(ix) Impairment and impairment reversals

The carrying amounts of the Company’s non-current assets, including property, plant and equipment and exploration and evaluation assets, are reviewed at each reporting date to determine whether there is any indication of impairment or reversal thereto.

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Prior to carrying out impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IFRS 6 – Exploration for and Evaluation of Mineral Resources or IAS 36 - Impairment of Assets. Such determination is by reference to the stage of development of the project and the level of reliability and surety of information used in calculating value in use or fair value less costs of disposal.

The Turmalina, Caeté, and Paciência projects are each CGUs which include property, plant and equipment, mineral rights, deferred exploration costs, and asset retirement obligations net of amortization. The CGUs also include mineral exploration project assets relating to properties not in production. A CGU is generally an individual operating mine or development project.

Impairment reviews performed under IFRS 6 are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

- sufficient data exists that render the resource uneconomic and unlikely to be developed
- title to the asset is compromised
- budgeted or planned expenditure is not expected in the foreseeable future
- insufficient discovery of commercially viable resources leading to the discontinuation of activities

Impairment reviews performed under IAS 36 are carried out when there is an indication that the carrying value may be impaired. Such key indicators (though not exhaustive) to the industry include a significant deterioration in the price of gold, a significant increase in production costs, or a significant revision to, and reduction in, the life of mine plan.

If any such indicator exists, the Company performs an impairment test to compare the recoverable amount to the carrying amount. The recoverable amount is the greater of its value-in-use and its fair value less cost of disposal.

The Company's estimate of the recoverable amounts is determined using the fair value less cost of disposal approach which uses discounted cash flow models to determine the recoverable amount.

Fair value less cost of disposal is the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

An impairment loss is recognized when the carrying value of an asset held for use exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit on a pro-rata basis. Impairment losses are recognized in operating expenses. Impairment losses are recorded in the reporting period in which determination of impairment is made by management.

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 and 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.

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(x) Income taxes

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in the consolidated statements of operations and comprehensive income (loss) except to the extent that it relates to items recognized directly in equity.

Current income taxes

Current income taxes are the expected taxes payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous years.

Deferred income taxes

The Company accounts for deferred income taxes under the asset and liability method. Under this method of tax allocation, deferred income and mining tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax bases (temporary differences).

Deferred income taxes are measured using the tax rates that are expected to be in effect when the temporary differences are likely to reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The effect on deferred income tax assets and liabilities of a change in tax rates is included in earnings in the period in which the change is substantively enacted. The amount of deferred income tax assets recognized is limited to the amount that is probable to be realized.

(xi) Reclamation provisions

Mining, extraction and processing activities normally give rise to obligations for environmental rehabilitation or reclamation. Reclamation work can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation, including compliance with and monitoring of environmental regulations; security and other site-related costs required to perform the rehabilitation work; and operation of equipment designed to reduce or eliminate environmental effects. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and our environmental policies. The timing of work is dependent upon factors such as the life and nature of the asset, the operating license conditions, the environment in which the mine operates, among others.

Reclamation provisions are normally recognized at the time that an environmental disturbance occurs or a constructive obligation is determined. When a reclamation provision is initially recognized, the corresponding cost is capitalized as an asset to PP&E and is depreciated over the expected economic life of the operation to which it relates.

Included in the provisions are cost estimates which (i) aim to encompass all closure and reclamation activity expected to occur in connection with the state of disturbances existent as at the reporting date and to be conducted progressively over the life of the operation, at the time of closure and post-closure, (ii) are made based on the cost of external contractors performing the work or the cost of performing the work internally depending on management's intention, and (iii) are measured at the expected value of future cash flows discounted to their present value using a pre-tax discount rate projected based on Brazilian real risk-free treasury bond rates with a maturity approximating the timing in which the reclamation activities are planned to occur. The unwinding of the discount, referred to as accretion expense, is included in finance costs and results in an increase in the amount of the provision.

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Excluded from the reclamation provisions are routine operating costs that may impact the ultimate closure and reclamation activities, such as waste material handling conducted as an integral part of a mining or production process.

Reclamation provisions are adjusted each reporting period in consideration of the changes in the extent of disturbance made, estimates and assumptions. Adjustments to reclamation provisions for operating sites are accounted for as a change in the corresponding cost of the related assets, including the related mineral property, except where a reduction in the provision is greater than the remaining net book value of the related assets, in which case the value is reduced to nil and the remaining adjustment is recognized in the consolidated statements of operations and comprehensive income (loss). Adjustments to reclamation provisions for closed sites or sites on care and maintenance are recognized immediately in the consolidated statements of operations and comprehensive income (loss).

Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognized as an expense and liability when the event that gives rise to an obligation occurs and reliable estimates of the required reclamation costs can be made.

(xii) Legal and other provisions

Provisions are recorded when a legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation estimated at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation and is measured using the present value of cash flows estimated to settle the present obligation.

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. In assessing loss contingencies related to legal proceedings that are pending against us or un-asserted claims that may result in such proceedings, the Company with assistance from its legal counsel evaluate the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought. If the assessment of a contingency determines that a loss is probable, and the amount can be reliably estimated, then a provision is recorded. When a contingent loss is not probable but is reasonably possible, or is probable but the amount of loss cannot be reliably estimated, and then details of the contingent loss are disclosed. Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the Company discloses the nature of the guarantee. Contingent gains are only recognized when the inflow of economic benefits is virtually certain.

(xiii) Foreign currency translation

The U.S. dollar is considered to be the functional currency of the Company and of its subsidiaries. Monetary assets and liabilities of the Company's operations denominated in foreign currency are translated into U.S. dollars at the rate of exchange in effect at the balance sheet date, and non-monetary assets and liabilities are translated at the historical rate of exchange. Transactions in foreign currencies are translated at the actual rates of exchange. Foreign currency gains and losses are recognized in the consolidated statements of operations and comprehensive income (loss).

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(xiv) Stock-based compensation

The Company has stock-based compensation plans, which are described in Note 16(b) and (c). The Company accounts for all equity-settled stock-based payments based on the fair value of the award on grant date.

Under the fair value based method, compensation cost attributable to options granted is measured at fair value at the grant date and amortized over the vesting period. The amount recognized as an expense is adjusted to reflect any changes in the Company's estimate of the shares that will eventually vest and the effect of any non-market vesting conditions.

Share-based payment arrangements in which the Company receives goods or services as consideration are measured at the fair value of the good or service received, unless that fair value cannot be estimated reliably.

(xv) Revenue recognition

Revenue is generated from the sale of refined gold, refined silver and concentrate. The Company considers each shipment to be a separate performance obligation and recognizes revenue at the point when the customer obtains control of the product. Control is transferred when title has passed to the customer, the customer has assumed the significant risks and rewards of ownership of the asset and the Company has the present right to payment for the delivery of its products.

(xvi) Royalties

Cash flows from the Company's mining properties are subject to the following royalty encumbrances: (i) a regulatory royalty, CFEM – Compensação Financeira pela Exploração de Recursos Minerais, due to Brazil's federal tax authority, at rates stated in law and charged on gross sales revenue less taxes incident on commercialization; (ii) a regulatory royalty due to registered landowners who hold proven title to the land from which gold production is extracted, equating to 50% of the CFEM charge incurred; and (iii) commercial royalties due to former property owners where provided for under the applicable purchase agreements.

Royalty expenses are recognized to operating costs in the statement of operations and comprehensive income (loss).

(xvii) Earnings per share

Basic earnings per share is computed by dividing the net income available to common shareholders by the weighted average number of common shares outstanding during the period. The dilutive effect of outstanding options and their equivalents are reflected in diluted earnings per share by the application of the treasury method. The computation of diluted earnings per share assumes conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share.

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(xviii) Financial instruments - recognition and measurement

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit and loss (“FVTPL”), directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial asset has been classified as amortized cost, FVTPL or fair value through other comprehensive income (“FVTOCI”). Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as amortized cost or FVTPL. Financial assets and financial liabilities classified as amortized cost are measured subsequent to initial recognition using the effective interest method.

On initial recognition, financial assets are classified as: amortized cost, FVTPL, or FVTOCI. Such classification is determined according to the assets’ contractual cash flow characteristics and the business models under which they are held.

A financial asset is measured at amortized cost if meets the following criteria: (i) it is not designated as FVTPL, (ii) it is held with the objective of collecting contractual cash flows, and (iii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTPL financial instruments are carried at fair value with changes in fair value charged or credited to earnings in the period in which they arise.

Loss allowances for ‘expected credit losses’ are recognized on financial assets measured at amortized cost, and on contract assets measured at FVOCI.

Financial liabilities are initially measured at cost or amortized cost, net of transaction costs and any embedded derivatives that are not closely related to the financial liability, depending upon the nature of the instrument with any resulting premium or discount from the face value being amortized to earnings using the effective interest method.

The following is a summary of the financial instruments outstanding and classifications as at December 31, 2025:

| | |
|--|------------------|
| Cash and cash equivalents | - Amortized cost |
| Short-term investments | - FVTPL |
| Restricted cash | - Amortized cost |
| Other accounts receivable | - Amortized cost |
| Accounts payable and accrued liabilities | - Amortized cost |
| Warrant liabilities | - FVTPL |
| Notes payable | - Amortized cost |

d) Significant accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS as issued by IASB requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Certain accounting estimates depend on subjective or complex judgments about matters that may be uncertain, and changes in said estimates could materially impact these consolidated financial statements. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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The judgments that management has applied in the application of accounting policies and related estimates that have the most significant effect on the amounts recognized in these consolidated financial statements are discussed below:

(i) Mineral reserve and resource estimates

A mine reserve estimate is an estimate of the amount of product that can be economically and legally extracted from the Company's mining properties. In order to calculate reserve estimates, assumptions are required about a range of geological, technical and economic factors, including: quantities, grades, production techniques, recovery rates, production costs, transportation costs, commodity demand, commodity prices and exchange rates. The Company estimates its ore reserves and mineral resources based on information compiled by qualified persons as defined in accordance with the Canadian Securities Administrators' National Instrument 43-101 Standards of Disclosure for Mineral Projects requirements.

