



**RUSORO MINING LTD.**

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024  
(Unaudited - Expressed in thousands of US Dollars)

**Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended June 30, 2025 and 2024**

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Rusoro Mining Ltd. for the interim periods ended June 30, 2025 and 2024, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, BDO Canada LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

August 29, 2025

**RUSORO MINING LTD.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Unaudited - Expressed in thousands of US Dollars)



	Note	June 30, 2025	December 31, 2024
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		21	759
GST recoverable		11	10
Prepays		54	11
<b>Total assets</b>		<b>86</b>	<b>780</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	5, 12	23,969	20,816
Derivative financial liability	6	54,366	42,356
Decommissioning and restoration provision	7	36,573	18,231
Loan payable	8	80,568	75,584
Promissory notes payable	9	4,070	4,072
Litigation funding agreement	15	21,988	21,995
<b>Total liabilities</b>		<b>221,534</b>	<b>183,054</b>
<b>SHAREHOLDERS' DEFICIENCY</b>			
Issued capital	10(b)	745,647	745,400
Contributed surplus		82,996	66,913
Deficit		(1,030,422)	(974,918)
<b>Total shareholders' deficiency attributable to the Company</b>		<b>(201,779)</b>	<b>(162,605)</b>
Non-controlling interest		(19,669)	(19,669)
<b>Total shareholders' deficiency</b>		<b>(221,448)</b>	<b>(182,274)</b>
<b>Total liabilities and shareholders' deficiency</b>		<b>86</b>	<b>780</b>

Nature of operations (Note 1)

Basis of presentation and going concern assumption (Note 2)

Contingencies (Note 16)

Subsequent events (Note 18)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Andre Agapov"

Director

/s/ "Gordon Keep"

Director

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

**RUSORO MINING LTD.****Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in thousands of US Dollars, except for per share amounts and number of shares)



		Three months ended June 30,		Six months ended June 30,	
	Note	2025	2024	2025	2024
		\$	\$	\$	\$
<b>Operating expenses</b>					
General and administrative	11,12	2,990	2,373	4,013	3,238
Foreign exchange (gain) loss		-	(29)	2	(197)
Share-based compensation	10(c),12	16,157	-	16,157	-
<b>Total operating expenses</b>		<b>19,147</b>	<b>2,344</b>	<b>20,172</b>	<b>3,041</b>
<b>Other items</b>					
Other income		(2)	(73)	(2)	(309)
Fair value change of interest gold ounces	6	600	79	1,157	43
Fair value change of principal gold ounces	6	3,343	2,225	10,853	6,843
Finance charges	8, 9	2,541	4,160	4,982	8,232
Change in estimates in decommissioning and restoration provision	7	9,271	1,050	18,342	2,128
		<b>15,753</b>	<b>7,441</b>	<b>35,332</b>	<b>16,937</b>
<b>Net loss and comprehensive loss</b>		<b>34,900</b>	<b>9,785</b>	<b>55,504</b>	<b>19,978</b>
<b>Attributable to:</b>					
Equity shareholders of the Company		<b>34,900</b>	<b>9,785</b>	<b>55,504</b>	<b>19,978</b>
<b>Net loss per share:</b>					
Basic and diluted		<b>0.06</b>	<b>0.02</b>	<b>0.09</b>	<b>0.03</b>
<b>Weighted average number of shares outstanding:</b>					
Basic and diluted		<b>616,303,187</b>	<b>585,341,787</b>	<b>616,230,862</b>	<b>585,341,787</b>

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

**RUSORO MINING LTD.**  
**Condensed Interim Consolidated Statements of Changes in**  
**Shareholders' Deficiency**  
(Unaudited - Expressed in thousands of US Dollars)



	Number of shares	Issued capital	Contributed surplus	Deficit	Non-controlling interest	Shareholders' deficiency
	#	\$	\$	\$	\$	\$
Balance, December 31, 2023	577,681,856	740,273	68,800	(934,207)	(19,669)	(144,803)
Exercise of share options	24,455,000	2,166	-	-	-	2,166
Exercise of warrants	11,400,876	928	-	-	-	928
Net loss and comprehensive loss for the period	-	-	-	(19,978)	-	(19,978)
Balance, June 30, 2024	613,537,732	743,367	68,800	(954,185)	(19,669)	(161,687)
Exercise of share options	2,620,000	2,037	(1,887)	-	-	150
Exercise of warrants	-	(4)	-	-	-	(4)
Net loss and comprehensive loss for the period	-	-	-	(20,733)	-	(20,733)
Balance, December 31, 2024	616,157,732	745,400	66,913	(974,918)	(19,669)	(182,274)
Share-based compensation	-	-	16,157	-	-	16,157
Exercise of share options	1,996,610	191	(74)	-	-	117
Exercise of warrants	556,691	56	-	-	-	56
Net loss and comprehensive loss for the period	-	-	-	(55,504)	-	(55,504)
<b>Balance, June 30, 2025</b>	<b>618,711,033</b>	<b>745,647</b>	<b>82,996</b>	<b>(1,030,422)</b>	<b>(19,669)</b>	<b>(221,448)</b>

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

**RUSORO MINING LTD.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
(Unaudited - Expressed in thousands of US Dollars)



	Six months ended	
	June 30,	
	2025	2024
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(55,504)	(19,978)
Adjustments for:		
Fair value change of interest gold ounces	1,157	43
Finance charges	4,982	8,232
Change in estimates in decommissioning and restoration provision	18,342	2,128
Share-based compensation	16,157	-
Fair value change of principal gold ounces	10,853	6,843
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	3,146	931
GST recoverable	(1)	-
Prepays	(43)	-
<b>Cash (used in) provided by operating activities</b>	<b>(911)</b>	<b>(1,801)</b>
<b>Financing activities</b>		
Proceeds from exercise of share options	117	2,040
Proceeds from exercise of warrants	56	875
<b>Cash provided by financing activities</b>	<b>173</b>	<b>2,915</b>
Change in cash	(738)	1,114
Cash, beginning of period	759	1,857
<b>Cash, end of period</b>	<b>21</b>	<b>2,971</b>
<b>Supplemental cash flow information:</b>		
Cash income tax paid	-	-
Cash interest paid	-	-

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

## **1. NATURE OF OPERATIONS**

Rusoro Mining Ltd. (the "Company" or "Rusoro") was incorporated under the laws of the province of British Columbia on March 1, 2000. The registered office of the Company is 3200-650 West Georgia Street, Vancouver, British Columbia, Canada and the corporate headquarters is located at 3123-595 Burrard Street, Vancouver, British Columbia, Canada. The principal business activities of the Company are the operation, acquisition, exploration and development of gold mining and mineral properties. Rusoro is currently listed on the TSX Venture Exchange ("TSXV") under the symbol "RML".

