



RUSORO MINING LTD.

Consolidated Financial Statements

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



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Independent Auditor's Report

To the Shareholders of Rusoro Mining Ltd.

Opinion

We have audited the consolidated financial statements of Rusoro Mining Ltd. and its subsidiaries (the Group), which comprise the statement of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders deficiency and cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including material accounting policy information.

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

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 Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Comparative Information

We draw attention to Note 3 to the consolidated financial statements, which explains that certain comparative information presented:

- As at December 31, 2024 and for the year December 31, 2024 has been restated.
- As at January 1, 2024 has been restated.

Our opinion is not modified in respect of this matter.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements which indicates that in March 2012 all of the Group's mining concessions expired by force of law and all of its assets and operations reverted to the Venezuelan government. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Group'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 the matter described below to be the key audit matter to be communicated in our report.



Estimates of amortized cost for Contingently Repayable Loans

Description of the key audit matter

The Group has obligations under certain financing arrangements whereby the repayment of amounts previously advanced to the Group are contingent in whole or in part on the receipt of proceeds from a settlement agreement with the government of Venezuela (“the Settlement Agreement”) (Notes 1 & 2(d)). The financing arrangements with repayment terms that are impacted by the outcome of the Settlement Agreement include the loan payable (Note 8), promissory notes payable (Note 9) and amounts repayable under the Group’s litigation funding agreement (Note 15) (collectively, “the Contingently Repayable Loans”).

The Contingently Repayable Loans are carried at amortized cost in accordance with IFRS 9, *Financial Instruments*.

We identified the estimation of amortized cost for the Contingently Repayable Loans as a key audit matter due to the complexity and high level of estimation uncertainty involved in determining the amortized cost for these financial liabilities. The timing and amount of the expected future cash outflows for the Contingently Repayable Loans are uncertain since these cash outflows are dependent on the amount(s) received under the Settlement Agreement and the timing of such receipt(s) (if any).

How the key audit matter was addressed in the audit

Our approach in addressing this matter included the following procedures, among others:

- Obtained and reviewed management’s analysis of the accounting for the Contingently Repayable Loans and related agreements and application guidance from IFRS 9, *Financial Instruments*.
- Obtained and assessed management’s estimates of timing and repayment amounts for the Contingently Repayable Loans.
- Considered appropriate evidence to evaluate estimates and judgments applied in management’s estimates of amortized cost and the consistency of these estimates and judgments with other estimates and judgments considered in our audit.
- Involved valuation professionals with specialized skills and knowledge in evaluating the appropriateness of management’s estimates of effective interest rates for the Contingently Repayable Loans.
- Considered the adequacy of the disclosures for this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management’s Discussion and Analysis (the “MD&A”) for the years ended December 31, 2025 and 2024.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the MD&A prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. 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 these consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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 Group as a basis for forming an opinion on the consolidated 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 Mark Zastre.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 30, 2026

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

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



		Years ended December 31,	
	Note	2025	2024
		\$	Restated (Note 3) \$
Operating expenses			
Foreign exchange loss (gain)		22	(32)
General and administrative	12, 13	10,362	7,704
Share-based compensation	11(c), 13	19,458	-
Total operating expenses		29,842	7,672
Other (income) expenses			
Fair value change of interest gold ounces	7	3,158	1,917
Fair value change of principal gold ounces	7	27,412	8,650
Finance charges	8, 9, 15	147,086	12,314
Interest income		-	(123)
Other income		(17)	(162)
Success fee	16	53,400	-
Unrealized loss on revaluation of warrant liability	10	1,061	5,004
		232,100	27,600
Net loss and comprehensive loss		261,942	35,272
Attributable to:			
Equity shareholders of the Company		261,942	35,272
Net loss per share:			
Basic and diluted		0.42	0.06
Weighted average number of shares outstanding:			
Basic and diluted		620,773,311	600,161,853

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

RUSORO MINING LTD.
Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in thousands of US Dollars, unless otherwise stated)