Estimates of mineral reserves and mineral resources may change as estimates and assumptions change and as additional geological data is generated during the course of operations. Changes in mineral reserve estimates or measured and indicated and inferred mineral resources estimates may affect depreciation rates and carrying values of the Company's inventory, property, plant and equipment, mineral exploration projects, reclamation provisions and deferred income taxes.

(ii) Units of production depreciation

The Company's mining properties are depreciated on a unit-of-production basis and calculates the depreciation rate for each project by dividing its volume extracted by the estimated amount of recoverable mineral resources. The estimated amount of recoverable mineral resources (a) includes proven and probable mineral reserves as well as measured and indicated resources, (b) reflects management's best estimate of the useful life of the projects, and (c) is updated periodically in consideration of the results of complementary technical work performed. Periodic updates are treated as changes in accounting estimates and are accounted for on a prospective basis. It is impracticable to assess the impact of the change in estimate in future periods.

(iii) Reclamation provisions

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and, over time, becoming more restrictive which impacts the cost of retiring assets at the end of their useful lives.

Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements or, if more stringent, the Company's environmental policies which give rise to a constructive obligation. The principal factors that can cause the expected net present value of cash flows to change are: the construction of new processing facilities; changes in the quantities of material in reserves and resources with a corresponding change in the life of mine plan; changing ore characteristics that impact required environmental protection measures and related costs; changes in water quality that impact the extent of water treatment required; changes in discount rates; changes in foreign exchange rates and changes in laws and regulations governing the protection of the environment.

The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are future changes to environmental laws and regulations that could increase the extent of reclamation and remediation work required to be performed by the Company.

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(iv) Identification of impairment charges and impairment reversals

At each reporting date, the Company applies significant judgment in assessing (a) whether events or circumstances (“impairment indicators”) indicate the recoverable amount may be greater than or less than the carrying amount and (b) whether or not there has been an impairment or reversal thereto of the capitalized mineral exploration projects and property, plant and equipment.

For non-producing properties, the recoverable amount is based on fair value less cost of disposal where fair value is typically determined based on market values, for companies with similar projects. For producing mining properties, the recoverable amount is determined based on the expected future cash flows to be generated from the asset.

Significant assumptions include life of mine future production profiles, future gold prices, discount rates, foreign exchange rates, operating costs and capital expenditures used to determine future cash flows. Assumptions underlying the fair value estimates are subject to risks and uncertainties.

An impairment provision is reversed if there has been a change in the estimates used to determine the recoverable amount and 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.

(v) Legal and other provisions

As at each reporting date, the Company applies significant judgment in determining the likelihood that claims will result in a loss and determining a reliable estimate for the amount of said loss to recognize a provision amount. In the event the Company’s operating activities result in an incident which causes adverse impacts to the environment or local community, the Company engages legal and technical specialists as deemed necessary to evaluate the environmental, social, and economic impacts of such an incident and develop an appropriate remediation plan to determine what legal constructive obligations, if any, may exist and require a provision. Significant judgments required to make such a determination include (a) to what extent, if any, that environmental fines will be substantiated against the Company by relevant environmental regulatory agency, (b) to what extent, if any, that compensatory damages will be deemed due and substantiated against the Company by the Federal Public Prosecutor’s Office, (c) to what extent, if any, that indemnities will be required to be paid to the impacted stakeholders, and (d) to what extent, if any, any other losses will be incurred to remediate the incident and give continuance to the Company’s business operations. Significant assumptions used include the payment timing for the aforementioned items, and the duration throughout which indemnities will be paid. If the assessment of a contingency determines that a loss is probable, and the amount can be reliably estimated, then a provision is recorded. When a contingent loss is not probable but is reasonably possible, or is probable but the amount of loss cannot be reliably estimated, and then the details of the contingent loss are disclosed.

e) Changes in material accounting policies and recent accounting pronouncements

(i) Changes in material accounting policies

- IAS 21 ‘The Effects of Changes in Foreign Exchange Rates’ – On August 15, 2023, the IASB issued amendments to IAS 21 to specify how to assess whether a currency is exchangeable and how to determine the exchange rate when it is not exchangeable. The amendments specify that a currency is exchangeable when it can be exchanged through market or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and the specified purpose. For non-exchangeable currencies, an entity is required to estimate the spot exchange rate as the rate that would have applied to an orderly exchange transaction between market participants at the measurement date under prevailing economic conditions. The

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adoption of the amendments to IAS 21 did not affect the financial results or disclosures in the Company's consolidated financial statements.

(ii) Recent accounting pronouncements

The following are new pronouncements approved by the IASB. These new standards are not yet effective and have not been applied in preparing these financial statements, however, they may impact future periods:

- In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The key changes included clarification on the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to financial liabilities settled through electronic payment system, including an option to utilize an accounting policy for early derecognition. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB also added disclosure requirements to provide additional transparency regarding equity investments designated at fair value through other comprehensive income and financial instruments with contingent features, such as those related to ESG requirements. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The amendments are effective on January 1, 2026 and are not expected to have a significant impact on the Company's consolidated financial statements.
- IFRS 18 'Presentation and Disclosure in Financial Statements' – On April 9, 2024, the IASB issued 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.

4. Restricted cash

| | December 31, 2025 | December 31, 2024 |
|---|----------------------|----------------------|
| Escrow judicial deposits ^(a) | 1,402 | 1,676 |
| Other deposits ^(b) | 712 | - |
| Total restricted cash | \$ 2,114 | \$ 1,676 |
| Less: current portion | 812 | 923 |
| Non-current portion | \$ 1,302 | \$ 753 |

(a) Escrow judicial deposits paid in relation to the Company's ongoing labour, civil and tax litigations (Note 15).

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- (b) Other deposits paid in fulfillment of the Company's tailings dams compliance requirements, the amount of which are invested in Brazilian fixed income investments and shall be recoverable to the Company after the decommissioning of the tailings dams has been completed and certified by the governing environmental authority.

5. Short-term investments

| | December 31, 2024 | | Additions | | Sales | | Changes in fair value | | December 31, 2025 | |
|------------------------|----------------------|-------|-----------|-----|-------|-------|--------------------------|-------|----------------------|-------|
| Short-term investments | \$ | 1,438 | \$ | 422 | \$ | (984) | \$ | 9,007 | \$ | 9,883 |
| Less: current portion | | 1,438 | | | | | | | | 9,883 |
| Non-current portion | \$ | - | | | | | | | \$ | - |

| | January 1, 2024 | | Additions | | Sales | | Changes in fair value | | December 31, 2024 | |
|------------------------|--------------------|---|-----------|-------|-------|---|--------------------------|----|----------------------|-------|
| Short-term investments | \$ | - | \$ | 1,390 | \$ | - | \$ | 48 | \$ | 1,438 |
| Less: current portion | | - | | | | | | | | 1,438 |
| Non-current portion | \$ | - | | | | | | | \$ | - |

As at and during the year ended December 31, 2025, the Company held in investments in marketable gold junior mining company equity securities listed on the TSX Venture Exchange (TSX-V). In the year ended December 31, 2025, the Company recorded \$9.0 million in financial instrument gains from mark-to-market adjustments on short-term investments in the consolidated statement of operations and comprehensive (loss) (\$48,000 in gains from mark-to-market adjustments in the year ended December 31, 2024).

6. Inventory

Inventory is comprised of the following:

| | December 31, 2025 | | December 31, 2024 | |
|--|----------------------|---------------|----------------------|---------------|
| Raw material and mine operating supplies | \$ | 10,283 | \$ | 10,553 |
| Ore in stockpiles | | 587 | | 949 |
| Gold in process | | 2,026 | | 2,318 |
| Unrefined gold doré | | 3,115 | | 1,523 |
| Total inventory | \$ | 16,011 | \$ | 15,343 |

The inventory amount recognized in direct mining and processing costs for the year ended December 31, 2025 was \$47.1 million (\$68.9 million during the year ended December 31, 2024). During the year ended December 31, 2025, there were \$nil in inventory write downs to net realizable value (\$0.5 million during the year ended December 31, 2024 which resulted from the Satinoco incident further disclosed in Note 15(b)).

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7. Recoverable taxes

| | December 31, 2024 | | Additions/ reversals | | Sales of credits | | Applied to taxes payable | | Foreign exchange | | December 31, 2025 | |
|--|----------------------|--------------|-------------------------|--------------|---------------------|--------------|-----------------------------|----------------|---------------------|------------|----------------------|--------------|
| ICMS ^(a) | \$ | 5,088 | \$ | 1,621 | \$ | (585) | \$ | - | \$ | 689 | \$ | 6,813 |
| Provision for ICMS | | (1,828) | | (454) | | - | | - | | (192) | | (2,474) |
| Net ICMS | \$ | 3,260 | \$ | 1,167 | \$ | (585) | \$ | - | \$ | 497 | \$ | 4,339 |
| Value added taxes and other ^(b) | \$ | 3,013 | \$ | 6,639 | \$ | - | \$ | (6,645) | \$ | 100 | \$ | 3,107 |
| Net VAT and other taxes | \$ | 3,013 | \$ | 6,639 | \$ | - | \$ | (6,645) | \$ | 100 | \$ | 3,107 |
| Total recoverable taxes | \$ | 6,273 | \$ | 7,806 | \$ | (585) | \$ | (6,645) | \$ | 597 | \$ | 7,446 |
| Less: current portion | | 3,933 | | | | | | | | | | 2,235 |
| Non-current portion | \$ | 2,340 | | | | | | | | | \$ | 5,211 |

- a) ICMS – Imposto sobre circulação de mercadorias e prestação de serviços is a type of value added tax which can (i) be sold to other companies, usually at a weighted average discount rate of 20% - 50%, (ii) be used to satisfy ICMS tax settlement instalments due, or (iii) be used to purchase specified machinery and equipment, subject to approval by government authority. The ICMS credits can only be realized in the state where they were generated; in the case of Jaguar, in the State of Minas Gerais, Brazil.

As at December 31, 2025, the Company applied a provision valued at 36.3% of its ICMS tax assets, which was based on the Company's historical discount rates required to sell ICMS tax credits to third party buyers (December 31, 2024 – 35.9%).

