

TERRA ROSSA GOLD LTD.
(formerly 0749116 B.C. Ltd)

Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Terra Rossa Gold Ltd. (formerly 0749116 B.C. Ltd.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Terra Rossa Gold Ltd. (formerly 0749116 B.C. Ltd.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company has no source of operating income and is dependent upon the future receipt of financing to maintain its operations. As stated in Note 1, the Company's ability to continue as a going concern is dependent upon its ability to obtain additional capital. These matters, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 2(d) – Use of judgements and estimates; note 2(g) – Material accounting policy: Exploration and evaluation assets; and note 4 - Exploration and evaluation assets</i>	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:

Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgment in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the property; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgment.

- Assessed the Company's market capitalization in comparison to the Company's net assets, which may be an indication of impairment.
- Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.
- Confirmed that the Company's right to explore the properties had not expired.
- Obtained management's written representations regarding the Company's future plans for the exploration and evaluation properties.
- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation properties.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is William Nichols.



Chartered Professional Accountants

Vancouver, BC, Canada
April 29, 2026

Terra Rossa Gold Ltd.
(formerly 0749116 B.C. Ltd.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
AS AT DECEMBER 31,

	2025	2024
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	5,899,302	1,401,759
Amounts receivable	121,867	69,977
Prepays	137,571	85,725
Investment (Note 5)	50,000	50,000
	<u>6,208,740</u>	<u>1,607,461</u>
Right-of-use assets (Note 6)	15,632	43,831
Exploration and evaluation assets (Note 4)	6,838,864	6,838,864
Total Assets	<u>13,063,236</u>	<u>8,490,156</u>
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 8)	113,310	50,454
Lease liabilities (Note 6)	23,102	25,128
	<u>136,412</u>	<u>75,582</u>
Lease liabilities (Note 6)	-	20,744
Remediation liabilities (Note 7)	355,712	304,134
	<u>492,124</u>	<u>400,460</u>
Equity		
Share capital (Note 9)	21,115,459	13,737,176
Reserves (Note 10)	2,013,133	631,480
Deficit	(10,557,480)	(6,278,960)
	<u>12,571,112</u>	<u>8,089,696</u>
Total Liabilities & Equity	<u>13,063,236</u>	<u>8,490,156</u>

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved by the Board of Directors and authorized for issue on April 29, 2026:

"Patrick Downey"
Patrick Downey, Director

"Michael Halvorson"
Michael Halvorson, Director

See accompanying notes to the consolidated financial statements

Terra Rossa Gold Ltd.
(formerly 0749116 B.C. Ltd.)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
EXPENSES (INCOME)		
Accretion (Note 7)	\$ 16,121	\$ (10,251)
Consulting (Note 8)	149,307	47,583
Depreciation (Note 6)	28,199	24,965
Exploration expenditures	365,839	168,616
Filing fees	89,626	-
Finance expense (Note 6)	5,474	3,738
Listing expense (Note 3)	2,839,850	-
Marketing	15,000	-
Office and miscellaneous	82,201	64,545
Professional fees	600,448	243,513
Property consulting fees	52,632	4,852
Share-based payments (Notes 8 and 10)	74,032	72,397
Travel	<u>17,410</u>	<u>11,027</u>
Net loss from Operations	<u>\$ (4,336,139)</u>	<u>\$ (630,985)</u>
OTHER ITEMS		
Foreign exchange	22,257	(22,066)
Interest income	35,362	-
Loss on investment (Note 5)	-	(25,000)
Net and comprehensive loss for the year	<u>\$ (4,278,520)</u>	<u>\$ (678,051)</u>
Basic and diluted loss per common	<u>\$ (0.07)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding	<u>58,256,281</u>	<u>54,696,600</u>

See accompanying notes to the consolidated financial statements

Terra Rossa Gold Ltd.

(formerly 0749116 B.C. Ltd.)

Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Number of shares	Share capital \$	Reserves \$	Deficit \$	Total Equity \$
December 31, 2023	54,696,600	13,737,176	559,083	(5,600,909)	8,695,350
Share-based payments	-	-	72,397	-	72,397
Net loss for the year	-	-	-	(678,051)	(678,051)
December 31, 2024	54,696,600	13,737,176	631,480	(6,278,960)	8,089,696
Share issued in reverse takeover	6,150,603	2,553,987	322,897	-	2,876,884
Private placement	11,895,000	4,962,776	984,724	-	5,947,500
Share issuance costs	-	(138,480)	-	-	(138,480)
Share-based payments	-	-	74,032	-	74,032
Net loss for the year	-	-	-	(4,278,520)	(4,278,520)
December 31, 2025	72,742,203	21,115,459	2,013,133	(10,557,480)	12,571,112

See accompanying notes to the consolidated financial statements

Terra Rossa Gold Ltd.
(formerly 0749116 B.C. Ltd.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
FOR THE YEARS ENDED DECEMBER 31,

	2025	2024
	\$	\$
Cash provided by (used in):		
Operating activities		
Net loss for the year	(4,278,520)	(678,051)
Items not involving the use of cash:		
Accretion	16,121	(10,251)
Depreciation	28,199	24,965
Finance expense	5,474	3,738
Foreign exchange	39,230	(14,302)
Listing expense	2,839,850	-
Share-based payments	74,032	72,397
Unrealized loss on investment	-	25,000
Changes in non-cash operating capital:		
Amounts receivable	(31,283)	23,293
Prepays	(51,846)	(73,439)
Accounts payable and accrued liabilities	16,892	(66,047)
Cash used in operating activities	(1,341,851)	(692,697)
Investing activity		
Cash received from reverse takeover	62,391	-
Cash provided by investing activity	62,391	-
Financing activities		
Private placement	5,947,500	-
Share issuance costs	(138,480)	-
Lease payments	(32,017)	(32,017)
Cash provided by (used in) financing activities	5,777,003	(32,017)
Net change in cash	4,497,543	(724,714)
Cash, beginning of the year	1,401,759	2,126,473
Cash, end of the year	5,899,302	1,401,759
Supplemental information with respect to cash flows:		
Recognition of right-of use asset	-	50,021

See accompanying notes to the consolidated financial statements

1) NATURE AND CONTINUANCE OF OPERATIONS

Terra Rossa Gold Ltd. (formerly 0749116 B.C. Ltd.) (with its subsidiaries, collectively, the "Company") was incorporated under the laws of British Columbia on February 17, 2006. The Company's registered office is located at 306 – 595 Howe Street, Vancouver, British Columbia. The Company's principal business activities include the acquisition and exploration of its exploration and evaluation assets. During the year ended May 31, 2008, the Company incorporated a wholly-owned subsidiary, Baroyeca Gold & Silver de Mexico, S.A. de C.V. under the laws of Mexico and it ceased to be a subsidiary effective May 28, 2024. On November 18, 2025, the Company changed its name from "0749116 B.C. Ltd." to "Terra Rossa Gold Ltd."

The Company trades on the Toronto Stock Venture Exchange ("TSXV") under the symbol "TRR". The Company is also listed on the OTCQB under the symbol "TRGXF".

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has no source of operating income and is dependent upon financing from related parties and/or subscribers for common shares. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise additional financing to maintain its working capital.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral property interests. The recoverability of amounts incurred on exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these exploration and evaluation properties, and establish future profitable production, or realize proceeds from the disposition of exploration and evaluation properties. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the consolidated statements of financial position.

Reverse Takeover

On October 20, 2025, the Company completed a three-cornered amalgamation between the Company, TRG Exploration Corp. ("TRG") and 1460971 B.C. Ltd. ("SubCo"). Accordingly, TRG is considered to have acquired the Company with the transaction being accounted for as a reverse takeover of the Company by TRG shareholders (the "RTO") (Note 3).

As TRG is deemed to be the acquirer for accounting purposes, these consolidated financial statements represent a continuation of the financial position and financial performance of TRG prior to the acquisition of Terra Rossa. The results of operations of Terra Rossa are included from October 20, 2025, the deemed date of acquisition of Terra Rossa, onwards.

2) MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) on a going concern basis as issued by the International Accounting Standards Board (“IASB”), which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

b) Basis of presentation

These consolidated financial statements have been prepared under the historical cost convention using the accrual basis of accounting, except for cash flow information, and modified as required for the revaluation of derivative financial liabilities at fair value through profit or loss.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

c) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, deposits in banks and highly liquid guaranteed investment certificates. As at December 31, 2025, the Company had \$5,899,302 in cash equivalents (2024 - \$1,401,759).

d) Use of judgements and estimates

The preparation of these consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are regularly evaluated and are based on management’s experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following are the most significant accounting judgments and estimates that the Company has made in the preparation of these consolidated financial statements.

Critical judgements in applying accounting policies:

- The determination that there are no pervasive indicators which would require an impairment provision in connection with the carrying value of the company’s exploration and evaluation assets.
- The determination that the Company will continue as a going concern for the next year.
- The functional currency of the Company and its subsidiary entities.
- Whether the acquisition of an entity constitutes a business under the definition of IFRS 3 *Business combinations* (Note 3).
- Recoverability of taxes and other receivables.

Critical estimates in applying accounting policies:

- Fair value of share-based payments.
- Valuation of marketable securities (Note 5).
- Valuation of equity instruments issued with transferability restrictions (Note 4).
- Deferred income tax asset valuation allowances.
- Variables with respect to the measurement of remediation liabilities (Note 7).

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

e) Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Company.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries.

Subsidiary	Functional Currency	Jurisdiction
1460971 B.C. Ltd.	Canadian Dollar	Canada
Minera Vetas Ltd.	Canadian Dollar	British Virgin Islands
TRG Exploration Corp.	Canadian Dollar	Canada
TRG USA Inc.	United States Dollar	United States

f) Foreign currency translation

The Company and its subsidiaries have the functional and reporting currency of the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at each reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign currency translation differences are recognized in profit or loss.

g) Exploration and Evaluation Assets

The acquisition costs of mineral property interests are capitalized until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Exploration and evaluation costs are expensed as incurred until it has been established that a mineral property is commercially viable. Mineral property interests that have close proximity and have the possibility of being developed as a single mine are grouped as projects and are considered separate cash generating units (“CGU”) for the purpose of determining future mineral reserves and impairments.

The acquisition costs include the cash consideration paid and the fair value of any shares issued for mineral property interests being acquired or optioned pursuant to the terms of relevant agreements.

Management reviews its mineral property interests at each reporting period for signs of impairment and annually after each exploration season to consider if there is impairment in value taking into consideration current year exploration results and management’s assessment of the future probability of profitable operations from the property, or likely gains from the disposition or option of the property. If a property is abandoned or inactive for a prolonged period, or considered to have no future economic potential, the acquisition costs are written-off to profit or loss.

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

g) Exploration and Evaluation Assets *(continued)*

Once an economically viable resource has been determined for an area and the decision to proceed with development has been approved, mineral property interests attributable to that area are first tested for impairment and then reclassified to property and equipment. Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. Should a project be put into production, the costs of acquisition will be amortized over the life of the project based on estimated economic reserves. If the carrying value of a project exceeds its estimated net realizable value or value in use, an impairment provision is recorded.

h) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

i) Remediation liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the decommissioning and remediation of mine properties, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. A liability is recognized at the time environmental disturbance occurs and the resulting costs are capitalized to the corresponding asset. The provision for remediation and rehabilitation obligations is estimated using expected cash flows and is discounted at a pre-tax rate specific to the liability. The capitalized amount is amortized on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows.

In subsequent periods, the liability is adjusted for any changes in the amount or timing of the estimated future cash costs and for the accretion of discounted underlying future cash flows. The unwinding of the effect of discounting the provision is recorded as an expense in the statement of loss and comprehensive loss.

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

j) Income taxes

The Company uses the balance sheet method of accounting for income taxes. Under the balance sheet method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash are valued based on their market value at the date the agreement to issue shares was concluded. The fair value of common shares issued as consideration for mineral properties is based on the trading price of those shares on the date of the share issuance, typically with reference to the most recent issuance of its common shares. Proceeds from unit placements are allocated between shares and warrants issued according to the residual value method. Under this method, the Company first allocates the proceeds to the shares issued, up to the assessed fair value, the remainder is allocated to the attached warrant.

l) Share-based payments

The Company's Stock Option Plan (the "Plan") allows employees and consultants to acquire shares of the Company. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of share-based payments comprised of stock options is measured using the Black-Scholes option pricing model. The fair value of such a share-based payment is recognized as an expense with a corresponding increase in reserves. Consideration received on the exercise of stock options is recorded as share capital and the related reserves amount is transferred to share capital from reserves.