	Number of shares	Issued capital	Contributed surplus	Deficit	Non-controlling interest	Shareholders' deficiency
	#	\$	\$	\$	\$	\$
Balance, December 31, 2023 (Restated Note 3)	577,681,856	739,421	68,800	(935,264)	(18,661)	(145,704)
Shares issued from exercise of options	27,075,000	11,648	(1,887)	-	-	9,761
Shares issued from exercise of warrants	11,400,876	924	-	-	-	924
Net loss and comprehensive loss for the year	-	-	-	(35,272)	-	(35,272)
Balance, December 31, 2024 (Restated Note 3)	616,157,732	751,993	66,913	(970,536)	(18,661)	(170,291)
Share-based compensation	-	-	19,458	-	-	19,458
Shares issued from exercise of options	10,035,000	1,667	(638)	-	-	1,029
Shares issued from exercise of warrants	556,691	56	-	-	-	56
Net loss and comprehensive loss for the year	-	-	-	(261,942)	-	(261,942)
Balance, December 31, 2025	626,749,423	753,716	85,733	(1,232,478)	(18,661)	(411,690)

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

RUSORO MINING LTD.
Consolidated Statements of Cash Flows
(Expressed in thousands of US Dollars, unless otherwise stated)



	Years ended December 31,	
	2025	2024
		Restated (Note3)
	\$	\$
Operating activities		
Net loss for the year	(261,942)	(35,272)
Adjustments for:		
Share-based compensation	19,458	-
Fair value change of interest gold ounces	3,158	1,917
Fair value change of principal gold ounces	27,412	8,650
Finance charges	147,086	12,314
Success fee provision	53,400	-
Unrealized loss on revaluation of warrant liability	1,061	5,004
Changes in non-cash working capital items:		
GST recoverable	6	-
Prepays	(50)	-
Accounts payable and accrued liabilities	7,407	3,228
Cash used in operating activities	(3,004)	(4,159)
Financing activities		
Proceeds from exercise of share options	1,029	2,186
Proceeds from exercise of warrants	56	875
Proceeds from promissory notes payable	1,700	-
Cash provided by financing activities	2,785	3,061
Change in cash	(219)	(1,098)
Cash, beginning of year	759	1,857
Cash, end of year	540	759

The accompanying notes are an integral part of these 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 15).

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 7).

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 \$2.26 billion as of December 31, 2025. No value has been accrued for the Award as at December 31, 2025, 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 Venezuela had brought an application before the Paris Court of Appeals to set aside ("recours en annulation") the Award, which was later 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 December 31, 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 September 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 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 ordered the PDVH shares be sold to the Consortium.

On August 8, 2025, Amber Energy submitted an additional bid to the Special Master (the "Amber Bid"), which the Special Master determined was a "Superior Proposal" to the Gold Reserve Bid. On August 29, 2025, the Special Master issued an Updated Final Recommendation selecting the Amber Bid as the winning bid. The District Court held a Sale Hearing from September 18-21, 2025 and a continuation on October 20-21, 2025 to hear oral argument on the Special Master's Updated Final Recommendation. At this time, Rusoro supported both the Consortium Bid and the Amber Bid. Following the September Sale Hearing, the District Court authorized the Special Master to terminate the Dalinar SPA with Gold Reserve and, instead, enter into an SPA with Amber Energy, as the winning bidder. On November 25, 2025, the District Court issued an order adopting the Special Master's recommendation of the Amber Bid. On November 29, 2025, the District Court ordered the sale of the PDVH Shares to Amber ("Sale Order").

On December 1, 2025, Gold Reserve and the Venezuela Parties appealed the Sale Order to the United States Court of Appeals for the Third Circuit. The appellate briefs have been submitted, and argument on the appeal has been scheduled for August 10, 2026.

On November 7, 2025, before the District Court issued the Sale Order, Gold Reserve filed a lawsuit against Rusoro in the Delaware Court of Chancery. In the lawsuit, Gold Reserve asserts six claims against Rusoro: breach of contract, tortious interference with prospective economic advantage, tortious interference with contract, misappropriation of trade secrets, fraud, and unjust enrichment. Generally, Gold Reserve alleges that Rusoro caused Gold Reserve to lose the bid for the PDVH Shares and seeks damages for that alleged lost opportunity. Gold Reserve also seeks a permanent injunction against Rusoro's participation in the sale of the PDVH Shares to Amber.