In the year ended December 31, 2025, the Company started the period with R\$1.9 million (\$0.3 million) in ICMS export and deferred tax credits authorized and available for sale. The Company received approval from the state tax authority to sell an additional R\$3.0 million (\$0.5 million), and the Company sold R\$3.2 million (\$0.5 million) in credits. As at December 31, 2025, the Company held R\$1.7 million (\$0.3 million) in ICMS export and deferred tax credits authorized for sale but not yet sold (December 31, 2024 – R\$1.9 million, approximately \$0.3 million).

- b) The Company is required to pay certain federal value added taxes in Brazil that are based on purchases of consumables and property, plant and equipment. These taxes are recoverable from the Brazilian tax authorities through various methods, including via cash refund or as a credit against payroll, supplier withholding taxes, or other taxes payable.

As at December 31, 2025, the Company had a R\$8.5 million (\$1.5 million) receivable outstanding in its consolidated statement of financial position for tax refunds due to the Company pursuant to a court judgment received with respect to its litigation over Brazil Federal VAT input tax credit claims from past years (December 31, 2024: R\$8.5 million, or \$1.4 million).

In the year ended December 31, 2025, the Company applied (i) R\$23.5 million (\$4.2 million) in federal value added taxes and other tax credits to pay INSS tax obligations and (ii) R\$14.0 million (\$2.4 million) to pay goods and service withholding tax obligations. In the year ended December 31, 2024, the Company applied R\$23.4 million (\$4.4 million) in federal value added taxes and other tax credits to pay INSS tax obligations and R\$12.2 million (\$2.3 million) to pay goods and service withholding tax obligations.

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8. Property, plant and equipment (“PP&E”)

| | Plant | Vehicles | Equipment ¹ | Leasehold ^{1,2} | CIP ³ | Mining properties ⁴ | Total |
|--|------------------|-----------------|------------------------|--------------------------|------------------|--------------------------------|-------------------|
| Cost | | | | | | | |
| Balance as at January 1, 2025 | \$ 27,179 | \$ 7,246 | \$ 203,446 | \$ 12,747 | \$ 7,600 | \$ 610,382 | \$ 868,600 |
| Additions | 76 | 234 | 2,757 | 693 | 6,287 | 16,003 | 26,050 |
| Disposals | - | - | (6,734) | (1,076) | (428) | (2,271) | (10,509) |
| Transfers within PP&E | 19 | - | 183 | - | 733 | (935) | - |
| Balance as at December 31, 2025 | \$ 27,274 | \$ 7,480 | \$ 199,652 | \$ 12,364 | \$ 14,192 | \$ 623,179 | \$ 884,141 |
| Accumulated depreciation and impairment | | | | | | | |
| Balance as at January 1, 2025 | \$ 18,615 | \$ 2,290 | \$ 183,442 | \$ 8,919 | \$ - | \$ 401,894 | \$ 615,160 |
| Depreciation for the period | 1,687 | 741 | 4,271 | 1,195 | - | 7,736 | 15,630 |
| Disposals | - | - | (6,428) | (22) | - | (2,122) | (8,572) |
| Balance as at December 31, 2025 | \$ 20,302 | \$ 3,031 | \$ 181,285 | \$ 10,092 | \$ - | \$ 407,508 | \$ 622,218 |
| Carrying amount | | | | | | | |
| Balance as at December 31, 2025 | \$ 6,972 | \$ 4,449 | \$ 18,367 | \$ 2,272 | \$ 14,192 | \$ 215,671 | \$ 261,923 |
| Cost | | | | | | | |
| Balance as at January 1, 2024 | \$ 26,824 | \$ 7,194 | \$ 207,329 | \$ 8,688 | \$ 4,247 | \$ 599,491 | \$ 853,773 |
| Additions | 107 | 158 | 1,422 | 4,059 | 4,556 | 32,466 | 42,768 |
| Disposals | (169) | (597) | (5,305) | - | (295) | (21,575) | (27,941) |
| Transfers within PP&E | 417 | 491 | - | - | (908) | - | - |
| Balance as at December 31, 2024 | \$ 27,179 | \$ 7,246 | \$ 203,446 | \$ 12,747 | \$ 7,600 | \$ 610,382 | \$ 868,600 |
| Accumulated depreciation and impairment | | | | | | | |
| Balance as at January 1, 2024 | \$ 17,666 | \$ 2,642 | \$ 183,399 | \$ 7,917 | \$ - | \$ 411,720 | \$ 623,344 |
| Depreciation for the period | 1,721 | 601 | 5,143 | 1,276 | - | 17,403 | 26,144 |
| Impairment charges (reversals) | (615) | (356) | (1,429) | (274) | - | (5,654) | (8,328) |
| Disposals | (157) | (597) | (3,671) | - | - | (21,575) | (26,000) |
| Balance as at December 31, 2024 | \$ 18,615 | \$ 2,290 | \$ 183,442 | \$ 8,919 | \$ - | \$ 401,894 | \$ 615,160 |
| Carrying amount | | | | | | | |
| Balance as at December 31, 2024 | \$ 8,564 | \$ 4,956 | \$ 20,004 | \$ 3,828 | \$ 7,600 | \$ 208,488 | \$ 253,440 |

¹ As at December 31, 2025, the Company had equipment and vehicles under right-of-use leases at a cost and net book value of \$19.4 million and \$5.7 million, respectively (December 31, 2024 - \$19.7 million and \$8.1 million, respectively).

² Refers to corporate office leasehold improvements and leased vehicles in Brazil.

³ Refers to construction in progress.

⁴ Mining properties include (i) the Caeté Project encompassing the Pilar and Roça Grande mines, (ii) the Turmalina project encompassing the Turmalina mine, and (iii) the Paciência Project encompassing the Santa Isabel, Marzagão, Rio de Peixe Oxide, Chamé, and Bahú mines.

The Turmalina, Caeté, and Paciência projects are cash generating units (“CGUs”) which include property, plant and equipment, mineral rights, deferred exploration costs, and asset retirement obligations net of amortization. The CGUs also include mineral exploration project assets relating to properties not in production such as mineral rights and deferred exploration costs. A CGU is generally an individual operating mine or development project.

As at December 31, 2025 and December 31, 2024, the Company reviewed the mineral exploration and mining properties within each CGU to determine (i) which properties should be assessed for impairment under IFRS 6 – Exploration for and Evaluation of Mineral Resources and (ii) which should be assessed for impairment under IAS 36 – Impairment of Assets. The Company assessed each CGU for indicators of potential impairment or potential reversal to impairment. In the event such indicators were identified, the Company proceeded to compare the CGU’s carrying value to the recoverable amount determined. The recoverable amount was determined to be the fair value less costs to dispose (“FVLCD”) and the Company’s estimate of the FVLCD is classified as Level 3 in the fair value hierarchy based on the inputs used in the valuation technique.

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The significant assumptions used in determining the recoverable amount of the project were life of mine (LOM) future production profiles, future gold prices, discount rates, foreign exchange rates, operating costs and capital expenditures and the timing of the restart of the Turmalina mine used to determine future cash flows. LOM plans are typically developed annually and are based on management's current best estimates of optimized mine and processing plans, future operating expenditures and capital costs, and income taxes. The Company bases its future gold price estimate with reference to forward prices and industry analyst consensus.

a) Turmalina CGU

Impairment assessment under IAS 36 – Impairment Assets

As at December 31, 2025, the Turmalina mine and plant were assessed for impairment under IAS 36. No indicators of impairment were identified.

As at December 31, 2024, the Turmalina mine and plant were assessed for impairment under IAS 36. The Company identified the following indicators of potential changes to impairment: (i) replenished mineral resource and reserve estimates and (ii) an improved gold price outlook, offset by the (iii) suspension of mining and production activities following the December 7, 2024 tailings pile slump incident disclosed in Note 15(b). The Company performed an impairment assessment and recorded a \$8.3 million impairment reversal which was fully allocated to property, plant and equipment. The life-of-mine gold price per ounce estimates used to calculate recoverable amounts as at December 31, 2024 were \$2,777 for 2025, \$2,811 for 2026, \$2,418 for 2027, \$2,289 for 2028, \$2,031 for 2029, and \$2,023 from 2030 through 2039. The foreign exchange rates used were based on Brazil Central Bank projections as of December 31, 2024 and ranged between R\$5.25/USD and R\$5.70/USD. Quantities of recoverable reserves and resources and future mineral production were included in projected cash flows considering a production restart as from January 2026 and based on mineral reserve and resources estimates including all proven and probable reserves and the portion of inferred and indicated resources deemed to hold a probable likelihood of recovery, as undertaken by qualified persons. A post-tax discount rate of 10.65% was used to calculate the present value of the estimated future cash flows from the operation.

Impairment assessment under IFRS 6 – Exploration for and Evaluation of Mineral Resources

As at December 31, 2025 and December 31, 2024, the Onças de Pitangui properties were assessed for impairment under IFRS 6. No indicators of impairment were identified.

b) Caeté CGU

Impairment assessment under IAS 36 – Impairment Assets

As at December 31, 2025 and December 31, 2024, the Pilar and Roça Grande properties were assessed for impairment under IAS 36. No indicators of impairment were identified.

Impairment assessment under IFRS 6 – Exploration for and Evaluation of Mineral Resources

As at December 31, 2025, the Boa Vista property was assessed for impairment under IFRS 6. No indicators of impairment were identified.

As at December 31, 2024, the Catita and Boa Vista properties were assessed for impairment under IFRS 6. The Company identified a lack of budgeted expenditures at the Catita property as an indicator of impairment. Absent any planned future investments to develop the Catita property, the Company recorded a \$9.8 million impairment provision expense (Note 9), reducing the carrying amount for the property to \$nil.

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c) Paciência CGU

Impairment assessment under IAS 36 – Impairment Assets

As at December 31, 2025 the carrying amount for the Paciência CGU is \$nil (December 31, 2024 - \$nil) and the project continues to be on care and maintenance. As at December 31, 2025 and December 31, 2024, the Paciência CGU properties were assessed for impairment under IAS 36. No indicators of reversal to impairment were identified.