The Company received mining concessions in the Bolivarian Republic of Venezuela ("Venezuela") for the exploration, development and exploitation of alluvial and vein gold. Until March 14, 2012, the Company owned two producing gold mines in Venezuela. It held a 95% ownership interest in the Choco 10 mine (the "Choco Mine") which was acquired on November 30, 2007 and a 50% ownership interest in the Isidora mine (the "Isidora Mine") which was acquired on December 23, 2008. The Company operated the Isidora Mine under a joint venture agreement with the Venezuelan government (Note 14).

On September 16, 2011, the Venezuelan government, through publication in the Official Gazette of Venezuela, enacted a law-decree (the "Decree") reserving the government of Venezuela exclusive rights over the extraction of gold in Venezuela (the "Nationalization"). The Decree mandated the expiration of all mining concessions held by the Company and their reversal to the Venezuelan government except for those in which the Company and the Venezuelan government agree to continue operating jointly in the form of a mixed-interest enterprise (the "Mixed Enterprise") and in which the Company could not own more than a 45% share participation.

The Company was unable to agree with the Venezuelan government upon the terms and conditions of the migration of its mining assets to the Mixed Enterprise within the designated time periods. Therefore, effective March 14, 2012, in accordance with the procedures outlined in the Decree, all of the Company's mining concessions expired by force of the Decree and all of its assets and operations reverted to the Venezuelan government who took possession and control of the assets and operations in accordance with Venezuelan law, thereby becoming the new operator and employer.

Management determined the Company's sole recourse was to file a Request for Arbitration under the Additional Facility Rules of the International Centre for Settlement of Investment Disputes ("ICSID") against the government of Venezuela alleging violations of the provisions of the Bilateral Treaty for the Protection of Investments entered between the governments of Canada and Venezuela (the "Treaty"). This request was filed on July 17, 2012. The Treaty provides that the Venezuelan government must pay a fair, prompt, and timely compensation to the Company as a result of the Nationalization. In parallel, the Company continued to seek an amicable resolution with the Venezuelan government.

In June 2012, the Company entered into a Creditors and Shareholders Agreement (the "CSA") with significant equity holders and creditors who agreed not to take any steps or actions to exercise their rights and remedies against the Company until the expiration of a standstill period, subject to various clauses.

In June 2012, the Company entered into a litigation funding agreement (the "Litigation Funding Agreement") with a subsidiary (the "Funder"), of the Calunius Litigation Risk Fund LP (the "Fund"). Calunius Capital LLP is the exclusive investment advisor to the Fund, which specializes in funding commercial litigation and arbitration claims. Under the terms of the Litigation Funding Agreement (Note 15), the Funder agreed to assist in the funding of Rusoro's legal costs in relation to the international arbitration proceedings against the Republic of Venezuela (the "Respondent" or "Venezuela") on a non-recourse basis. Rusoro continued to have complete control over the conduct of the international arbitration proceedings, insofar as the proceedings relate to the Company's claims, and continued to have the right to settle with the Respondent, discontinue proceedings, pursue the proceedings to trial and take any action Rusoro considers appropriate to enforce judgment.

The Litigation Funding Agreement provides contingent consideration to the Funder and other select parties as described in Note 15 and resulted in an amendment to the terms of the Gold Sale Contract adding an annual interest rate of 11% (Note 6).

On August 22, 2016, the Arbitral Tribunal ("Tribunal") operating under the ICSID Additional Facility Rules, awarded ("the Award") the Company compensation of \$967.77 million plus pre and post award interest which combined equates to in excess of \$2.06 billion as of December 31, 2024. No value has been accrued for the Award as at December 31, 2024, as the ultimate receipt, final settlement amount and the timing of the receipt of the Award is uncertain.

## **1. NATURE OF OPERATIONS (continued)**

In its Award, the Tribunal upheld the Company's claims that Venezuela breached its obligations under the Treaty by unlawfully expropriating the Company's investments without paying compensation and by imposing certain restrictions on the export of gold. As a result of these breaches, the Tribunal ordered Venezuela to pay compensation of \$967.77 million as of the date of the expropriation (September 16, 2011), together with interest accrued between that date and the date of actual payment, calculated at a rate per annum equal to US\$ Libor for one-year deposits, plus a margin of 4%, to be compounded annually. The amounts awarded must be paid net of any taxes imposed by Venezuela. The Tribunal ordered Venezuela to contribute \$3.3 million towards Rusoro's costs in the arbitration.

In October 2016, Rusoro received notice that the Bolivarian Republic of Venezuela ("Venezuela") had brought an application before the Paris Court of Appeals to set aside ("recours en annulation") the Award, which was filed by Venezuela in 2017. Rusoro had instructed Freshfields Bruckhaus Deringer and Teynier Pic to represent it in these proceedings, with the support of a special correspondent.

In December 2017, the Company amended its Litigation Funding Agreement and was provided with additional litigation funding of \$7 million, which is intended to continue the Company's efforts to enforce the Award.

In October 2018, the Company executed a settlement agreement ("Settlement Agreement") with the Venezuelan government whereby the parties agreed that the Company would receive over \$1.28 billion in monthly instalments through 2023 in exchange for the Company's mining data and full release of the Award. Under the Settlement Agreement, the Venezuelan government agreed to pay an initial payment of \$100 million in November 2018, and upon completion of this initial payment, the Company would suspend legal enforcement of the Award and deliver the Company's mining data to the Venezuelan government. The Company would be entitled to resume legal enforcement of the Award if payment due under the Settlement Agreement is not received by the Company within the periods provided, and the Company is able to terminate the Settlement Agreement under certain default scenarios. The Venezuelan government retained the right to continue proceedings to set aside the Award at the seat of arbitration in Paris.