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

m) Financial instruments

Financial instruments are recognized on the date on which the Company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the rights to receive cash flow from assets have expired or have been transferred and the Company has transferred all the risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled, or expires. All financial instruments are initially recognized at fair value and measurement in subsequent periods is dependent upon the classification of the financial instrument.

(i) Financial assets

The Company classifies its financial assets in the following categories: fair value through profit or loss, or amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss (“FVTPL”) are initially recognized at fair value with changes in fair value recorded in profit or loss. The Company’s investment is carried at FVTPL.

Amortized cost

Financial assets are classified at amortized cost if both of the following criteria are met and the financial assets are not classified or designated as at fair value through profit and loss: 1) the Company’s objective for these financial assets is to collect their contractual cash flows and 2) the asset’s contractual cash flows represent ‘solely payments of principal and interest’. The Company’s cash and receivables are recorded at amortized cost as they meet the required criteria.

(ii) Financial liabilities

Financial liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit or loss over the period to maturity using the effective interest method.

Financial liabilities are classified as current or non-current based on their maturity date. Financial liabilities include accounts payable and accrued liabilities.

(iii) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

n) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

o) Leases

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 assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement and if the Company have the right to direct the use of the asset.

As a lessee, the Company recognize a right-of-use asset, and a 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 payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

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 measurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit.

p) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

2) MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

q) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

r) Accounting standards issued but not yet effective

The Company adopted no material new accounting standards during the current fiscal year, and is unaware of any applicable, but not-yet-adopted standards that are expected to materially affect the consolidated financial statements of future periods.

3) REVERSE TAKEOVER

As described in Note 1, the Company acquired TRG during the year ended December 31, 2025, whereby, among other things:

(i) Subco amalgamated with the Company to form an amalgamated company (“Amalco”), a wholly-owned subsidiary of Terra Rossa Gold Ltd.;

(ii) holders of common shares in the capital of the Company received one (1) common share for each one (1) 0749116 B.C. Ltd. common share held and the Company common shares were cancelled; and

(iii) all issued and outstanding share purchase warrants and stock options of the Company that were exercisable to acquire the Company common shares have ceased to represent a right to acquire the Company’s common shares and provides the right to acquire Terra Rossa Gold Ltd. common shares as of closing.

In connection with the transaction, the Company completed its concurrent non-brokered private placement for the issuance of 11,895,000 special warrants (the “Special Warrants”) at a price of \$0.50 per Special Warrant for aggregate gross proceeds of \$5,947,500 (the “Special Warrant Financing”). Each Special Warrant was automatically converted, without payment of any additional consideration and without any further action on the part of the holder thereof, concurrent with the closing, into one unit of the Company, comprised of one (1) Company common share and one (1) share purchase warrant exercisable to acquire common shares of the 0749116 B.C. Ltd. at a price of \$0.75 per share for a period of two years. Concurrent with the closing of the transaction, each Company common share was exchanged for a common share of Terra Rossa Gold Ltd.

For accounting purposes, the transaction has been accounted for as an RTO with TRG deemed to be the accounting acquiror and Terra Rossa, the legal acquiror deemed to the accounting acquiree. At the date of acquisition Terra Rossa did not meet the definition of a business and the transaction has been accounted for as an acquisition of net assets, rather than a business combination. The transaction is accounted for in accordance with IFRS 2 – Share-based payments and IFRS 3 Business Combinations (“IFRS 3”). As the Company did not qualify as a business according to the definition in IFRS 3 as there were no substantive processes in place, the acquisition does not constitute a business combination; rather, it is treated as an issuance of shares by Terra Rossa for the net liabilities of the Company with TRG as the continuing entity.