Gold Reserve's lawsuit was accompanied by a motion for preliminary injunction ("PI Motion") and a motion to expedite consideration of the PI Motion. The Court heard oral argument on the motion to expedite consideration of the PI Motion on November 13, 2025. The Court denied Gold Reserve's motion to expedite and determined that they failed to demonstrate that there would be any immediate or irreparable harm to Gold Reserve if the Court did not adjudicate the PI Motion on an expedited basis.

On December 30, 2025, Rusoro filed a pre-answer motion to dismiss Gold Reserve's complaint in its entirety, on the basis that Gold Reserve's claims fail as a matter of law, regardless of whether Gold Reserve's factual allegations are true (which Rusoro denies). Rusoro's motion has been fully briefed, and oral argument is scheduled for June 4, 2026. If the Chancery Court grants Rusoro's motion, Gold Reserve's lawsuit will be dismissed (though Gold Reserve will have the right to appeal the decision). If the Chancery Court does not grant Rusoro's motion, the Chancery Court will instruct the parties as to the next steps in the litigation (Note 16).

2. BASIS OF PREPARATION AND GOING CONCERN

a) Statement of compliance

These consolidated financial statements for the years ended December 31, 2025 and 2024 ("financial statements") were approved by the Board of Directors and authorized for issuance on April 30, 2026.

These financial statements have been prepared in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IASB").

2. BASIS OF PREPARATION AND GOING CONCERN (continued)

b) Basis of presentation

These 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 for each type of asset, liability, income, and expense as set out in the accounting policies below.

c) Functional and presentation currency

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

d) Going concern

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 September 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;
- 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 that cast significant doubt on the appropriateness of the going concern assumption. These uncertainties relate to 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, and 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 consolidated financial statements for the years ended December 31, 2025 and 2024 ("financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations the foreseeable future. As at December 31, 2025, the Company has a net working capital deficiency of \$411,690 (2024 - \$170,291). The Company incurred a net loss and comprehensive loss of \$261,942 in 2025 (2024 - \$35,272).

As a result of the factors discussed above, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations to discharge its liabilities as they come due.

2. BASIS OF PREPARATION AND GOING CONCERN (continued)

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

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
Kryos 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.

3. PRIOR YEAR ERROR - RESTATEMENT OF PRIOR PERIOD COMPARATIVES

During the year ended December 31, 2025, the Company identified certain errors in the previously filed 2024 financial statements. The Company has determined that corrections were required and as such, has restated its previously reported consolidated financial statements as at and for the year ended December 31, 2024 and the consolidated statement of financial position as at January 1, 2024. The nature and impact of the corrections are described below:

a) Warrant liability adjustments:

During the year, the Company identified an error related to the accounting treatment of warrants issued in September 2022. These warrants were initially classified as equity instruments. Upon further evaluation, management concluded that the warrants did not meet the criteria for equity classification under the fixed-for-fixed criterion and should instead be accounted for as liabilities.

As a result, the Company recognized a warrant liability of \$8,690 as of January 1, 2024. For the year ended December 31, 2024, the liability decreased by \$2,441, reflecting the exercise of certain warrants during the period and subsequent remeasurement of the warrant liability.

3. RESTATEMENT OF PRIOR PERIOD COMPARATIVES (continued)

b) Asset retirement obligation (“ARO”) adjustments:

During the year, the Company identified an error related to its previously recorded ARO. Upon further assessment of whether a legal or constructive obligation continued to exist in connection with the remediation of claims to which the Company no longer retains rights, management concluded that such obligations ceased to be enforceable following the Nationalization. Accordingly, no ARO should have been recognized from that point forward.

As a result, the Company reversed the previously recorded ARO balance of \$7,789 as of January 1, 2024. For the year ended December 31, 2024, the Company also reversed \$10,443 representing the change in the decommissioning and restoration provision that had been recorded in that period.

The consolidated statement of cash flows for the year ended December 31, 2024 has been restated to reflect the corrections described above. The adjustments above did not have a material impact on the Company’s total cash flows used in operating activities and cash flows provided by financing activities.

The consolidated statement of changes in shareholders’ deficiency for the year ended December 31, 2024 has been restated to correct the net loss and comprehensive loss balances as at January 1, 2024 and December 31, 2024.