9. Mineral exploration projects

| | Turmalina | | Caeté | | Onças de Pitangui | Total | | |
|--|-----------|--------------|-----------|--------------|-------------------|----------|-----------|---------------|
| Balance as at January 1, 2025 | \$ | 6,445 | \$ | 4,236 | \$ | - | \$ | 10,681 |
| Additions | | 982 | | - | | - | | 982 |
| Balance as at December 31, 2025 | \$ | 7,427 | \$ | 4,236 | \$ | - | \$ | 11,663 |
| Balance as at January 1, 2024 | \$ | - | \$ | 13,991 | \$ | 6,445 | \$ | 20,436 |
| Reclass between CGUs | | 6,445 | | - | | (6,445) | | - |
| Impairment (charges) | | - | | (9,755) | | - | | (9,755) |
| Balance as at December 31, 2024 | \$ | 6,445 | \$ | 4,236 | \$ | - | \$ | 10,681 |

a) Turmalina

As at December 31, 2024, the Company approved a plan to use the Turmalina processing plant to process any future ore to be produced from the Onças de Pitangui mineral exploration project. As a result, the Onças de Pitangui CGU was grouped into the Turmalina CGU and the carrying amount was reclassified accordingly.

b) Caeté

The Caeté mineral exploration project includes the following exploration properties: Pilar-sulphide, Boa Vista, Trindade, Serra Paraíso-sulphide, and Roça Grande.

10. Accounts payable and accrued liabilities

| | December 31, 2025 | December 31, 2024 |
|---|-------------------|-------------------|
| Accounts payable | \$ 14,086 | \$ 10,449 |
| Accrued payroll | 5,890 | 5,354 |
| Total accounts payable and accrued liabilities | \$ 19,976 | \$ 15,803 |

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11. Notes payable

| | December 31, 2025 | December 31, 2024 |
|----------------------------|----------------------|----------------------|
| Total notes payable | \$ 6,112 | \$ 3,044 |

As of December 31, 2025, notes payable included \$6.1 million in unsecured promissory notes with maturity dates ranging from July 2026 to November 2026, bearing interest at rates ranging from 6.19% to 7.30% per annum. As of December 31, 2024, notes payable included \$3.0 million in unsecured promissory notes with maturity dates ranging from February 2025 to May 2025, bearing interest at rates ranging from 5.86% to 6.15% per annum.

12. Right-of-use assets and lease liabilities

a) Right-of-use assets

The Company's significant lease arrangements include contracts for leasing mining equipment. As at December 31, 2025, \$5.7 million of right-of-use assets are recorded as property, plant and equipment (Note 8).

| | 2025 | 2024 |
|---|-----------------|-----------------|
| Right-of-use assets, net book value at January 1 | \$ 8,130 | \$ 7,317 |
| Additions | 65 | 4,059 |
| Disposals | (426) | (1,125) |
| Amortization | (2,033) | (2,121) |
| Right-of-use assets, net book value at December 31 | \$ 5,736 | \$ 8,130 |

b) Lease liabilities

The Company has acquired certain equipment through the assumption of lease obligations. These obligations are secured by promissory notes. When measuring the value of the lease liabilities, the Company discounted lease payments using its 13.00% weighted average incremental borrowing rate at December 31, 2025 (December 31, 2024 – 4.57%). The following table outlines the total minimum loan payments due for lease obligations over their remaining terms as at December 31, 2025 and December 31, 2024:

| | December 31, 2025 | December 31, 2024 |
|---|----------------------|----------------------|
| Less than 1 year | \$ 460 | \$ 1,454 |
| 1 - 3 years | 2,262 | 2,848 |
| Total minimum loan payments | 2,722 | 4,302 |
| Less: Future finance charges | (422) | (395) |
| Present value of minimum loan payments | \$ 2,300 | \$ 3,907 |
| Less: current portion | 383 | 1,363 |
| Non-current portion | \$ 1,917 | \$ 2,544 |

For the year ended December 31, 2025, the Company recognized \$152,000 in accretion expense and \$398,000 in foreign exchange losses on its lease liabilities (\$156,000 in accretion expense and \$414,000 in foreign exchange gains, for the year ended December 31, 2024). The Company presented \$1.8 million in lease liability debt repayments in its statement of cash flows, as further detailed in Note 25(f) (\$2.4 million in lease repayments for the year ended December 31, 2024).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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13. Income taxes

a) Income tax expense (recovery)

The following table shows the components of current and deferred tax expense:

| | December 31, 2025 | December 31, 2024 |
|-------------------------------------|-------------------------|-------------------------|
| Current income tax expense | \$ 844 | \$ 8,783 |
| Deferred income tax (recovery) | (2,668) | (1,434) |
| Total income tax expense (recovery) | \$ (1,824) | \$ 7,349 |

Tax rate reconciliation

The provision for income taxes differs from that which would be expected by applying the combined Canadian federal and provincial statutory income tax rate to income (loss) before income taxes. A reconciliation of the difference is as follows:

| | December 31, 2025 | December 31, 2024 |
|---|----------------------|----------------------|
| (Loss) income before income taxes | \$ (17,609) | \$ 6,062 |
| Combined Canadian federal and provincial income tax rate | 26.50% | 26.50% |
| Expected income tax expense | \$ (4,666) | \$ 1,606 |
| Increase (decrease) in tax expense resulting from: | | |
| Foreign exchange on deferred taxes | \$ (15,598) | \$ 29,219 |
| Change in benefit of non-capital losses not recognized | 13,353 | (41,669) |
| Change in benefit of other temporary differences not recognized | 6,491 | 14,908 |
| Difference in foreign tax rate and Canadian tax rate | (2,242) | 147 |
| Non tax-deductible (recovery) expense | 838 | 3,138 |
| Income tax (recovery) expense | \$ (1,824) | \$ 7,349 |

b) Deferred tax assets

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

| | December 31, 2025 | December 31, 2024 |
|----------------------------------|----------------------|----------------------|
| Deductible temporary differences | \$ 110,448 | \$ 93,428 |
| Tax losses | 107,406 | 72,255 |

In addition to the deductible temporary differences disclosed above, there is \$421.5 million (2024 - \$392.0 million) of deductible temporary differences associated with investment in subsidiaries for which deferred tax assets have not been recognized.

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

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c) Tax losses

As at December 31, 2025, the Company's Canadian non-capital losses, that can be applied against future taxable profit amount to \$36.0 million (December 31, 2024 - \$35.4 million), and will expire as follows:

| Expiry year | December 31, 2025 |
|-------------|----------------------|
| 2035 | \$ 3,407 |
| 2036 | 5,302 |
| 2037 | 6,717 |
| 2038 | 8,829 |
| 2039 | 5,690 |
| 2040 | 3,296 |
| 2041 | 2,740 |
| Total | \$ 35,981 |

The Company has Canadian capital losses of \$13.0 million (December 31, 2024 - \$16.1 million) which can be carried forward indefinitely. These losses can only be applied against capital gains.

The Company has Brazilian non-capital losses of \$142.3 million (equivalent to R\$782.9 million) which can be carried forward indefinitely, however only 30% of the taxable income in one year can be applied against the loss carry-forward balance (December 31, 2024 – \$123.4 million (equivalent to R\$764.3 million)).

d) Recognized deferred tax assets and liabilities

The following table summarizes the types of recognized deferred tax assets and liabilities:

| | December 31, 2025 | December 31, 2024 |
|----------------------------------|----------------------|----------------------|
| Deferred tax assets | | |
| Non-capital losses | \$ 24,354 | \$ 32,344 |
| Capital losses | 1,100 | - |
| Foreign resource reduction | 304 | - |
| Financing fees | 313 | - |
| Total deferred tax assets | \$ 26,071 | \$ 32,344 |
| Deferred tax liabilities | | |
| Unrealized foreign exchange gain | \$ (70) | \$ (2,247) |
| Unrealized fair value gain | (1,080) | - |
| Inventory | (966) | (1,381) |
| Proceeds receivable | (857) | - |
| Mineral properties | (12,817) | (21,482) |
| Total deferred tax liabilities | \$ (15,790) | \$ (25,110) |
| Deferred tax assets - net | \$ 10,281 | \$ 7,234 |

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14. Reclamation provisions

| | December 31, 2024 | Additions (reversals) | Accretion | Payments | Foreign exchange | December 31, 2025 |
|------------------------|----------------------|--------------------------|-----------|-------------|---------------------|----------------------|
| Reclamation provisions | \$ 36,894 | \$ 34,897 | \$ 4,484 | \$ (15,241) | \$ 4,697 | \$ 65,731 |
| Less: current portion | 8,585 | | | | | 9,643 |
| Non-current portion | \$ 28,309 | | | | | \$ 56,088 |

| | December 31, 2023 | Additions (reversals) | Accretion | Payments | Foreign exchange | December 31, 2024 |
|------------------------|----------------------|--------------------------|-----------|------------|---------------------|----------------------|
| Reclamation provisions | \$ 27,484 | \$ 18,507 | \$ 1,784 | \$ (5,125) | \$ (5,756) | \$ 36,894 |
| Less: current portion | 4,298 | | | | | 8,585 |
| Non-current portion | \$ 23,186 | | | | | \$ 28,309 |

The reclamation provisions relate to the cost to decommission the operating facilities and reclaim land that has been disturbed as a result of mining activity.

In the year ended December 31, 2025, the Company recorded a change in estimate to include \$34.9 million (approximately R\$192.0 million) in additional cost estimates in its reclamation provisions, with the counterpart recorded as follows: (i) \$4.1 million (approximately R\$22.6 million) capitalized to Property, plant and equipment mining properties in its consolidated statement of financial position for additional cost estimates at operating sites and (ii) \$30.8 million (approximately R\$169.4 million) expensed to Changes in reclamation provisions for non-operating sites in its consolidated statement of operations and comprehensive (loss) income for additional cost estimates at sites on care and maintenance. The increase reflects the Company's annual reassessment of its reclamation provisions in accordance with its accounting policy and incorporates new information obtained during 2025, including updated technical studies, refined scope definitions, completion and advancement of projects from conceptual to basic and executive engineering stages, updated market pricing, and additional requirements identified in a technical review completed following the December 2024 Satinoco incident.