3) REVERSE TAKEOVER *(continued)*

As a result of this transaction, a reverse takeover listing fee of \$2,839,850 has been recorded. This reflects the difference between the estimated fair value of the equity instruments deemed to have been issued to Terra Rossa's shareholders, plus transaction costs incurred, less the net fair value of the assets of Terra Rossa acquired.

In accordance with reverse acquisition accounting:

- i) The assets and liabilities of Terra Rossa are included in the statement of financial position at their carrying values.
- ii) The net assets of the Terra Rossa have been measured at their fair value of \$37,034.

Purchase Price Allocation	
Consideration	
Fair value of 6,150,603 common shares ⁽¹⁾	\$ 2,553,987
Fair value of 100,000 stock options ⁽²⁾	156
Fair value of 1,401,694 warrants ⁽³⁾	<u>322,741</u>
	2,876,884
Net assets acquired	
Cash	\$ 62,391
Accounts receivable	20,607
Accounts payable	(23,243)
Balances outstanding with associated entities	<u>(22,721)</u>
	\$ 37,034
Listing fee expense	<u>\$ 2,839,850</u>

⁽¹⁾ The fair value of each Terra Rossa share is estimated using an option model to estimate the relative fair value of the equity component and warrant value of each Unit. The following assumptions were used in the option model: share price of \$0.50 based on the concurrent financing, exercise price of \$0.75 based on the concurrent financing, expected life of 2 years based on the concurrent financing, expected volatility of 95%, risk free interest rate of 2.36% and a dividend yield of 0%. The relative fair value of one Unit composed of 83% to the share and 17% to the warrant. The relative fair value of each Terra Rossa share is \$0.42.

⁽²⁾ The fair value of each Terra Rossa stock option is estimated using an option model. The following assumptions were used in the option model: share price of \$0.42 based on the relative fair value of each Terra Rossa share noted in ⁽¹⁾, exercise price of \$3.01, expected life of 0.68, expected volatility of 95%, risk free interest rate of 2.36% and a dividend yield of 0%.

⁽³⁾ The fair value of each Terra Rossa warrant is estimated using an option model. The following assumptions were used in the option model: share price of \$0.42 based on the relative fair value of each Terra Rossa share noted in ⁽¹⁾, exercise price of \$0.70, expected life of 3.64, expected volatility of 95%, risk free interest rate of 2.62% and a dividend yield of 0%.

4) EXPLORATION AND EVALUATION ASSETS

Minera Vetas, Colombia

On November 16, 2020 (the “Effective Date”), and subsequently amended on March 11, 2022 and June 9, 2022, the Company entered into an option agreement to purchase 100% shares in Minera Vetas, a private company which holds a 100% undivided interest in the Minera Vetas Property, comprised of nine core concessions, in Santander, Colombia.

The Minera Vetas Property is subject to the following royalties:

- a) \$5 per ounce of Measured and Indicated resources reported in 43-101 compliant technical reports payable to the original Colombian vendors.
- b) 4% NSR royalty payable to the Colombian state calculated at 80% of the gold price for an effective royalty of 3.2%.

As per the June 9, 2022 amendment, the Company has completed the following commitments:

- a) Pay \$250,000 USD (\$324,010 CDN) in cash to the optionor (paid during the year ended December 31, 2020);
- b) incur \$500,000 USD of exploration expenditures on the property on or before 18 months from the Effective Date (completed);
- c) pay \$500,000 USD in cash to the optionor on or before March 11, 2022 (paid during the year ended December 31, 2022);
- d) pay \$1,250,000 USD (\$1,250,000 USD paid June 9, 2022); and
- e) issue 10,900,000 common shares of the Company (issued June 9, 2022) subject to certain transfer restrictions.

On June 9, 2022, the Company executed its option on Minera Vetas by completing its cash payments and issuance of common shares whereupon it acquired 100% of the outstanding shares of Minera Vetas.

At the time of acquisition, Minera Vetas was subject to two property negotiations with respect to legacy option agreements:

- 1) Mataperro Claim: Minera Vetas, prior to June 9, 2022, had terminated an option agreement over which the vendors disputed the requirement to make additional payments. During the year ended December 31, 2025, the Company entered into a transaction agreement to settle and resolve the lawsuit.
- 2) San Marcos Option: On January 24, 2025, the court’s ruling was in favour of Minera Vetas. The plaintiff paid Minera Vetas procedural expenses of approximately \$3,142 USD.