As at June 30, 2025, the Company has not received the payment of \$100 million.

In September 2021, the Supreme Court of the State of New York granted the Company's motion to enter a default judgment for \$100 million plus interest in favor of Rusoro against Venezuela for breach of the Settlement Agreement dated October 5, 2018 (with further interest at the statutory rate of 9% per annum from the date of judgment to the date of payment). Rusoro will take the necessary steps to enter the order as a judgment, serve it on Venezuela, and vigorously pursue its payment or enforcement as partial payment for the unlawful expropriation of its investments in Venezuela.

In January 2019, the Paris Court of Appeals partially annulled the Award (the "French Court Decision"). Whilst the Paris Court of Appeals upheld the tribunal's finding on the merits that Venezuela is liable for the unlawful expropriation of the Company's investments, it annulled the Award's finding on damages. The French Court Decision did not seek to determine the damages that Venezuela must pay to the Company for its breach of the Treaty.

In March 2021, the French Supreme Court overturned the French Court Decision, therefore reinstating the arbitral Award in full and will allow the Company to continue to vigorously pursue recognition and enforcement of the Award.

In September 2021, Venezuela voluntarily dismissed its appeal of the Award judgment rendered by the U.S. District Court in Washington DC in favor of Rusoro, and against Venezuela.

On July 7, 2023, the U.S. Court of Appeals for the Third Circuit ruled that various parties holding judgments against Venezuela, including Rusoro, were entitled to enforce their judgments against property owned by a subsidiary of Petroleos de Venezuela ("PDVSA"), on the grounds that PDVSA was the corporate alter-ego of the Venezuelan state. On this basis, the U.S. District Court for the District of Delaware commenced a sale process on October 23, 2023 whereby the shares of PDV Holding ("PDVH"), a company 100% owned by PDVSA and the indirect owner of CITGO Petroleum Corporation, are to satisfy the judgments of various creditors holding judgments against Venezuela, including Rusoro. Venezuela and PDVSA asked the U.S. Supreme Court to review this ruling, and on January 8, 2024, the Supreme Court denied the petition for certiorari filed by Venezuela and PDVSA. This means that the Third Circuit's ruling authorizing issuance of writs of attachment against the shares of PDVH in satisfaction of creditors' judgments is final and unappealable.



## **1. NATURE OF OPERATIONS (continued)**

On January 8, 2024, the Delaware court designated certain of the judgment creditors in the case, including Rusoro, to be "Additional Judgment Creditors", meaning that they are entitled to share in the proceeds of the sale of the PDVH shares when they are auctioned, subject to a waterfall established by order of the Delaware court. In March 2025, Rusoro agreed to join a Consortium together with Gold Reserve Ltd., Koch Minerals SARL and Koch Nitrogen International SAR to submit a credit bid to purchase 100% of the PDVH Shares. The consortium's bid was not selected as the stalking horse.

Topping bids, intended to increase the purchase price for the PDVH shares, were submitted in June 2025. Rusoro, with consents as required, supported a topping bid (the "Consortium Bid") submitted by a consortium (the "Consortium") led by Gold Reserve Ltd. and also supported by Koch Minerals SARL, Koch Nitrogen International SARL, and Siemens Inc. On July 2, 2025, the Special Master recommended that the Court approve the Consortium Bid and order that the PDVH shares be sold to the Consortium. On August 8, 2025, an additional bid (the "New Bid") was received by the Special Master, and the Special Master is currently considering whether that bid constitutes a "Superior Proposal." Rusoro supports the New Bid simultaneously with its support of the Consortium Bid. In view of the Special Master's deliberations concerning the New Bid, the Court has rescheduled the Sale Hearing to September 18-21, 2025, and has held time open on October 20-21, 2025 for further proceedings as may be required. The Court will issue its sale order determining the identity of the buyer and the terms of the sale following these hearings.

## **2. BASIS OF PRESENTATION AND GOING CONCERN ASSUMPTION**

### **a) Statement of compliance**

The condensed interim consolidated financial statements (the "financial statements") were authorized for issue by the Board of Directors on August 29, 2025.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS® Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of condensed interim financial statements including International Accounting Standard 34 Interim Financial Reporting. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements").

### **b) Basis of presentation**

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS® Accounting Standards, as well as information presented in the condensed interim consolidated statements of cash flows.

### **c) Going concern assumption**

In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware in making its assessment, of material uncertainties related to events or conditions, such as those described above and herein, that may cast significant doubt upon the Company's ability to continue as a going concern.

In March 2012, in accordance with the procedures outlined in the Decree, 100% of the Company's Venezuelan mining concessions expired by force of the Decree and the Company's assets and operations reverted to the Venezuelan government.

Under these circumstances, the Company maintains the position that the application of the going concern assumption is still appropriate, as courses of action have been identified and acted upon which will increase the likelihood of the Company's ability to repay its loan and its other liabilities as follows:

- 1) The Company retains the right to seek reinstatement of the Award, including fair compensation paid to the Company, which will be sufficient for the Company to repay all its outstanding liabilities, if the payments under the Settlement Agreement are not received as provided in the agreement;
- 2) In June 2012, the Company entered into the Litigation Funding Agreement whereby the Funder agreed to assist in the funding of Rusoro's legal costs in relation to the international arbitration proceedings against Venezuela on a non-recourse basis and funding of the Company's expected operating expenditures, which was further amended in December 2017 and April 2019 for up to \$7 million, for an aggregate total of \$17 million;

## 2. BASIS OF PRESENTATION AND GOING CONCERN ASSUMPTION (continued)

- 3) Related to the Litigation Funding Agreement, the Company entered into the CSA with significant equity holders and creditors who agreed not to take any steps or actions to exercise their rights and remedies against the Company until the expiration of a standstill period, subject to various clauses; and
- 4) In October 2018, the Company executed the Settlement Agreement with the Venezuelan government whereby the parties agreed that the Company would receive over \$1.28 billion, including an initial \$100 million to be paid.