The following adjustments were made to the Consolidated Statement of Financial Position as at December 31, 2024:

	As previously reported	Adjustments	Restated
	\$	\$	\$
Decommissioning and restoration provision	18,232	(18,232)	-
Warrant liability	-	6,249	6,249
Total liabilities	183,054	(11,983)	171,071
Issued capital	745,400	6,593	751,993
Deficit	(974,918)	4,382	(970,536)
Non-controlling interests	(19,669)	1,008	(18,661)
Total shareholders’ deficiency	(182,274)	11,983	(170,291)

The following adjustments were made to the Consolidated Statement of Comprehensive Loss for the year ended December 31, 2024:

	As previously reported	Adjustments	Restated
	\$	\$	\$
Change in estimates in decommissioning and restoration provision	10,443	(10,443)	-
Unrealized loss on revaluation of warrant liability	-	5,004	5,004
Net loss and comprehensive loss	40,711	(5,439)	35,272
Attributable to equity shareholders of the Company	40,711	(5,439)	35,272
Loss per share - Basic and diluted	0.07	(0.01)	0.06
Weighted average common shares outstanding	600,161,853	600,161,853	600,161,853

3. RESTATEMENT OF PRIOR PERIOD COMPARATIVES (continued)

The following adjustments were made to the Consolidated Statement of Financial Position as at January 1, 2024:

	As previously reported	Adjustments	As restated
	\$	\$	\$
Decommissioning and restoration provision	7,789	(7,789)	-
Warrant liability	-	8,690	8,690
Total liabilities	146,675	901	147,576
Issued capital	740,273	(852)	739,421
Deficit	(934,207)	(1,057)	(935,264)
Non-controlling interests	(19,669)	1,008	(18,661)
Total shareholders' deficiency	(144,803)	(901)	(145,704)

4. MATERIAL ACCOUNTING POLICIES

a) Cash

Cash includes cash on hand, and deposits held on call with banks.

b) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of its financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument-by-instrument basis) on the day of acquisition to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

A summary of the Company's classification of financial instruments under IFRS 9 *Financial Instruments* is as follows:

Financial instrument	Classification
Financial assets	
Cash	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Derivative financial liability	FVTPL
Loans payable	Amortized cost
Promissory notes payable	Amortized cost
Litigation funding agreement	Amortized cost
Warrant liability	FVTPL

4. MATERIAL ACCOUNTING POLICIES (continued)

Measurement

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in net income (loss) in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss). During the year ended December 31, 2025, the Company recognized an unrealized loss on the revaluation of the derivative financial liability of \$27,412 (2024 - \$8,650), fair value change of interest gold ounces of \$3,158 (2024 - \$1,917) and an unrealized gain on the revaluation of warrant liability of \$1,061 (2024 - \$5,004), which were carried at FVTPL.

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTOCI are recognized in other comprehensive income (loss). The Company does not have any FVTOCI financial assets.

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses.

The Company shall recognize in the consolidated statements of income (loss) and comprehensive income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of income (loss). However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities

The Company recognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of income (loss) and comprehensive income (loss).

c) Effective interest method for financial assets and liabilities with contingent repayment terms

The Company applies the effective interest method (EIR) to measure the amortized cost of financial liabilities, in accordance with IFRS 9 *Financial Instruments*. The EIR is the rate that discounts the expected future cash flows of the instrument to its amortized cost on initial recognition.

4. MATERIAL ACCOUNTING POLICIES (continued)

For financial instruments with contingent repayment features - such as those where the timing and/or amount of repayments are dependent on external factors such as litigation outcomes, the Company estimates expected future cash flows using a probability-weighted approach. These estimates incorporate management's best assessment of the likelihood and timing of various repayment scenarios and reflect all contractual terms of the instrument.

In accordance with IFRS 9.B5.4.6, the Company re-evaluates expected cash flows at each reporting period, and any resulting changes in the carrying amount of the instrument are recognized through profit or loss as an adjustment to the amortized cost.

The effective interest rate is not revised as a result of changes in expectations.

These estimates require significant judgment and are reviewed regularly in light of changes in information, underlying assumptions, or market conditions.

d) Contingent liabilities

Contingent liabilities are defined as possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. They may also arise from present obligations that are not recognized because it is not possible that an outflow of resources will be required to settle the obligation, or because the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognized in the statements of financial position. However, they are disclosed in the notes to the financial statements unless the possibility of an outflow of economic resources is considered remote.