In the year ended December 31, 2024, the Company recorded a change in estimate to include \$18.5 million (approximately R\$114.5 million) in additional cost estimates in its reclamation provisions, with the counterpart recorded as follows: (i) \$5.5 million (approximately R\$34.0 million) capitalized to Property, plant and equipment mining properties in its consolidated statement of financial position for additional cost estimates at operating sites and (ii) \$13.0 million (approximately R\$80.5 million) expensed to Changes in reclamation provisions on non-operating sites in its consolidated statement of operations and comprehensive (loss) income for additional cost estimates at sites on care and maintenance.

The Company expects to spend approximately \$111.1 million (amount undiscounted) on reclamation activities between 2026 and 2034 (December 31, 2024 – \$60.5 million between 2025 and 2034). The Company's reclamation provisions at December 31, 2025 was calculated as the present value of the expected future cash flows estimated using inflation rates ranging from 4.3% to 3.5% (December 31, 2024 – 4.5% to 3.5%) and discount rates ranging from 11.7% to 11.1% (2024 – 13.1% to 11.9%).

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15. Legal and other provisions

Various legal, environmental, tax and regulatory matters are outstanding from time to time due to the nature of the Company's operations. For its matters outstanding, management, in conjunction with its internal and external legal counsel, assesses the estimated value at risk and the Company's probability of loss. A provision is recorded for cases in which the Company has determined the probability of loss as more likely than not and the amount can be reliably estimated. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

As at December 31, 2025, the Company has recognized a provision of \$50.5 million (December 31, 2024 - \$35.7 million) representing management's best estimate of expenditures required to settle present obligations, as noted in the table below. The ultimate outcome or actual cost of settlement may vary materially from management estimates due to the inherent uncertainty regarding the outcome of the resolution of these matters.

| | December 31, 2024 | | Reversals/ Transfers | | Foreign exchange | | December 31, 2025 |
|------------------------------------|----------------------|-----------|-------------------------|-------------|---------------------|--|----------------------|
| | Additions | Payments | | | | | |
| Labour litigation | \$ 8,138 | \$ 2,946 | \$ (1,592) | \$ (1,225) | \$ 1,044 | | \$ 9,311 |
| Tax litigation | 819 | 108 | - | - | 122 | | 1,049 |
| Civil litigation ^(a) | 2,616 | 361 | (2,862) | (236) | 405 | | 284 |
| Satinoco provisions ^(b) | 23,837 | 28,920 | - | (20,042) | 2,704 | | 35,419 |
| Other provisions ^(c) | 312 | 4,637 | (472) | - | (13) | | 4,464 |
| Total legal and other provisions | \$ 35,722 | \$ 36,972 | \$ (4,926) | \$ (21,503) | \$ 4,262 | | \$ 50,527 |
| Less: current portion | | 26,174 | | | | | 36,099 |
| Non-current portion | \$ 9,548 | | | | | | \$ 14,428 |

| | December 31, 2023 | | Reversals/ Transfers | | Foreign exchange | | December 31, 2024 |
|------------------------------------|----------------------|-----------|-------------------------|------------|---------------------|--|----------------------|
| | Additions | Payments | | | | | |
| Labour litigation ^(d) | \$ 6,396 | \$ 6,086 | \$ (1,228) | \$ (1,276) | \$ (1,840) | | \$ 8,138 |
| Tax litigation | 1,279 | 91 | (302) | - | (249) | | 819 |
| Civil litigation ^(a) | 287 | 2,946 | (76) | (151) | (390) | | 2,616 |
| Satinoco provisions ^(b) | - | 23,837 | - | - | - | | 23,837 |
| Other provisions | 388 | 11 | (2) | - | (85) | | 312 |
| Total legal and other provisions | \$ 8,350 | \$ 32,971 | \$ (1,608) | \$ (1,427) | \$ (2,564) | | \$ 35,722 |
| Less: current portion | | 5,068 | | | | | 26,174 |
| Non-current portion | \$ 3,282 | | | | | | \$ 9,548 |

a) Judicial Decision – August 2011 Paciencia Mine Pipeline Rupture

In September 2025, the Minas Gerais State Court of Appeals issued a decision which overturned the collective moral damages previously imposed in a July 2024 first-instance ruling related to the public civil action seeking compensation for environmental and moral damages caused by the Company's August 29, 2011 Paciência Mine tailings pipeline rupture. The decision reduced the total fine for the case by R\$15.0 million (\$2.9 million). In the year ended December 31, 2025, the Company reversed the corresponding \$2.9 million amount of the provision recorded in the prior year. As of December 31, 2025, no appeal is outstanding, but the decision remains subject to appeal by the Public Prosecutor's Office of the State of Minas Gerais.

b) Satinoco Incident

On December 7, 2024, the Company experienced a slump (the "Incident") in the north wall of the Satinoco dry tailings pile which belongs to the Turmalina Complex and consists of dry-stacked filtered tailings and waste rock. As a result of the Incident, the Company's operating license for the Turmalina mine was suspended from December 7, 2024, until it was reinstated on March 9, 2026, as further disclosed in Note 27.

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The Satinoco Incident led to several legal and administrative actions, including claims for community compensation, environmental fines, and a significant Public Civil Lawsuit. All legal matters related to the Satinoco Incident known to date have been addressed through settlement agreements as follows:

- **Public Civil Lawsuit:** On December 9, 2024, the Company became aware of the filing of a Public Civil Lawsuit by the State Public Prosecutor's Office which, among other things, requested the payment of a compensation in the amount of R\$200.0 million (\$36.3 million). The Company contested the compensation amount and on September 3, 2025 signed a settlement agreement with the State Public Prosecutor's Office. According to the settlement terms, the assessed compensation amount was reduced from R\$200 million (\$36.3 million) to R\$40.0 million (\$7.3 million) and the payment terms were established as follows: (i) R\$10.0 million (\$1.8 million), corresponding to collective moral damages, to be distributed among the affected individuals after completion of an appraisal which will be prepared by an independent third party and approved by the State Public Prosecutor's office to decide the beneficiaries, the allocation criteria, and the indemnity amounts to be paid to each beneficiary and (ii) R\$30.0 million (\$5.5 million) payable in installments between March 2026 and February 2028, bearing interest indexed to Brazil's IPCA (Índice Nacional de Preços ao Consumidor Amplo) rate. As at December 31, 2025, the Company is awaiting the finalization of the independent appraisal.
- **Environmental Fine:** On December 20, 2024, the Company received a notice of infraction applying an environmental liability fine of approximately R\$320 million (\$58.2 million) from the State Secretariat for the Environment and Sustainable Development (SEMAD) of Minas Gerais. The Company contested the infraction amount and on July 11, 2025 signed a settlement agreement with SEMAD. According to the settlement, the infraction amount was reduced from R\$320.0 million (\$58.2 million) to R\$60.0 million (\$10.9 million) and the payment terms were established as follows: (i) R\$24.5 million (\$4.5 million) to be paid to complete certain socio-environmental projects in the State of Minas Gerais within 24 months following a 12 month grace period and (ii) R\$35.5 million (\$6.5 million) plus accrued interest to be paid to SEMAD in 60 monthly installments following a 12 month grace period. The 60 monthly installments bear interest based on Brazil's SELIC (Sistema Especial de Liquidação e de Custódia) rate calculated as from January 2025 until the date each installment is paid.
- **Community Compensation:** On March 24, 2025, the Company signed an agreement with the Public Defender's Office of Minas Gerais which established parameters ("Fair Compensation Parameters") to be used in fairly determining the compensation of individuals and families impacted by the Incident. Following the execution of this agreement, the impacted individuals and families will work with the Public Defender's Office to identify their right to a compensation claim under the parameters established and then decide (i) to submit a compensation claim in conformity with the Fair Compensation Parameters, (ii) to submit a compensation claim through a separate litigation to be initiated against the Company, or (iii) to refrain from submitting a compensation claim. If all impacted individuals and families submit claims in conformity with the Fair Compensation Parameters, the Company estimates its cost for compensation will be approximately R\$57 million (\$10.4 million). Up through December 31, 2025, the Company paid R\$22.5 million (\$4.2 million) in community compensation payments related to the Satinoco Incident.

As at December 31, 2025, the Company has provisioned R\$194.8 million (\$35.4 million) in total liabilities related to the Incident in its consolidated statement of financial position to cover eventual indemnities, environmental recovery costs, fines and assessments, according to management's best estimate (December 31, 2024 – R\$152.3 million, or \$23.8 million).

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In the years ended December 31, 2025 and December 31, 2024, the Company recorded the following expenses related to the Incident:

| | Years ended December 31, | |
|---|-----------------------------|------------------|
| | 2025 | 2024 |
| Turmalina care and maintenance expenses | \$ 21,143 | 2,484 |
| Satinoco provisions expenses | 26,968 | 23,843 |
| Turmalina depreciation expense | 3,078 | - |
| Total satinoco event | \$ 51,189 | \$ 26,327 |

c) Other expense provision

In the year ended December 31, 2025, the Company initiated a review of its historical royalty payments and identified that certain royalties were paid to incorrect landowners between June 2022 and June 2025. As at December 31, 2025, the Company has recognized a \$3.9 million other expense provision as its best estimate for the amount due to the correct landowners. The total royalty expense was calculated and recognized in the prior period consolidated financial statements. The Company continues to investigate this matter and is pursuing recovery of the amounts paid to incorrect landowners, but no receivable has been recognized as at December 31, 2025, as recovery remains uncertain and is considered a contingent asset.

d) Citation related to work on public holidays

In September 2024, Brazil's Superior Labour Court (TST) issued a final decision to fine the Company for breaches of labour law for employees who worked on holidays between February 2015 and October 2019. As of December 31, 2025, the Company recorded a liability for an estimated loss provision of \$5.4 million (R\$29.5 million) (December 31, 2024 - \$4.4 million, or R\$27.5 million). Despite the Company's appeals, which demonstrated proper remuneration for holiday work, the court imposed fines due to the lack of pre-authorization from Brazil's Ministry of Labour. In December 2024, the Company appealed the calculation method, citing inaccuracies and illegalities, and as at December 31, 2025 the appeal continues to be under review by the court.