There are material uncertainties surrounding the Nationalization, Award and Settlement Agreement (Note 1), including, but not limited to the timing and/or form of any compensation related to the Award or ultimate receipt of payments pursuant to the Settlement Agreement. Management is making efforts to work with vendors and potential creditors not covered by the CSA to have them forbear on demanding currently due amounts while it pursues the above-mentioned courses of action. There is, however, no assurance that the sufficient sources of funding described above will be available to the Company, that they will be available on terms and a timely basis that are acceptable to the Company, or that the Company will be able to secure additional funding.

These financial statements have been prepared on the basis of a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2025, the Company had a net working capital deficiency of \$221,448. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the statements of financial position classifications used that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

### d) Functional and presentation currency

The financial statements are presented in United States dollars ("US dollar" or "USD"). The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company and its subsidiaries is U.S. dollars. References to "Bs.S" are to Venezuelan Bolivars and references to "CAD" or "C\$" are to Canadian Dollars.

### e) Basis of consolidation

These financial statements include the financial information of the Company and entities controlled by the Company. These financial statements include the financial statements of the Company, its subsidiaries, and joint arrangements. Intercompany balances and transactions, including any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the financial statements.

The principal subsidiaries, joint arrangements, and the Company's ownership interests therein, are as follows:

Company	Location	Ownership interest	Functional currency	Status
Promotora Minera de Guayana, P.M.G., S.A.	Venezuela	95%	USD	Consolidated
Minera Venrus C.A.	Venezuela	50%	USD	Joint operation
Minera Rusoro Venezolana C.A.	Venezuela	50%	USD	Joint operation
El Callao Gold Mining Company de Venezuela S.C.S.	Venezuela	50%	USD	Joint operation
Proyectos Mineros del Sur, PROMINSUR, C.A.	Venezuela	100%	USD	Consolidated
Corporacion Aurifera de El Callo, C.A.	Venezuela	100%	USD	Consolidated
Corporacion Minera Choco 9 C.A.	Venezuela	100%	USD	Consolidated
Corporacion 80.000 C.A.	Venezuela	100%	USD	Consolidated
Lamin Laboreos Mineros C.A.	Venezuela	100%	USD	Consolidated
Mineria MS C.A.	Venezuela	100%	USD	Consolidated
General Mining de Guayana C.A.	Venezuela	100%	USD	Consolidated
Krysos Mining S.A.	Venezuela	100%	USD	Consolidated
Inversiones Yuruan C.A.	Venezuela	100%	USD	Consolidated
Venezuela Holdings (BVI) Ltd	British Virgin Islands	100%	USD	Consolidated

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Similarly, non-controlling interest in the components of comprehensive loss are identified separately. Non-controlling interest consists of the amount of those interests at the date of the original business combination and the non-controlling interest share of changes in equity since the date of the combination. A 5% non-controlling interest exists in Promotora Minera de Guayana, P.M.G., S.A. ("PMG"), which represents the outside interest's share of the carrying value of PMG, which owns the Choco Mine. The Company recorded its 50% proportionate share of assets, liabilities, revenues, and operating costs of the joint operations.

## **2. BASIS OF PRESENTATION AND GOING CONCERN ASSUMPTION (continued)**

### **f) Reclassification of prior period amounts**

Certain amounts in the comparative condensed interim consolidated statements of loss and comprehensive loss have been reclassified to conform to current period presentation. In the three and six months ended June 30, 2024, interest on convertible notes of \$3,274 and \$6,459, respectively, were reclassified into finance charges.

## **3. MATERIAL ACCOUNTING POLICIES**

The same accounting policies and methods of computation are followed in these financial statements as compared with the Annual Financial Statements.

## **4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements under IFRS® Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed its Annual Financial Statements.

## **5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

A summary of the Company's accounts payable and accrued liabilities is as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>\$</b>	<b>\$</b>
Accounts payable and accrued liabilities	<b>17,935</b>	14,716
Due to related parties (Note 12)	<b>6,034</b>	6,100
	<b>23,969</b>	20,816

## **6. DERIVATIVE FINANCIAL LIABILITY**

In 2010, the Company received \$6,973 from a gold buyer, Vicolven Enterprises Inc. ("Vicolven") in exchange for the delivery of 7,304 ounces of finished gold in 2011 and the commitment to issue 12,400,000 share-purchase warrants, giving rise to a derivative financial liability ("gold delivery contract"). No gold has been delivered with respect to this contract. In February 2011, the Company paid Vicolven a portion of the amount owing in US dollars in lieu of delivery of 700 ounces (as permitted by Vicolven) for a total of \$711. The Company agreed to deliver an additional 38 ounces relating to an overpayment made by Vicolven. In relation to the Company's commitment to issuing 12,400,000 share-purchase warrants, the \$330 value associated with these committed share-purchase warrants has been deducted from the proceeds of \$6,973 resulting in a net amount of \$6,643.

On September 20, 2011, as a result of the Decree and proposed nationalization of the Company's Venezuelan gold mining assets by the government of Venezuela, a letter was written to Vicolven indicating that management no longer expects to settle the obligation with the delivery of finished gold as stated in the agreement. Instead, the Company will settle the outstanding, undelivered ounces of finished gold owing to Vicolven in cash as permitted under the agreement.

On June 1, 2012, in relation to the Litigation Funding Agreement and the CSA, the Company signed an amendment with Vicolven whereby the Company agreed to pay interest of 11%, compounded annually, on the amount outstanding of 6,642 gold ounces.

## 6. DERIVATIVE FINANCIAL LIABILITY (continued)

Subsequently, in 2018, the Company and Vicolven agreed to eliminate the annual compounding of interest such that simple interest was instead payable retrospectively from the initiation of the loan.

As the contract will be settled in cash in lieu of gold, the settlement amount has been presented as a derivative financial liability. As of June 30, 2025, 16,502 (December 31, 2024 - 16,140) ounces of finished gold were still outstanding and valued at fair market value using the spot price of gold on June 30, 2025, of \$3,294.50 (December 31, 2024 - \$2,625.00) per ounce. Included in this amount is the principal amount of 6,642 gold ounces plus cumulative accrued interest of 9,860 (December 31, 2024 - 9,498) gold ounces for the period January 1, 2012, through June 30, 2025.