5) INVESTMENT

The Company has invested \$75,000 through the purchase of common shares in a private company. At every reporting period, these investments are valued at fair value based on upon quoted prices in active markets and when that information is not available, estimates are made by management using inputs from observable market data, the underlying company’s recently completed equity financing, equity issuance and/or equity investments made by a third party. Changes in these assumptions and inputs could affect the reported fair value of these financial instruments. The investment requires Level 3 measurement techniques to estimate fair value at reporting periods. At December 31, 2025, the common shares had a fair value of \$50,000 (2024 - \$50,000), resulting in a change in fair value of \$nil (2024 - \$25,000) for the year ended December 31, 2025 recognized through other comprehensive loss.

6) RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets	
	\$
Balance, December 31, 2023	18,775
Additions	50,021
Depreciation	(24,965)
Balance, December 31, 2024	43,831
Depreciation	(28,199)
Balance, December 31, 2025	15,632
Lease liabilities	
	\$
Balance, December 31, 2023	24,011
Additions	50,021
Finance expense	3,738
Payments	(32,017)
Foreign exchange	119
Balance, December 31, 2024	45,872
Finance expense	5,474
Payments	(32,017)
Foreign exchange	3,773
Balance, December 31, 2025	23,102
Current (less than one year)	23,102
Long-term	-

The Company's right-of-use assets include the use of a warehouse in Bogota, house in the municipality of Vetás and a warehouse in Giron. On February 28, 2025, the house's lease was extended for a period of one year and has a monthly base rent of \$1,346,000 COP. The Company has applied an incremental borrowing rate of 16.2%. The undiscounted lease payments are as follows:

Lease commitments	
	\$
2026	24,582

7) REMEDIATION LIABILITIES

The Company has recognized remediation of environmental liabilities of the Minera Vetás Property. The estimate is reviewed periodically based on the environmental management plans in force which have been evaluated by local Colombian regulatory authorities and based on the current status of the project.

The total amount of estimated undiscounted cash flows required to settle the Company's estimated obligation is \$388,535 which has been discounted using a pre-tax risk-free rate of 9.25% and inflation rate of 3%. The present value of the decommissioning liabilities may be subject to change based on management's current estimates, changes in remediation requirements or changes to the applicable laws and regulations. Such changes will be recorded in the accounts of the Company as they occur.

8) RELATED PARTY TRANSACTIONS

The key management personnel of the Company include the directors and officers of the Company including the Chief Executive Officer and Chief Financial Officer.

During the year ended December 31, 2025, included in consulting expense was \$16,000 paid or accrued to the Chief Executive Officer (2024 - \$nil).

During the year ended December 31, 2025, included in consulting expense was \$60,000 paid or accrued to the Chief Financial Officer (2024 - \$45,000).

Share-based payments attributable to directors and officers for stock options granted, vested or modified in the year ended December 31, 2025 was \$66,624 (2024 - \$65,240).

As at December 31, 2025, amounts due to related parties included in accounts payable and accrued liabilities of \$16,821 (2024 - \$5,000).

Payments to related parties were made in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to related parties are unsecured, non-interest bearing and due on demand.

9) SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of common shares.

Year ended December 31, 2025

On October 20, 2025, the Company completed the acquisition as described in Note 3, pursuant to which the Company acquired all of the of the issued and outstanding shares of Terra Rossa for the deemed issuance of 6,150,603 common shares of the Company in the reverse takeover transaction. As the financial statements are considered a continuance of the operations of Terra Rossa due to the reverse takeover, all share numbers, share prices, and exercises prices in these consolidated financial statements have been adjusted, on a retrospective basis, to reflect the change.