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16. Capital stock

a) Common shares

The Company is authorized to issue an unlimited number of common shares. All issued shares are fully paid and have no par value. Changes in common shares for the years ended December 31, 2025 and 2024 are as follows:

| | | Number of shares | Amount |
|---|------------|---------------------|-------------------|
| Balance as at December 31, 2024 | | 79,308,085 | \$ 574,634 |
| Shares issued from private placement ¹ | | 5,090,910 | 18,886 |
| Shares issued upon exercise of stock options | Note 16(b) | 791,804 | 2,098 |
| Shares issued upon redemption of deferred share units | Note 16(c) | 70,326 | 275 |
| Balance as at December 31, 2025 | | 85,261,125 | \$ 595,893 |
| Balance as at December 31, 2023 | | 79,066,665 | \$ 574,000 |
| Shares issued upon exercise of stock options | Note 16(b) | 64,500 | 175 |
| Shares issued upon redemption of deferred share units | Note 16(c) | 176,920 | 459 |
| Balance as at December 31, 2024 | | 79,308,085 | \$ 574,634 |

1) On October 15, 2025, the Company closed a brokered bought deal private placement through the issuance of 5,090,910 common shares at a price of C\$5.50 per common share for gross proceeds to the Company of C\$28.0 million (\$19.9 million). The Company incurred \$1.4 million in share issuance costs related to the placement, including (i) \$0.2 million in legal and administrative expenses and (ii) \$1.2 million in compensation paid to the underwriters including \$783,000 paid in cash fees and \$378,000 paid in-kind through 199,999 non-transferable common share purchase warrants issued (the "Broker Warrants"). Each Broker Warrant fully vested on issuance and is exercisable into one common share of the Company (each a "Broker Warrant Share") at a price of C\$5.89 per Broker Warrant Share at any time on or before October 15, 2027.

Because the C\$5.89 exercise price of the Broker Warrants is denominated in a currency other than the Company's U.S. dollar functional currency, the Broker Warrants were classified as a warrant liability. The warrant liability was initially recognized at fair value of \$378,000 on October 15, 2025 and was subsequently remeasured to fair value of \$378,000 at December 31, 2025 using the following pricing model and assumptions:

| Fair value measurement date | Weighted average exercise price (C\$) | Number of warrants | Risk-free | | | Volatility Factor | Form of fair value measurement | Fair value per warrant (C\$) |
|--------------------------------|---|-----------------------|------------------|--------------------------|-----|----------------------|--------------------------------------|---------------------------------|
| | | | interest rate | Expected life (years) | | | | |
| October 15, 2025 | 5.89 | 199,999 | 2.00% | 1.00 | 67% | Black-Scholes | 2.65 | |
| December 31, 2025 | 5.89 | 199,999 | 2.58% | 1.00 | 64% | Black-Scholes | 2.47 | |

b) Stock options

The Stock Option Plan ("SOP") provides for the issuance of options to employees, directors, or officers of the Company, its subsidiaries, or any of its affiliates, consultants, and management employees.

The aggregate number of shares available at all times for issuance under the SOP shall not exceed 10% of the total issued and outstanding common shares of the Company (calculated on a non-diluted basis). Any option, which has been exercised, cancelled or forfeited, will again be available for grant under the SOP. The Board of Directors has the power to determine terms of any options and units granted under the Company's incentive plans, including setting exercise prices, vesting terms and expiry dates.

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The following table shows the movement of stock options for the years ended December 31, 2025 and 2024:

| | Number of options | Weighted average exercise price (C\$) |
|--|----------------------|--|
| Balance as at December 31, 2024 | 929,292 | \$ 2.62 |
| Options granted ¹ | 392,328 | 3.80 |
| Options exercised ² | (791,804) | 2.27 |
| Options forfeited ³ | (48,202) | 6.40 |
| Balance as at December 31, 2025 | 481,614 | \$ 3.77 |
| Balance as at December 31, 2023 | 993,792 | \$ 2.59 |
| Options exercised ⁴ | (64,500) | 2.19 |
| Balance as at December 31, 2024 | 929,292 | \$ 2.62 |

1) In the year ended December 31, 2025, the Company granted 392,328 stock options to executives of the Company at a weighted average exercise price of C\$3.80 and expiry occurring eight years from the grant date.

2) In the year ended December 31, 2025, officers and directors of the Company exercised a total 791,804 options with a weighted average exercise price of C\$2.27. The exercises were paid for with \$1.3 million in cash proceeds to the Company, and as a result of the options exercised, the Company issued 791,804 common shares. The weighted average share price at the date of exercise of stock options during the year ended December 31, 2025 was C\$5.77.

3) Relates to forfeitures of options upon resignation of former executives of the Company.

4) In the year ended December 31, 2024, officers and directors of the Company exercised a total 64,500 options with a weighted average exercise price of C\$2.19. The exercises were paid for with \$99,000 in cash proceeds to the Company, and as a result of the options exercised, the Company issued 64,500 common shares. The weighted average share price at the date of exercise of stock options during the year ended December 31, 2024 was C\$5.32.

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The following table sets out the assumptions and methods used in determining the valuation of stock option grants for the years ended December 31, 2025 and 2024:

| Grant date | Weighted average exercise price (C\$) | Number of options | Risk-free interest rate | Expected life (years) | Volatility Factor | Form of fair value measurement | Weighted average grant date fair value per option (C\$) |
|---------------------------------|---------------------------------------|-------------------|-------------------------|-----------------------|-------------------|--------------------------------|---|
| May 23, 2025 ¹ | 3.28 | 132,164 | 3.12% | 4.00 | 68% | Black-Scholes | 1.9700 |
| May 23, 2025 ² | 3.28 | 22,164 | 2.72% | 3.00 | 68% | Monte-Carlo | 0.0052 |
| June 2, 2025 ³ | 3.74 | 180,000 | 3.01% | 4.00 | 72% | Black-Scholes | 2.3400 |
| September 10, 2025 ⁴ | 5.37 | 58,000 | 2.88% | 4.00 | 72% | Black-Scholes | 2.5500 |

¹ (i) 22,164 options will become exercisable upon vesting and will vest in three equal annual installments on May 23, 2026, May 23, 2027 and May 23, 2028.; (ii) 55,000 options became exercisable upon vesting and vested when the Company publicly announced the settlement of all fines resulting from the Satinoco Incident on September 3, 2025 (Note 15), and (iii) 55,000 options became exercisable upon vesting and vested when the Company publicly announced that it had obtained approval to resume production at the Turmalina Complex on March 9, 2026.

² 22,164 became exercisable upon vesting and vested when the 15-day VWAP for the Company's shares reached C\$4.602 which occurred in September 2025 and represented a 30% premium to closing share price on the grant date.

³ 180,000 options will become exercisable upon vesting and will vest in three equal annual installments on June 2, 2026, June 2, 2027, and June 2, 2028.

⁴ 58,000 options will become exercisable upon vesting and will vest in three equal annual installments on September 10, 2026, September 10, 2027 and September 10, 2028.

The expected volatility was estimated using the Company's historical data from the date of grant and for a period corresponding to the expected life of the options.

The table below shows the outstanding stock options as at December 31, 2025 and 2024:

| December 31, | Outstanding | | | Vested | | |
|--------------|--------------------------------|---------------------------------------|-------------------|---|-------------------|---|
| | Range of exercise prices (C\$) | Weighted average exercise price (C\$) | Number of options | Weighted average remaining contractual life | Number of options | Weighted average remaining contractual life |
| 2025 | \$1.00 - \$8.70 | \$3.77 | 481,614 | 6.38 | 180,353 | 4.59 |
| 2024 | \$1.00 - \$8.70 | \$2.62 | 929,292 | 3.20 | 862,147 | 2.94 |

For the year ended December 31, 2025, the Company recognized \$269,000 in stock-based compensation expense for stock options in the consolidated statements of operations and comprehensive (loss) (\$21,000 for the year ended December 31, 2024).

Subsequent to December 31, 2025, the Company granted 111,000 time-vesting stock options were granted to officers of the Company. The options have a weighted average exercise price of C\$7.13, expire in January 2034, become exercisable upon vesting, and vest in three equal annual installments in January 2026, January 2027 and January 2028.

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c) Deferred share units – “DSUs”

The deferred share unit plan (“DSU Plan”) provides awards to employees, directors, or officers of the Company. DSU means a right to receive, on a deferred basis, previously unissued shares in accordance with the terms of the DSU Plan. DSUs granted to officers, executives, and employees are redeemable upon vesting. DSUs granted to directors are redeemable upon retirement and up to three to twelve months following retirement. Vested DSUs shall be redeemed in whole or in part for shares issued from treasury or, subject to the approval of the Company, cash. The Company accounts for these awards as equity awards. The maximum number of shares reserved for issuance under the DSU Plan, at any time, shall be 3,623,269.

The following table shows the movement of DSUs for the year ended December 31, 2025 and 2024:

| | Number of units | Weighted average grant date fair value (US\$) |
|--|--------------------|---|
| Balance as at December 31, 2024 | 956,853 | \$ 2.84 |
| Units granted ¹ | 260,394 | 2.21 |
| Units redeemed ² | (70,326) | 3.90 |
| Units forfeited ³ | (7,509) | 3.55 |
| Balance as at December 31, 2025 | 1,139,412 | \$ 2.63 |
| Balance as at December 31, 2023 | 843,455 | \$ 3.27 |
| Units granted ⁴ | 290,318 | 1.45 |
| Units redeemed ⁵ | (176,920) | 2.59 |
| Balance as at December 31, 2024 | 956,853 | \$ 2.84 |

1) On May 23, 2025, the Company granted a total 260,394 DSUs to directors and executives of the Company holding a total grant date fair value of \$577,000, measured at a weighted average US\$2.21/share, as follows:

- i. 243,078 immediately-vested DSUs to non-executive directors of the Company
- ii. 8,658 time-vested DSUs to an officer of the Company which vest in three equal annual installments over three years as from the grant date.
- iii. 8,658 market-conditioned DSUs to an officer of the Company which vested in September 2025 when the 15-day VWAP for the Company's shares reached C\$4.602, representing a 30% premium to closing share price on the grant date.

2) In the year ended December 31, 2025, officers and directors redeemed a total of 70,326 DSUs. The DSU redemptions were settled via issuance of 70,326 common shares, and the corresponding grant date fair value of \$275,000 was reclassified within Shareholders' equity accounts from DSUs to Common shares.