A summary of the Company's derivative financial liability is as follows:

	June 30, 2025	December 31, 2024
	\$	\$
Balance, beginning	42,356	31,789
Fair value change of principal gold ounces	10,853	8,650
Fair value change of interest gold ounces	1,157	1,917
Balance, ending	54,366	42,356

## 7. DECOMMISSIONING AND RESTORATION PROVISION

Decommissioning and restoration provisions are comprised of costs associated with environmental rehabilitation. These costs have been estimated based on the Company's interpretation of current regulatory requirements and have been measured at the net present value of future cash expenditures upon reclamation and closure using the information currently available.

Costs associated with decommissioning and restoration are capitalized depending on the nature of the asset related to the obligation and depreciated over the life of the asset. The decommissioning and restoration provision relates to reclamation and closure costs of the Company's operating Choco Mine and Isidora Mine, as well as to some of the exploration and development activities undertaken on the Company's mineral properties.

In view of the uncertainties concerning decommissioning and restoration, the ultimate cost of reclamation, remediation and closure activities could differ materially from the estimated amount recorded. The estimate of the Company's decommissioning and restoration provision is subject to change based on amendments to laws and regulations and as new information regarding the Company's operations becomes available.

Future changes to the provision as a result of amended requirements, laws, regulations, operating assumptions, estimated timing and amount of obligations may be significant and would be recognized prospectively as a change in accounting estimate. Any such change would result in an increase or decrease to the provision and a corresponding increase or decrease to the mineral property and/or property, plant and equipment balance(s).

A summary of the Company's decommissioning and restoration provision is as follows:

	June 30, 2025	December 31, 2024
	\$	\$
Balance, beginning	18,231	7,789
Change in estimate of future cash flows due to:		
Devaluation of the Venezuelan currency	(19,453)	(6,168)
Inflation	37,795	16,610
Balance, ending	36,573	18,231

At June 30, 2025 and December 31, 2024, the Company's decommissioning and restoration provision was classified as a current liability as it is not possible for the Company to adhere to its long-term closure plan resulting from the expiry by force of the Decree and reversal to the Venezuelan government of all of the Company's mining concessions on March 14, 2012.

## 8. LOAN PAYABLE

In June 2008, the Company entered into an \$80,000 principal amount Convertible Loan (the "Loan") with a two-year term and 10% annual interest to fund the acquisition of various Venezuelan mineral interests. During the years ended December 31, 2009 and 2010 the Company made various repurchases and restructured the Loan resulting in a reduced principal amount of \$30,000. During the year ended December 31, 2011 the conversion option expired and the Company defaulted on the Loan; in addition, the Loan now bears interest at 11%, compounded quarterly.

In June 2012, the Company entered into the CSA (Note 1) with significant equity holders and creditors (the "Lenders") who agreed not to take any steps or actions to exercise their rights and remedies against the Company until the expiration of a standstill period, subject to various clauses. In consideration for the CSA, the Lenders were provided a contingent success fee in addition to amounts due and payable to the Lenders under the Loan of 20% of the value of the Loan (Note 16).

During the year ended December 31, 2017, the Company's existing loan of \$30,000 was transferred to a new group of investors. The Company bought \$250 of this debt at a cost of \$175 and thus retired debt plus accrued interest totaling \$465. The remaining \$29,750 is still in default, however the new investors have become parties to the CSA.

This Loan is a financial liability with a repayment obligation that is partially conditional on the successful recovery of compensation pursuant to the Award and Settlement Agreement.

Under the terms of the Loan, the Company is required to repay a contingent success fee of 20% of the initial value of the loan if the Company is successful in the recovery of compensation pursuant to the Award and Settlement Agreement. In the event of an unsuccessful outcome, only the principal and accrued interest are payable.

As such, the timing and the amount of the repayment obligation are highly uncertain and are partially dependent on future external events beyond the Company's control which remain uncertain as at the reporting date.

At June 30, 2025, the principal balance of loan payable was \$29,750 (December 31, 2024 - \$29,750) and the interest payable was \$112,195 (December 31, 2024 - \$103,135). On an amortized cost basis, considering management's estimate of when the Award will be received (Note 1), the principal and interest as well as the contingent success fee of 20% of the principal is presented as follows:

	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning	<b>75,584</b>	68,957
Interest charged	<b>8,947</b>	13,729
Effective interest adjustment	<b>(3,963)</b>	(7,102)
Balance, ending	<b>80,568</b>	75,584

## 9. PROMISSORY NOTES PAYABLE

As at June 30, 2025, the Company's obligations under promissory notes, presented at amortized cost is as follows:

	June 30, 2025	December 31, 2024
	\$	\$
Pursuant to a settlement in 2012, the Company issued a conditional promissory note in the amount of C\$1,000. The promissory note will only become due and payable in the event that the Company is successful in the litigation it has commenced against the Venezuelan government seeking compensation for the Nationalization. The Company considers the litigation to be successful when appropriate financial compensation has been received. The promissory note and any payment due under it will be subordinate and postponed in right of payment to (a) the rights of the Funder as defined in the Creditors and Shareholders Agreement, and Litigation Funding Agreement, and (b) the rights of the Funder and Freshfields Bruckhaus Deringer US LLP under a Priorities Agreement. This promissory note is accounted for as a financial liability at management's estimate of amortized cost.	<b>136</b>	136
Notes payable as to the principal amount plus a bonus at two times principal on the date that is ninety days from the date that the Company receives its first payment from the Venezuela government in respect of the Award issued in August 2016. In the event the Company is unsuccessful in its litigation against the Venezuelan government, no amounts are repayable under these promissory notes. These notes do not have a fixed maturity date. Directors of the Company own \$906 (principal portion) of these promissory notes.	<b>499</b>	499
Notes payable as to three times their subscription amount on the date that is ninety days from the date that the Company receives its first payment from the Venezuela government in respect of the Award issued in August 2016. In the event the Company is unsuccessful in its litigation against the Venezuelan government, no amounts are repayable under these promissory notes. These notes do not have a fixed maturity date. Directors of the Company own \$4,397 (principal portion) of these promissory notes.	<b>2,304</b>	2,305
Notes payable as to four times their subscription amount on the date that is ninety days from the date that the Company receives its first payment from the Venezuela government in respect of the Award issued in August 2016. In the event the Company is unsuccessful in its litigation against the Venezuelan government, no amounts are repayable under these promissory notes. These notes do not have any fixed maturity date. Warrants entitling the holders to purchase an aggregate of 1,027,500 common shares at a price of US\$0.10 per share exercisable on or before April 4, 2028 were issued as part of the transaction.	<b>1,131</b>	1,132
	<b>4,070</b>	4,072

These promissory notes are financial liabilities with repayment obligations that are conditional on the successful outcome of a specific litigation matter (Note 1).