Management assesses contingent liabilities at each reporting date and updates disclosures accordingly. If it becomes probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured, the liability is recognized as a provision in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Where applicable, estimates related to contingent liabilities involve significant judgment, particularly in assessing the legal and commercial merits of claims or disputes, the probability of unfavorable outcomes, the potential settlement amounts, and the timing of any resulting outflows.

e) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, and warrants are classified as equity instruments.

The Company records proceeds from share issuances net of issue costs and any tax effects in equity. Common shares issued for consideration other than cash are valued based on their fair value on the date of issuance.

f) Share issuance costs

Professional, consulting, regulatory, and other costs directly attributable to equity transactions are recorded as share issuance costs.

g) Share-based compensation

The Company has a stock option plan, which allows grants of options to purchase common shares by the Company's directors, officers, employees and certain non-employees. The Company accounts for the stock options at their fair value and recognizes the cost as compensation expense over the vesting period, with the offset recorded to contributed surplus. The amount recognized as share-based compensation expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date.

The fair value of options granted to directors and employees is measured using the Black-Scholes option pricing model on the date of issuance. Share-based compensation to non-employees are measured at the fair value of the goods or services received, or at the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured, and are recorded at the date the goods or services are received.

4. MATERIAL ACCOUNTING POLICIES (continued)

Consideration received on the exercise of stock options is recorded as share capital, and the amount previously recognized in contributed surplus is transferred to share capital. For options that expire unexercised, the initial fair value recorded remains in contributed surplus.

h) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the net income (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

i) Warrant liability

The Company determined that the warrants are puttable for cash upon a fundamental transaction at the option of the holder and as such are required to be classified as a financial liability, since its nature is that of a financial derivative because its value is subject to change due to the fluctuation of the currency they are denominated in. In accordance with the accounting guidance, the outstanding warrants are recognized as a warrant liability on the balance sheet and are measured at their inception date fair value and subsequently re-measured at each reporting period with changes being recorded as a component of other income/expenses in the statement of loss and comprehensive loss. The fair value of the warrant liability is measured using the Black-Scholes option pricing model.

j) Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized either in other comprehensive income (loss) or directly in equity, in which case it is recognized in other comprehensive income (loss) or in equity, respectively. Mining duties, taxes, royalties, and withholding taxes are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax. This is considered to be the case when they are imposed by a government authority and the amount payable is calculated by reference to taxable income.

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

Deferred tax expense is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax expense is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax expense is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and deferred income tax liabilities are offset only when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

k) New accounting standards and interpretations

The Company decided to adopt at the time of its effectiveness and not adopt early the accounting standards and interpretations issued by the IASB, and that will be effective as of January 1, 2025, or later.

The standards and amendments to IFRS Accounting Standards that have been issued up to the date of issue of these financial statements and that apply to the Company, but are not yet in force, are described below. The impact that its initial application will have on the financial statements is unknown since its amount cannot be reasonably estimated. The Company intends to adopt these new and modified standards and interpretations, if applicable when they become effective.

4. MATERIAL ACCOUNTING POLICIES (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

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

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its consolidated financial statements.

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 *Financial Instruments* and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the 'solely payments of principal and interest' criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is currently assessing the effect of these amendments on the financial statements.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements and applying its accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgments, key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a) Interpretation of the Nationalization Decree

The Company made assumptions about the extent of application of the Decree. Those assumptions include that the Company's receivables and prepaid expenses and all of the Company's liabilities will continue with the Company after the expiration, forced by the Decree, of its mining concessions.

b) Litigation, Possible Recovery and Related Success Fee Contingencies

The Company made assumptions about the likelihood of litigation success, the amount and possible recovery from litigation award, and the related impact on contingent success fees. Given the probable outcome of the ongoing litigation, the Company has assessed as probable the payment of the contingent success fees (See Note 16). Changes in these assumptions and related estimates may materially impact the carrying value of provisions recorded.