In connection with the transaction, the Company completed its concurrent non-brokered private placement for the issuance of 11,895,000 Special Warrants at a price of \$0.50 per Special Warrant for aggregate gross proceeds of \$5,947,500. Each Special Warrant was automatically converted, without payment of any additional consideration and without any further action on the part of the holder thereof, concurrent with the closing, into one unit of the Company, comprised of one (1) Company common share and one (1) share purchase warrant exercisable to acquire common shares of the 0749116 B.C. Ltd. at a price of \$0.75 per share for a period of two years. The Company paid a cash finder's fee of \$138,480.

Year ended December 31, 2024

The Company did not issue any shares during the year ended December 31, 2024.

10) RESERVES

Share purchase warrants

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2023 and 2024	4,092,000	0.70
Issued	11,895,000	0.75
Acquired on reverse takeover	1,401,694	0.70
Balance, December 31, 2025	17,388,694	0.73

At December 31, 2025, the Company had the following outstanding share purchase warrants:

Number of Warrants	Exercise price	Expiry Date
4,092,000	\$0.70	April 7, 2026 ⁽¹⁾⁽²⁾
11,895,000	\$0.75	October 20, 2027
1,401,694	\$0.70	June 10, 2029
17,388,694		

(1) The expiry of these warrants was extended from April 7, 2025 to April 7, 2026.

(2) The expiry of these warrants was extended from April 7, 2026 to April 7, 2027 subsequent to the year ended December 31, 2025.

The weighted average remaining life of the outstanding share purchase warrants, as at December 31, 2025 was 1.57 years (2024 – 0.27 years).

Stock option plan

The Company has a share-based compensation plan under which stock options are issued as determined by the Board of Directors and subject to the provisions of the Plan. The Company recognizes the compensation expense under the Plan, which requires the recognition of expense for share-based compensation on their fair value on the measurement date. The maximum number of shares that may be reserved for issuance under the Plan is a rolling number not to exceed 10% of the issued and outstanding shares of the Company at the time of the stock option grant.

Stock options

	Number of stock options	Weighted average exercise price \$
Balance, December 31, 2023	1,650,000	0.20
Forfeited	(150,000)	0.20
Balance, December 31, 2024	1,500,000	0.20
Acquired on reverse takeover	100,000	3.01
Balance, December 31, 2025	1,600,000	0.38

10) RESERVES *(continued)*

Stock options *(continued)*

At December 31, 2025, the Company had the following outstanding stock options:

Number of Options	Exercise price	Expiry Date
250,000	\$0.20	March 1, 2026 ⁽¹⁾⁽³⁾
100,000	\$3.01	June 24, 2026
750,000	\$0.20	July 15, 2026 ⁽²⁾
500,000	\$0.20	March 24, 2027
<u>1,600,000</u>		

- (1) The expiry of these options was extended from March 1, 2025 to March 1, 2026.
(2) The expiry of these options was extended from July 15, 2025 to July 15, 2026.
(3) 250,000 stock options were exercised subsequent to the year ended December 31, 2025 (Note 14).

The weighted average remaining life of the outstanding stock options granted, as at December 31, 2025 was 0.58 years (2024 – 1.04 years).

Share-based payments

The following weighted average assumptions were used for the Black-Scholes option pricing model valuation of stock options granted:

	December 31, 2025	December 31, 2024
Risk-free interest rate	2.77%	3.89%
Expected life of option	1 year	1 year
Expected annualized volatility	95%	95%
Dividend	0%	0%

During the year ended December 31, 2024, the Company extended the maturity of 750,000 stock options for a period of one year. This resulted in additional stock-based compensation expense of \$53,680. The weighted average assumptions used for the Black-Scholes valuation of amended options were annualized volatility of 95%, risk-free interest rate of 3.82%, expected life of 1 year and a dividend rate of Nil%.

During the year ended December 31, 2024, the Company extended the maturity of 250,000 stock options for a period of one year. This resulted in additional stock-based compensation expense of \$18,717. The weighted average assumptions used for the Black-Scholes valuation of amended options were annualized volatility of 95%, risk-free interest rate of 4.10%, expected life of 1 year and a dividend rate of Nil%.

During the year ended December 31, 2025, the Company extended the maturity of 250,000 stock options for a period of one year. This resulted in additional stock-based compensation expense of \$18,477. The weighted average assumptions used for the Black-Scholes valuation of amended options were annualized volatility of 95%, risk-free interest rate of 2.57%, expected life of 1 year and a dividend rate of Nil%.