## 9. PROMISSORY NOTES PAYABLE (continued)

Under the terms of the promissory notes, the Company is required to repay two, three and four times the initial value of the promissory note if the litigation against the Venezuelan government is successful. In the event of an unsuccessful outcome, no repayment is required. As such, the timing and the amount of the repayment obligation are highly uncertain and are dependent on future external events beyond the Company's control.

At June 30, 2025, the aggregate initial principal balance of promissory notes payable was \$8,465 (December 31, 2024 - \$8,465). On an amortized cost basis, considering management's estimate of when the Award will be received, the principal as well as the contingent success fees of two, three and four times the initial value of the promissory notes is presented as follows:

	June 30, 2025	December 31, 2024
	\$	\$
Balance, beginning	4,072	3,156
Effective interest adjustment	(2)	916
Balance, ending	4,070	4,072

## 10. EQUITY

### a) Authorized

The Company is authorized to issue an unlimited number of common shares and preferred shares without par value.

### b) Issued and outstanding

During the six months ended June 30, 2025, the Company had the following share capital transactions:

- 1,996,610 common shares were issued from the exercise of 1,996,610 share options for gross proceeds of \$117. As a result, \$74 was reclassified from contributed surplus to share capital
- 556,691 common shares were issued from the exercise of 556,691 warrants for gross proceeds of \$56.

During the year ended December 31, 2024, the Company had the following share capital transactions:

- 27,075,000 common shares were issued from the exercise of 27,075,000 share options for gross proceeds of \$2,316. As a result, \$1,887 was reclassified from contributed surplus to share capital.
- 11,400,876 common shares were issued from the exercise of 11,400,876 warrants for gross proceeds of \$924.

### c) Options

The Company has a rolling share option plan available to its directors, officers, consultants and key employees that reserves options for issuance such that outstanding options may not exceed more than 10% of the issued common shares of the Company at the time of grant. Options are non-transferable and may have a term of up to 10 years from the date of issue. Number of options, vesting terms, conditions and exercise price are determined by the board of directors at the time of grant.

A summary of the Company's share option activity is as follows:

	Number of options	Weighted average exercise price
	#	C\$
Balance, December 31, 2023	54,885,000	0.12
Exercised	(27,075,000)	0.12
Balance, December 31, 2024	27,810,000	0.13
Granted	30,000,000	0.92
Exercised	(1,996,610)	0.08
Cancelled	(250,000)	0.08
<b>Balance, June 30, 2025</b>	<b>55,563,390</b>	<b>0.56</b>



## 10. EQUITY (continued)

A summary of the Company's share options outstanding at June 30, 2025, is as follows:

<b>Date of expiry</b>	<b>Number of options</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life</b>
	<b>#</b>	<b>C\$</b>	<b>Years</b>
February 3, 2027	6,725,000	0.17	1.60
January 29, 2028	1,575,000	0.08	2.58
June 27, 2028	3,750,000	0.08	2.99
May 2, 2029	5,213,390	0.11	3.84
September 3, 2030	1,400,000	0.05	5.18
September 21, 2032	1,750,000	0.08	7.23
July 5, 2033	5,150,000	0.23	8.02
June 6, 2035	30,000,000	0.92	9.94
	<b>55,563,390</b>	<b>0.56</b>	<b>7.30</b>

During the three and six months ended June 30, 2025 and 2024, the Company recorded share-based compensation of \$16,157 and \$nil related to the vesting of share options, respectively.

A summary of the Company's weighted average assumptions used in the Black-Scholes option pricing model for share options granted for the six months ended June 30, 2025 is as follows:

	<b>2025</b>
Share price	C\$0.92
Exercise price	C\$0.92
Expected life	10years
Risk-free interest rate <sup>1</sup>	3.34%
Expected volatility <sup>2</sup>	75.00%
Expected annual dividend yield	0.00%

(1) The risk-free interest rate of periods within the expected life of the stock options is based on the Canadian government bond rate.

(2) The expected volatility is based on comparable companies with a historical volatility.

During the six months ended June 30, 2025, the weighted average share price on the date of exercise of the stock options was C\$1.01 per share (2024 - C\$1.31).

### d) Warrants

A summary of the Company's outstanding warrants at June 30, 2025, is as follows:

<b>Date of expiry</b>	<b>Number of warrants</b>	<b>Weighted average exercise price</b>	<b>Weighted average remaining life</b>
	<b>#</b>	<b>C\$</b>	<b>Years</b>
September 21, 2027	<b>12,000,000</b>	<b>0.10</b>	<b>2.23</b>

A summary of the Company's warrant activity is as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
	<b>#</b>	<b>C\$</b>
Balance, December 31, 2023	23,957,567	0.11
Exercised	(11,400,876)	0.10
Balance, December 31, 2024	12,556,691	0.10
Exercised	(556,691)	0.14
<b>Balance, June 30, 2025</b>	<b>12,000,000</b>	<b>0.10</b>



## 11. GENERAL AND ADMINISTRATIVE EXPENSES

A summary of the Company's general and administrative expenses is as follows:

	Three months ended June 30		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Advisory and consulting	329	479	716	668
Professional fees	2,378	1,682	2,746	2,168
Regulatory and transfer agent	53	20	46	33
Rent and office	-	(38)	-	(69)
Salaries, director fees and wages	230	210	505	418
Travel	-	20	-	20
	2,990	2,373	4,013	3,238

## 12. RELATED PARTY TRANSACTIONS

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 considered to be related if they are subject to common control. Related parties include key management personnel and 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. Related party transactions are recorded at the exchange amount, being the amount agreed to between the related parties.