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (continued)

c) Determination of functional currency

The functional currency for the Company and each of its subsidiaries is the currency of the primary economic environment in which each entity operates. Determination of functional currency involves certain judgments to determine the primary economic environment of an entity. The Company re-evaluates the functional currency of an entity when there is a change in events and conditions which previously determined the primary economic environment of an entity.

d) Valuation of financial liabilities

Management made critical estimates in determining the amortized cost of certain accounts payable and accrued liabilities (Note 6), the loan payable (Note 8), promissory notes payable (Note 9) and litigation funding agreement (Note 15) including the liabilities' expected term, the effective annual interest rate, and the Company's probability of completing the payments as the terms of these instruments are attached to the success of the litigation. The Company assesses these estimates and assumptions on a periodic basis.

e) Share-based compensation

The Company determines costs for share-based compensations using the Black-Scholes option pricing model. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

f) Deferred income tax assets and liabilities

The valuation of deferred tax assets and liabilities requires the Company to estimate the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities. The Company applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

g) Warrant liability

The Company determines the fair value for warrant liabilities using market-based valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

h) 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 & 16).

Estimating amortized cost under *IFRS 9 - Financial Instruments* 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.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	December 31, 2025	December 31, 2024
	\$	\$
Accounts payable and accrued liabilities	22,876	13,646
Due to related parties (Note 13)	4,824	7,169
	27,700	20,815

7. DERIVATIVE FINANCIAL LIABILITY

The Company's derivative liability relates to a loan entered into in 2012, repayable in cash linked to 6,642 ounces of gold plus interest at 11%, compounding annually.

At December 31, 2025, 16,871 (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 December 31, 2025, of \$4,323 (December 31, 2024 - \$2,625) per ounce. Included in this amount is the principal amount of 6,642 gold ounces plus cumulative accrued interest of 10,229 gold ounces (December 31, 2024 - 9,498 gold ounces) for the period from January 1, 2012, to December 31, 2025.

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

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning	42,356	31,789
Fair value change of principal gold ounces	27,412	8,650
Fair value change of interest gold ounces	3,158	1,917
Balance, ending	72,926	42,356

8. LOAN PAYABLE

The loan payable ("the Loan") relates to a loan that has been in default since 2011. At December 31, 2025, the Loan remains in default with a principal balance of \$29,750 (2024 - \$29,750) and accrued interest of \$118,262 (2024 - \$103,135).

In 2012, the Company provided a contingent success fee in addition to amounts that were due and payable under the Loan. The success fee is 20% of the value of the Loan.

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.

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.

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:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning	75,584	68,957
Interest expense	15,126	13,729
Effective interest adjustment	33,904	(7,102)
Balance, ending	124,614	75,584

8. LOAN PAYABLE (continued)

During the years ended December 31, 2025 and 2024, the Company recognized interest expense and effective interest adjustment of \$49,030 (2024 - \$6,627), respectively, presented within finance charges.

9. PROMISSORY NOTES PAYABLE

The Company's obligations under promissory notes, presented at amortized cost is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Gold Reserve Ltd.	476	136
2014 promissory notes.	1,913	499
2016 and 2017 promissory notes	10,835	2,305
2023 promissory notes	5,375	1,132
2025 promissory notes	4,446	-
	23,045	4,072

These promissory notes are financial liabilities with repayment obligations that are conditional on the successful outcome of the Award and Settlement Agreement. (Note 1).

a) Gold Reserve Ltd.

Pursuant to a settlement in 2012, the Company issued a conditional promissory note in the amount of \$1,000 to Gold Reserve Ltd. 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) 2014 promissory notes

Notes payable as to the principal amount of \$906 plus a bonus at two times principal of 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 the total \$906 promissory notes.

c) 2016 and 2017 promissory notes

Notes payable as to three times their subscription amount of \$4,504 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 the total \$4,504 promissory notes.

d) 2023 promissory notes

Notes payable as to four times their subscription amount of \$2,055 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. These warrants were presented as liabilities (Note 3). As of December 31, 2025, these warrants have been fully exercised.

9. PROMISSORY NOTES PAYABLE (continued)

e) 2025 promissory notes

Notes payable as to three times their subscription amount of \$1,700 received on July 28, 2025, were discounted to \$837 based on the effective interest rate. The principal amount will only become due and payable from proceeds received by the Company pursuant to any successful enforcement of its arbitral award against Venezuela for its unlawful expropriation of the Company's Venezuelan investments. Of the total \$1,700 promissory notes, an officer of the Company contributed \$1,000 (principal portion).