During the year ended December 31, 2025, the Company extended the maturity of 750,000 stock options for a period of one year. This resulted in additional stock-based compensation expense of \$55,554. The weighted average assumptions used for the Black-Scholes valuation of amended options were annualized volatility of 95%, risk-free interest rate of 2.83%, expected life of 1 year and a dividend rate of Nil%.

11) CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally-imposed capital requirements.

12) FINANCIAL INSTRUMENT RISKS

The Company's financial instruments are exposed to the following risks:

Credit Risk

The Company's primary exposure to credit risk is the risk of illiquidity of cash amounting to \$5,899,302 at December 31, 2025 (2024 - \$1,401,759). The Company's policy is to keep cash holdings with major Canadian banks and to use reputable foreign banks and keeping balances in foreign jurisdictions to a manageable amount. As at December 31, 2025, the credit risk is considered by management to be low.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet operating requirements. As at December 31, 2025, the Company had working capital of \$6,072,328 (2024 - \$1,531,879). The Company does not generate revenues and is reliant on capital investments to finance operations once current resources have been depleted.

Foreign Exchange Risk

The Company incurs expenses in Colombia in Colombian Peso ("COP") which requires the use of the United States dollar ("USD") and COP. The carrying amounts of the Company's foreign currency denominated financial instruments are as follows:

Canadian dollar equivalent of COP financial instruments	
	\$
Cash	4,444
Receivables	10,320
Accounts payable and accrued liabilities	(4,715)

Based on the balances held as at December 31, 2025, a 10% increase (decrease) in the COP to the Canadian dollar exchange rates on this date would have resulted in a decrease (increase) in the net loss for the year of approximately \$1,005.

Interest Rate Risk

The Company is exposed to interest rate risk on its cash. Interest income is not significant to the Company's operating plan and is not a significant risk to the Company.

12) FINANCIAL INSTRUMENT RISKS *(continued)*

Fair Value of Financial Instruments

The Company's financial instruments comprise cash, receivables, investment, and accounts payable and accrued liabilities.

Cash and receivables are classified as amortized cost. Amortized cost approximates fair market value due to the short-term nature of the balances. Balances that relate to income or indirect taxes payable or receivable are not considered financial instruments.

Investments are classified as fair value through profit and loss and are recorded in the consolidated financial statements at estimated fair value. As at December 31, 2025, the Company's investments consist of common shares in a private company which the Company values using Level 3 inputs (Note 5).

Accounts payable and accrued liabilities are recorded in the consolidated financial statements at amortized cost. The fair value of these instruments approximates the carrying value due to the short-term nature of these instruments.

13) INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2025	2024
	\$	\$
Net loss	(4,278,520)	(678,051)
Statutory tax rate	27%	27%
Expected income tax recovery	(1,155,201)	(212,603)
Deductible and non-deductible amounts	705,442	22,519
DIT assets acquired pursuant to RTO	(4,279,173)	-
True-up of prior year opening balances	117,899	64,200
Change in deferred tax assets not recognized	4,611,033	125,884
Total income tax recovery	-	-

Subject to confirmation with regulatory authorities, deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	2025	2024
	\$	\$
Mineral property tax pools	9,155,000	2,527,000
Equipment	3,000	3,000
Share issue costs	175,000	80,000
Marketable securities	25,000	25,000
Non-capital loss carryforwards and share issue costs	13,127,000	2,833,000
	22,485,000	5,468,000

13) INCOME TAXES *(continued)*

The Company has Canadian non-capital losses of approximately \$12,336,000 (2024 - \$2,248,000) for use in the years 2027 – 2045 and US non-capital losses of \$169,000 USD (2024 - \$169,000 USD), which may be carried forward and applied against future taxable in Canada and the US, respectively. Future tax benefits which may arise as a result of these losses have not been recognized in these consolidated financial statements and have been offset by a valuation allowance.

14) SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2025, the Company:

- Extended the expiration of 4,092,000 share purchase warrants from April 7, 2026 to April 7, 2027.
- Issued 250,000 common shares from stock option exercises for gross proceeds of \$50,000.