Key management personnel include those with the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, officers and companies controlled by key management personnel.

### a) Related party transactions

The nature of transactions undertaken and the relationships with related parties of the Company are as follows:

	Relationship with the Company	Nature of transactions
Company A	An officer/director of the Company and a director of the Company are also an officer and director, respectively, of Company A.	Machinery and facilities rental and provision of general mining-related services.
Company B	A director of the Company is also a partner of Company B.	Provision of legal services.
Company C	A director of the Company is also an officer of Company C.	Provision of corporate administrative services.

In addition to related party transactions and balances disclosed elsewhere in these financial statements, the Company entered into transactions with related parties as outlined below:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Provision for corporate administrative services presented as part of advisory and consulting	30	30	60	60

Included in accounts payable and accrued liabilities (Note 5) are amounts due to Company A, B, and C of \$1,442 (December 31, 2024 - \$1,442). These amounts are unsecured, due on demand and non-interest bearing.

## 12. RELATED PARTY TRANSACTIONS (continued)

### b) Compensation of management and directors

The remuneration of the directors and key management personnel was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Salaries and director's fees presented as part of general and administrative expenses	230	208	505	415
Share-based compensation	16,157	-	16,157	-
	16,387	208	16,662	415

Included in accounts payable and accrued liabilities (Note 5) is \$6,034 (December 31, 2024 - \$6,100) related to compensation of management and directors.

## 13. CAPITAL MANAGEMENT DISCLOSURES

The Company's capital includes its loan payable and all components of shareholders' deficiency. The Company's capital management objectives are to safeguard the Company's ability to support its normal business requirements which mainly consist of its efforts to reach a compensation agreement with the Venezuelan government or the enforcement of an arbitration award before ICSID for the expropriation of its assets in Venezuela as a result of the Nationalization. The Company manages its capital structure and makes adjustments to it in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage its capital requirements, the Company plans its funding needs in advance to ensure the Company has liquidity to meet its objectives.

## 14. JOINT OPERATION

On July 4, 2008, the Company entered into an agreement ("the Mixed Enterprise Agreement") to create a mixed enterprise. Pursuant to the Mixed Enterprise Agreement, Minera Venrus C.A. ("Venrus C.A."), a Venezuelan corporation was incorporated on December 23, 2008, and is 50% owned by the Company and 50% owned by Empresa de Producción Social Minera Nacional, C.A. (a Venezuelan government entity). Up to March 14, 2012, the Company conducted a portion of its business through this joint operation under which the joint operation participants are bound by the articles of incorporation of Venrus C.A. The Company recorded its 50% proportionate share of assets, liabilities, revenues, and operating costs of the joint operation. Due to the Decree on September 16, 2011, the Company lost its mining concessions operated by the joint operation hence the Company lost any control or influence over the management of the operations of Venrus C.A.

## 15. LITIGATION FUNDING AGREEMENT

Under the terms of the privileged Litigation Funding Agreement, the Company has given certain warranties and covenants to the Funder. In consideration for the provision of arbitration financing, Rusoro has agreed to pay to the Funder a portion of any final settlement of the arbitration claim against the Respondent (the "Funder's Fee"). The Funder's Fee will only become payable upon recovery of fair compensation and the value of the Funder's Fee is dependent upon a number of variables including the value of any settlement and the length of time taken to receive the settlement. The agreement provides that the amount of the Funder's Fee will not exceed the amount of the aggregate proceeds of the arbitration claim under any circumstances.

This Litigation Funding Agreement is a financial liability with a repayment obligation that is partially conditional on the successful outcome of a specific litigation matter.

Under the terms of the Loan, the Company is required to pay a confidential success fee based on the initial value of the advances received under this facility if the litigation against the Venezuelan government is successful. In the event of an unsuccessful outcome, only the principal is payable.

As such, the timing and the amount of the Litigation funding Agreement repayment obligation are highly uncertain and are partially dependent on future external events beyond the Company's control.

## **15. LITIGATION FUNDING AGREEMENT (continued)**

As of June 30, 2025, the Company recognized a liability at amortized cost of \$21,988 (December 31, 2024 - \$21,995) in regard to the Litigation Funding Agreement. This Litigation Funding Agreement is a financial liability with a repayment obligation that is partially conditional on the successful outcome of a specific litigation matter (Note 1).

## **16. CONTINGENCIES**

In addition to the financial liabilities with contingent repayment terms disclosed in Notes 8, 9 and 15, the Company has various contingent liabilities as described below, which are dependent upon successful recovery of compensation pursuant to the Award and Settlement Agreement. As of June 30, 2025 (and through the Board authorized date), the Company has not received the initial payment of \$100 million nor any other payments claimed in its litigation against the government of Venezuela (Note 1). Due to the uncertainty of the amount of the Award, the enforcement and collection of the Award, the receipt of the payments under the Settlement Agreement (or future litigation success), or ultimately, the Company's ability to receive fair compensation for the expropriation of its investments in Venezuela, the Company only considers the payment to be received when funds are received by the Company in a bank account which is fully controlled by the Company.

### *i. Contingent success fees*

The Company has agreed to contingent success fees to select stakeholders, including legal and financial advisors, the board of directors and management of the Company, in consideration for their discounted services or forgiveness of select obligations. The terms, clauses, and priority of the contingent fee agreements are varied, but generally provide each party a contingent success fee based on successful outcome of the litigation and final settlement. Management estimates the aggregate potential exposure related to these contingent success fees will not exceed 15% of the Award. As at June 30, 2025 and December 31, 2024, recovery of fair compensation is deemed to be indeterminable and \$nil has been accrued.