3) Relates to forfeitures of DSUs upon expiry following the resignation of a former executive.

4) On April 3, 2024, the Company granted a total 290,318 DSUs to directors and executives of the Company holding a total grant date fair value of \$421,000, measured at US\$1.45/share, as follows:

- i. 145,159 immediately-vested DSUs to the Company's non-executive directors, all of which vested immediately.
- ii. 145,159 time-vested DSUs to non-executive directors, that vested on June 21, 2024.

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5) In the year ended December 31, 2024, officers and directors redeemed a total of 176,920 DSUs. The DSU redemptions were settled via issuance of 176,920 common shares, and the corresponding grant date fair value of \$459,000 was reclassified within Shareholders' equity accounts from DSUs to Common shares.

For the year ended December 31, 2025, the Company recognized \$577,000, in stock-based compensation expense for DSUs in the consolidated statements of operations and comprehensive (loss) (\$426,000, for the year ended December 31, 2024).

d) Broker warrants

| | Number of options | Weighted average exercise price (C\$) |
|--|----------------------|--|
| Balance as at December 31, 2024 | - | \$ - |
| Warrants granted ¹ | 199,999 | 5.89 |
| Balance as at December 31, 2025 | 199,999 | \$ 5.89 |
| Balance as at December 31, 2023 | - | \$ - |
| Balance as at December 31, 2024 | - | \$ - |

1) The Company issued warrants in conjunction with its brokered bought deal private placement completed in October 2025, as further disclosed in Note 16(a) above.

17. Basic and diluted earnings per share

Dollar amounts and share amounts in thousands, except per share amounts.

| | Years ended December 31, | |
|--|-----------------------------|------------------|
| | 2025 | 2024 |
| Numerator | | |
| Net (loss) - basic and diluted | \$ (15,785) | \$ (1,287) |
| Net (loss) for the purpose of diluted income (loss) per share | \$ (15,785) | \$ (1,287) |
| Denominator | | |
| Weighted average number of common shares outstanding - basic and diluted | 80,621,821 | 79,176,793 |
| Basic and diluted (loss) per share | \$ (0.20) | \$ (0.02) |

The determination of the weighted average number of common shares outstanding for the calculation of diluted earnings per share does not include the following effect of options, deferred shares units and warrants which were anti-dilutive to earnings per share in the period:

| | Years ended December 31, | |
|----------------------------------|-----------------------------|------------------|
| | 2025 | 2024 |
| Stock options | 481,614 | 929,292 |
| Deferred share units | 1,139,412 | 956,853 |
| Broker warrants | 199,999 | - |
| Anti-dilutive instruments | 1,821,025 | 1,886,145 |

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For the years ended December 31, 2025 and 2024

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18. Revenue

During the year ended December 31, 2025, the Company generated revenue of \$134.4 million from a single external customer which represented more than 10% of the Company's total revenue (\$158.0 million, in the year ended December 31, 2024).

19. Operating costs

| | | Years ended December 31, | |
|---|---------------|-----------------------------|------------------|
| | | 2025 | 2024 |
| Direct mining and processing costs | <i>Note 6</i> | \$ 47,058 | \$ 68,918 |
| Royalty expense and CFEM taxes ^(a) | | 3,323 | 4,352 |
| Operating costs | | \$ 50,381 | \$ 73,270 |

- a) Includes commercial production royalty expenses due to former owners of the mining properties, regulatory royalty expenses due to landowners, and CFEM taxes due to the federal tax authority. CFEM taxes are Brazil mining royalty fees levied by the Federal government as financial compensation for mineral exploitation. In the year ended December 31, 2025, CFEM on gold production was 1.5% (1.5%, in the year ended December 31, 2024).

Cash flows from the Turmalina mine are subject to a commercial tiered royalty due to former owners of the project: (i) 5% of net revenue up to \$10.0 million and (ii) 3% of the net revenue amount which exceeds \$10.0 million. Pursuant to an agreement with the Turmalina mining right royalty beneficiaries in March 2020 and subsequently amended, Turmalina's royalty charge was temporarily reduced to 2.5% of net revenue for the period until December 31, 2024. Effective January 1, 2025, the royalty rate reverted to the original tiered structure of (i) 5% of net revenue up to \$10.0 million and (ii) 3% of net revenue in excess of \$10.0 million.

20. Other non-operating (income)

| | | Years ended December 31, | |
|--|----------------|-----------------------------|-----------------|
| | | 2025 | 2024 |
| Interest income | | \$ (1,751) | \$ (1,406) |
| Recovery on reversal of withholding tax provisions ^(a) | | (8,170) | - |
| (Gain) loss on disposition of property, plant and equipment | <i>Note 21</i> | (3,249) | 1,403 |
| Loss on sales of ICMS and other recoverable taxes | | - | 347 |
| Other non-operating (income) | | (376) | (514) |
| Total other non-operating (income)^(b) | | \$ (13,546) | \$ (170) |

- a) In the year ended December 31, 2025, the Company reversed the withholding tax provision due to favorable results of a tax planning strategy completed in the period.
- b) In the year ended December 31, 2025, the Company adjusted its financial statement presentation to include Changes in reclamation provisions on non-operating sites as a separate line in the consolidated statements of operations and comprehensive (loss) because the related amounts were material. Comparative amounts have

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been reclassified accordingly from Other non-operating expense (income). This reclassification had no impact on net loss, the consolidated statement of financial position, or the consolidated statement of cash flows.

21. Cash flow – other activities – non-cash adjustments

| | Years ended December 31, | |
|---|-----------------------------|-----------------|
| | 2025 | 2024 |
| Stock-based compensation | \$ 846 | \$ 447 |
| Non-cash other operating expense | 155 | - |
| (Gain) loss on disposition of property, plant and equipment | Note 20 (3,249) | 1,403 |
| (Reversals) additions to provision against recoverability of VAT and other taxes | Note 7 454 | (423) |
| Other activities expenses (recoveries) | \$ (1,794) | \$ 1,427 |

22. Cash flow – changes in operating assets and liabilities

| | Years ended December 31, | |
|--|-----------------------------|-------------------|
| | 2025 | 2024 |
| Restricted cash | \$ (438) | \$ (120) |
| Inventory | (460) | 453 |
| Recoverable taxes | (1,061) | (433) |
| Other accounts receivable | (2,339) | (18) |
| Prepaid expenses and other assets | 942 | (670) |
| Accounts payable and accrued liabilities | 5,997 | 1,066 |
| Other taxes payable | (369) | (930) |
| Reclamation provisions | Note 14 (15,241) | (5,125) |
| Legal and other provisions | Note 15 (21,503) | (1,427) |
| Changes in operating assets and liabilities | \$ (34,472) | \$ (7,204) |

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23. Financial liabilities and other commitments

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining undiscounted contractual maturities of the Company's financial liabilities and other commitments:

| As at December 31, 2025 | Less than 1 year | 1 - 3 years | 3 - 5 years | More than 5 years | Total |
|---|------------------|------------------|------------------|-------------------|-------------------|
| Financial Liabilities | | | | | |
| Accounts payable and accrued liabilities | \$ 19,976 | \$ - | \$ - | \$ - | \$ 19,976 |
| Notes payable ^(a) | | | | | |
| Principal | 6,001 | - | - | - | 6,001 |
| Interest | 111 | - | - | - | 111 |
| Lease liabilities | 460 | 2,262 | - | - | 2,722 |
| Total financial liabilities | \$ 26,548 | \$ 2,262 | \$ - | \$ - | \$ 28,810 |
| Other Commitments | | | | | |
| Reclamation provisions ^(b) | 10,773 | 26,298 | 17,492 | 56,497 | 111,060 |
| Legal and other provisions ^(c) | 36,131 | 11,500 | 2,772 | 693 | 51,096 |
| Suppliers' agreements ^(d) | 6,412 | - | - | - | 6,412 |
| Total other commitments | \$ 53,316 | \$ 37,798 | \$ 20,264 | \$ 57,190 | \$ 168,568 |
| Total | \$ 79,864 | \$ 40,060 | \$ 20,264 | \$ 57,190 | \$ 197,378 |

^(a) Notes payable represents the principal on Brazilian short-term bank loans with maturities ranging between 180 and 360 days.

^(b) Reclamation provisions - amounts presented in the table represent the undiscounted uninflated future payments for the expected cost of reclamation.

^(c) Legal and other provisions - includes commitments estimated to settle the Company's legal and other provisions (Note 15), including \$35.4 million related to the Satinoco incident and \$15.1 million for other labour, civil and tax litigations.

^(d) Purchase obligations for supplies and consumables - includes commitments related to new purchase obligations to secure a supply of cyanide, reagents, mill balls and other spares. The Company has the contractual right to cancel the mine operation contracts with 30 to 90 days advance notice. The amount included in the commitments table represents the contractual amount due within 30 to 90 days.

24. Capital disclosures

The Company manages its capital structure in order to support the acquisition, exploration and development of mineral properties, and to maximize return to stakeholders through a flexible capital structure which optimizes the costs of capital and the debt and equity balance. The Company sets the amount of capital in proportion to risk by managing the capital structure and making adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. To adjust or maintain its capital structure, the Company may adjust the amount of long-term debt, enter into new credit facilities, issue new equity, or enter into new customer advance arrangements.

As at December 31, 2025, the Company's capital structure is composed of \$6.1 million in notes payable and \$244.8 million in shareholders' equity (December 31, 2024: \$3.0 million in notes payable and \$239.5 million in shareholders' equity). As at December 31, 2025 and December 31, 2024, the Company was not subject to externally imposed capital requirements.

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25. Financial risk management and financial instruments

The Company's activities expose it to a variety of financial instrument risks, including but not limited to: credit risk, liquidity risk, currency risk, interest rate risk, and price risk.

a) Credit risk

Credit risk associated with financial assets arises from cash and cash equivalents held with banks, recoverable taxes refundable from tax authorities, and other accounts receivable due to credit exposure to customers and counterparties to sales agreements. The credit risk is limited to the carrying amount on the statement of financial position.

The Company is exposed to credit-related losses in the event of non-performance by counterparties to recoverable tax claims and sales agreements, but does not expect any counterparties to fail to meet their obligations. The Company's cash and cash equivalents are held through large financial institutions in Brazil, Canada, and the United States of America. The Company manages its credit risk by entering transactions with high-credit quality counterparties, limiting the amount of exposure to each counterparty where possible, and monitoring the financial condition of the counterparties.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing this risk is to ensure sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage.

To manage its liquidity risk, the Company conducts an in-depth budgeting process each year which is supplemented by a continuous detailed cash forecasting process. Future financing requirements, if any, will depend on a number of factors that are difficult to predict and are often beyond the control of the Company. The main factors are the realized price of gold received for gold produced from the Company's operating mines and the operating and capital costs of those mines. The Company's financial liabilities and other commitments are listed in Note 23.

c) Derivative financial instruments

The Company assesses its financial instruments and non-financial contracts on a regular basis to determine the existence of any embedded derivatives which would be required to be accounted for separately at fair value and to ensure that any embedded derivatives are accounted for in accordance with the Company's policy. On an ongoing basis, the Company evaluates its price risk and currency risk and, when envisioned to be beneficial, engages in derivative financial instruments to manage these risks, including gold forward contracts, gold price collar contracts, gold call option contracts, and foreign exchange call and put option contracts. As at December 31, 2025, the Company did not have any derivative positions outstanding (December 31, 2024 – nil positions outstanding).

1) Price risk

The Company is exposed to price risk with respect to short-term investments and gold prices on gold sales. The Company evaluates price risk and, when envisioned to be beneficial, may enter into hedge contracts to manage this risk. The Company does not use hedge accounting for these instruments and gain and losses are recorded in earnings as fair value changes occur. In the year ended December 31, 2025, the Company did not enter into any price hedge contracts (no price derivative contracts in the year ended December 31, 2024).

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2) Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. Financial instruments that impact the Company's net earnings due to currency fluctuations include:

- Brazilian reais denominated cash and cash equivalents, other accounts receivable, recoverable taxes, restricted cash, accounts payable and accrued liabilities, lease liabilities, income taxes payable, reclamation provisions, and legal and other provisions;
- Canadian dollar denominated cash and cash equivalents, recoverable taxes, accounts payable and accrued liabilities, and warrant liabilities.

- i. Assets and liabilities with foreign exchange ('FX') exposure

The exposure of the Company's financial assets and liabilities (and certain other assets and liabilities) to currency risk is as follows, as at December 31, 2025:

| | | Denominated in Brazilian reais | | Denominated in Canadian dollars |
|--|----|-----------------------------------|----|------------------------------------|
| Assets with FX exposure | | | | |
| Cash and cash equivalents | \$ | 11,939 | \$ | 15,649 |
| Short term investment | | - | | 9,883 |
| Recoverable taxes | | 7,441 | | 5 |
| Other accounts receivable | | 2,667 | | - |
| Restricted cash | | 2,114 | | - |
| Total assets with FX exposure | \$ | 24,161 | \$ | 25,537 |
| Liabilities with FX exposure | | | | |
| Accounts payable and accrued liabilities | \$ | 18,718 | \$ | 705 |
| Lease liabilities | | 2,229 | | - |
| Reclamation provisions | | 65,731 | | - |
| Legal and other provisions | | 50,527 | | - |
| Warrant liabilities | | - | | 378 |
| Total liabilities with FX exposure | | 137,205 | | 1,083 |
| Net (liabilities)/assets with FX exposure | \$ | (113,044) | \$ | 24,454 |

The table below summarizes a sensitivity analysis for significant unsettled currency risk exposure with respect to the Company's financial instruments (and certain other assets and liabilities) as at December 31, 2025 with all other variables held constant. It shows how income before taxes would have been affected by 10% changes in the foreign exchange rate.

| Exchange Rates | Change for Sensitivity Analysis | Gain/(loss) of change to 2025 Foreign Exchange |
|-------------------------|---------------------------------------|---|
| USD per Brazilian real | 10% increase | \$ 10,277 |
| USD per Brazilian real | 10% decrease | (10,277) |
| USD per Canadian dollar | 10% increase | (2,223) |
| USD per Canadian dollar | 10% decrease | 2,223 |

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d) Interest rate risk

The Company is potentially exposed to interest rate risk on its outstanding borrowings and short-term investments. The Company managed its risk by entering into agreements with fixed interest rates on all of its notes payable with interest rates ranging from 6.19% to 7.30% per annum.

e) Financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing the fair value of a particular contract, the market participant would consider the credit risk of the counterparty to the contract. Consequently, when it is appropriate to do so, the Company adjusts its valuation models to incorporate a measure of credit risk. The fair value of the following financial assets and liabilities approximate their carrying amount due to the limited term of these instruments:

- a. Cash and cash equivalents
- b. Restricted cash
- c. Other accounts receivable
- d. Accounts payable and accrued liabilities
- e. Notes payable

Fair value estimation:

The Company categorizes each of its fair value measurements in accordance with a fair value hierarchy. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

- a. Level 1 – quoted prices (unadjusted) of identical instruments in active markets that the reporting entity has the ability to access at the measurement date.
- b. Level 2 – inputs are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- c. Level 3 – one or more significant inputs used in a valuation technique that are unobservable for the instruments.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The following table summarizes the Company's financial instruments measured at fair value at December 31, 2025 and 2024, classified according to the fair value hierarchy:

| | | December 31, 2025 | December 31, 2024 | Fair value hierarchy |
|------------------------|-------------------|------------------------------|----------------------|-------------------------|
| Short-term investments | <i>Note 5</i> | \$ 9,883 | \$ 1,438 | Level 1 |
| Warrant liabilities | <i>Note 16(a)</i> | 378 | - | Level 2 |

Warrant liabilities are measured using Level 2 inputs based on the Black-Scholes option pricing model, as disclosed in Note 16(a). The Company had no financial instruments measured at fair value using Level 3 inputs at December 31, 2025 and 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

f) Changes in liabilities arising from financing activities

| | Changes from financing cash flows | | | | Other changes | | | | Balance as at December 31, 2025 |
|--------------------------|-----------------------------------|-----------------------------------|--------------------|------------------|---------------------|--------------------------------|-----------------------------|----------------------------|---------------------------------------|
| | Balance as at January 1, 2025 | Proceeds from debt issuance | Debt repayments | Interest paid | Interest expense | Lease liability (reversals) | Foreign exchange loss | Other non- cash changes | |
| Notes payable | \$ 3,044 | \$ 8,000 | \$ (5,000) | \$ (155) | \$ 223 | \$ - | \$ - | \$ - | \$ 6,112 |
| Lease liabilities | 3,907 | - | (1,783) | (10) | 152 | (361) | 395 | - | 2,300 |
| | \$ 6,951 | \$ 8,000 | \$ (6,783) | \$ (165) | \$ 375 | \$ (361) | \$ 395 | \$ - | \$ 8,412 |

| | Changes from financing cash flows | | | | Other changes | | | | Balance as at December 31, 2024 |
|--------------------------|-----------------------------------|-----------------------------------|--------------------|------------------|---------------------|------------------------------|-------------------------------|---------------------------|---------------------------------------|
| | Balance as at January 1, 2024 | Proceeds from debt issuance | Debt repayments | Interest paid | Interest expense | Lease liability additions | Foreign exchange (gain) | Other non-cash changes | |
| Notes payable | \$ 3,295 | \$ 6,000 | \$ (6,208) | \$ (196) | \$ 194 | \$ - | \$ (35) | \$ (6) | \$ 3,044 |
| Lease liabilities | 2,545 | - | (2,390) | (49) | 156 | 4,059 | (414) | - | 3,907 |
| | \$ 5,840 | \$ 6,000 | \$ (8,598) | \$ (245) | \$ 350 | \$ 4,059 | \$ (449) | \$ (6) | \$ 6,951 |

26. Related party transactions

a) Transactions with key management

The Company transacts with key individuals from management and with its directors who have authority and responsibility to plan, direct and control the activities of the Company. The nature of these dealings were in the form of payments for services rendered in their capacity as director (director fees, including share-based payments) and as employees of the Company (salaries, benefits, and share-based payments).

Key management personnel are defined as the directors and executive officers of the Company including the President and Chief Executive Officer, Chief Financial Officer, Vice President of Operations, Vice President of Finance and Projects, Vice President of Corporate Affairs, and Vice President of Sustainability.

During the years ended December 31, 2025 and 2024, remuneration to key management personnel were as follows:

| | Years ended December 31, | |
|---|-----------------------------|-----------------|
| | 2025 | 2024 |
| Fees earned and other compensation ¹ | \$ 1,540 | \$ 1,611 |
| Stock-based compensation | 846 | 711 |
| Total compensation of directors and key management | \$ 2,386 | \$ 2,322 |

¹ Fees earned and other compensation includes fees paid to the non-executive chairman and the non-executive directors during the financial year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and 2024

(Tabular dollar amounts expressed in thousands of US dollars, except per share amounts and number of shares)

b) Other related party transactions

The Company incurred legal fees from Azevedo Sette Advogados (“ASA”), a law firm where Luis Miraglia, a director of Jaguar is a partner. Fees paid to ASA are recorded at the exchange amount, representing the amount agreed to by the parties and included in general and administrative expenses in the consolidated statements of operations and comprehensive (loss). Legal fees paid to ASA were \$587,000 for the year ended December 31, 2025 (\$129,000 for the year ended December 31, 2024). As at December 31, 2025, the Company had \$22,000 recognized in its Accounts payable and accrued liabilities balance as owed to ASA (December 31, 2024 – \$1,000).

The Company incurred office rent expenses from Orix Geoscience 2018 Inc. (“Orix”), a mineral exploration service firm where Shastri Ramnath, a director of Jaguar is the Chair and Co-Owner. Rent expenses paid to Orix were \$17,000 for the year ended December 31, 2025 (\$15,000 for the year ended December 31, 2024).

27. Subsequent events

On March 9, 2026, the Company’s operating license for the Turmalina Complex was fully reinstated following final approval from the Brazilian regulatory authorities. Accordingly, all suspensions imposed in connection with the December 7, 2024 Satinoco incident, as further disclosed in Note 15(b), were lifted. Following the reinstatement, the Company resumed drilling, blasting, and mining activities and is ramping up toward planned production levels at the Turmalina Complex.