### *ii. Trust and contribution agreements*

The Company is a party to a trust agreement and a contribution agreement whereby it has agreed to pay to a trust established for members of management and the executive committee of the board of directors, a success fee upon the completion of a transaction or series of transactions. For the purposes of the contribution agreement, a "Transaction" is defined as: (a) any merger, consolidation, reorganization, recapitalization, restructuring, leveraged buyout, business combination, or any transaction pursuant to which the Company is acquired by or combined with a third party; or (b) the acquisition by a third party of any assets or operations of the Company, or any outstanding shares of the Company; or (c) a sale or spin-off of any material assets, of 5% or more of the capital stock of any subsidiary of the Company, or any transaction which has the effect of altering the capitalization of the Company. Where a change in control accompanies the Transaction, the success fee will be equal to 1% of the aggregate transaction value as defined in the contribution agreement. If the Transaction involves the acquisition of less than 50% of the voting power of the then outstanding Company's shares, then the success fee will be equal to 0.5% of the aggregate transaction value. As at June 30, 2025 and December 31, 2024, none of the Transaction criteria had been met and \$nil had been paid to the Trust.

In October 2012, the Company entered into a trust agreement and a contribution agreement whereby it has agreed to pay to a trust established for the board of directors and management of the Company a success fee equal to 2% of the Award proceeds. In August, 2022, the Company amended the trust agreement in order to extend the expiry date to October 2032.

The trustees (the "Trustees") for the trust are independent directors and members of the compensation committee of the board of directors. The Trustees are empowered to allocate the success fee amongst the board of directors and management of the Company as they deem appropriate. As at December 31, 2024, none of the criteria had been met and \$nil had been paid to the Trust.

### *iii. Other matters*

The Company is involved in various claims and litigation arising in the normal course of business. The Company may be exposed to transactions in the normal course of operations that may not be in compliance with certain Venezuelan laws and regulations. While the outcome of these matters is uncertain and there can be no assurance that such matters will be resolved in the Company's favor, the Company does not currently believe that the outcome of adverse decisions in any pending or threatened proceedings related to these and other matters or any amount which it may be required to pay by reason thereof would have a material impact on its condensed interim consolidated statements of financial position, statements of loss and comprehensive loss, or statements of cash flows. Based on the information currently available, estimates of financial impact cannot be reasonably made.

## **17. FINANCIAL INSTRUMENTS**

### **a) Financial assets and liabilities**

The Company's financial instruments consist of cash, accounts payable and accrued liabilities, derivative financial liability, loan payable, promissory notes payable, and Litigation Funding Agreement.

The derivative financial liability relates to the gold delivery contract (Note 6) and is measured at fair value. The carrying amounts of cash and accounts payable and accrued liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments.

The loan payable, promissory notes payable, and Litigation Funding Agreement are measured at amortized cost.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into a hierarchy based on the degree to which the fair value is observable.

- Level 1 fair value measurements are derived from unadjusted, quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability directly or indirectly.
- Level 3 fair value measurements are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The gold delivery contract is a derivative financial liability measured at fair value at each reporting date. The gold delivery contract is measured at fair value using the closing spot price of gold on the reporting date (a level 1 input), multiplied by the total number of gold ounces (including interest ounces) owing to the gold buyer. There were no transfers between levels of the fair value hierarchy during the period.

### **b) Financial instrument risk exposure**

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by management. There have not been any significant changes from the previous period as to how these risks are reviewed and monitored by management. The types of financial instrument risk exposures and the objectives and policies for managing these risks exposures are described below.

#### *i. Credit risk*

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Management does not believe the Company is exposed to any significant concentration of credit risk as all of its cash is held with major Canadian banks.

#### *ii. Liquidity risk*

Liquidity risk is the risk that the Company will be unable to meet its obligations associated with financial liabilities as they fall due. The Company manages liquidity risk by monitoring cash and other financial resources available to meet its maturing obligations. The Company currently has a working capital deficiency of \$221,448. The Company assesses liquidity risk as high.

#### *iii. Market risk*

##### *(a) Interest rate risk*

Interest rate risk is the risk that the future cash flows and fair values of the Company's financial instruments will fluctuate because of changes in market interest rates. The majority of the Company's financial instruments, if applicable, have fixed interest rates and therefore management does not believe the Company is exposed to any significant concentration of interest rate risk.

##### *(b) Currency risk*

Currency risk is the risk that the value of the Company's financial instruments will fluctuate due to changes in foreign exchange rates. The Company is exposed to currency risk as the Company's financial assets and liabilities include items denominated in Bs.S and C\$.

## **17. FINANCIAL INSTRUMENTS (continued)**

Changes in the applicable exchange rate may result in a decrease or increase in foreign exchange gains or losses recognized in profit or loss. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company's Venezuelan operations and cash holdings are currently subject to currency and exchange controls. These government-imposed controls may adversely affect the Company as such controls limit the Company's ability to flow US dollars out of the country for US dollar operating and capital expenditures.

As at June 30, 2025, the Company had a net monetary liability position of \$nil (December 31, 2024 - \$nil) denominated in Venezuelan Bolivars.

As at June 30, 2025, the Company had cash of \$14 and accounts payable and accrued liabilities of \$147, expressed in Canadian dollars.

### *(c) Significant estimates - amortized cost of financial instruments with contingent repayment terms*

The Company has financial liabilities for which the timing and amount of repayment are contingent on the outcome of litigation proceedings (Notes 8, 9 & 15).

Estimating amortized cost under *IFRS 9* for these liabilities requires significant judgment, particularly in forecasting the probability, timing, and amount of future cash outflows.

Given the inherent uncertainty, actual results may differ materially from management's current estimates. Key factors influencing variability include changes in the expected success rate of the litigation, the settlement amount, and the timing of cash outflows.

In accordance with *IFRS 9.B5.4.6*, the Company reassesses expected cash flows at each reporting date, and any resulting adjustments to amortized cost are recognized through profit or loss. The original effective interest rate is not adjusted.

## **18. SUBSEQUENT EVENTS**

On July 9, 2025, the Company issued 5,150,000 common shares pursuant to the exercise of 5,150,000 stock options with a weighted average exercise price of C\$0.15 per share for gross proceeds of \$559.

On July 28, 2025, the Company closed a financing of unsecured, non-interest-bearing promissory notes for gross proceeds of \$1,700, of which \$1,000 was issued to related parties. The promissory notes do not have a fixed maturity date and will only become due and payable from proceeds received by the Company pursuant to any successful enforcement of its arbitral award against the Bolivarian Republic of Venezuela. Proceeds from the financing will be applied to payment of legal expenses.