Under the terms of the promissory notes, and summarized above, the Company is required to repay two, three, or four times the initial principal amount, depending on the specific note, if the litigation against the Venezuelan government is successful. If the litigation is unsuccessful, no repayment is required. Accordingly, both the timing and amount of any repayment obligation are highly uncertain and depend on future external events beyond the Company's control.

As of December 31, 2025, the aggregate initial principal balance of promissory notes payable was \$10,165 (December 31, 2024 - \$8,465). On an amortized cost basis, and considering management's estimate of the timing of the Award receipt, the principal together with contingent success fees - equal to two, three, or four times the initial value of the promissory notes - is presented as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning	4,072	3,156
Additions reflecting discount to effective interest rate	837	-
Effective interest adjustment	18,136	916
Balance, ending	23,045	4,072

10. WARRANT LIABILITY

Certain warrants issued by the Company are classified as derivative liabilities under the principles of IFRS 9 *Financial Instruments*, as the exercise price is denominated in Canadian dollars while the functional currency of the Company is US dollars. As a result, the fair value of these warrants is presented as a liability at issuance and any foreign exchange or change in the fair value of the warrants subsequent to their initial recognition is recorded in the statements of loss and comprehensive loss.

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

	Number of warrants	Weighted average exercise price	Warrant liability
	#	C\$	\$
Balance, December 31, 2023 (Restated Note 3)	20,000,000	0.10	8,690
Exercised	(8,000,000)	0.10	(7,445)
Unrealized gain on revaluation	-	-	5,355
Currency translation effect	-	-	(351)
Balance, December 31, 2024 (Restated Note 3)	12,000,000	0.10	6,249
Unrealized gain on revaluation	-	-	751
Currency translation effect	-	-	310
Balance, December 31, 2025	12,000,000	0.10	7,310

10. WARRANT LIABILITY (continued)

A summary of the Company's inputs used in the Black-Scholes option pricing model for these warrants is as follows:

	December 31, 2025	December 31, 2024
Share price	C\$0.93	C\$0.82
Exercise price	C\$0.10	C\$0.10
Expected life	1.72 years	2.72 years
Risk-free interest rate ¹	2.58%	2.87%
Expected volatility	71.49%	110.94%
Expected annual dividend yield	0.00%	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.

11. 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 year ended December 31, 2025, the Company had the following share capital transactions:

- 10,035,000 common shares were issued from the exercise of 10,035,000 share options with a weighted average exercise price of \$0.10 (C\$0.14), for gross proceeds of \$1,029. As a result, \$638 was reclassified from contributed surplus to share capital.
- 556,691 common shares were issued from the exercise of 556,691 warrants with a weighted average exercise price of \$0.10, for gross proceeds of \$56. There was no reserve associated with these warrants, therefore there has been no reclassification from contributed surplus to share capital.

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 with a weighted average exercise price of \$0.09 (C\$0.12), 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 with a weighted average exercise price of \$0.08 (C\$0.11) 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	(10,035,000)	0.14
Cancelled	(250,000)	0.14
Balance, December 31, 2025	47,525,000	0.63

11. EQUITY (continued)

During the year ended December 31, 2025, 250,000 options were cancelled. These options had no remaining unvested amounts.

A summary of the Company's share options outstanding at December 31, 2025, is as follows:

Date of expiry	Number of options outstanding and exercisable	Weighted average exercise price	Weighted average remaining life
	#	C\$	Years
February 3, 2027	3,825,000	0.17	1.09
January 29, 2028	1,075,000	0.08	2.08
September 27, 2028	3,750,000	0.08	2.49
May 2, 2029	3,400,000	0.11	3.34
September 3, 2030	1,400,000	0.05	4.68
September 21, 2032	1,000,000	0.08	6.73
July 5, 2033	3,075,000	0.23	7.52
June 6, 2035	30,000,000	0.92	9.44
	47,525,000	0.63	7.29

During the years ended December 31, 2025 and 2024, the Company recorded share-based compensation of \$19,458 (2024 - \$nil) related to the vesting of share options, respectively.

On June 6, 2025, the Company granted stock options to certain directors and employees of the Company to purchase up to 30,000,000 common shares of the Company. The stock options are exercisable at a price of C\$0.92 per share and expire on June 6, 2035. The company recorded share based compensation of \$19,458. These options vested immediately upon grant.

A summary of the Company's weighted average assumptions used in the Black-Scholes option pricing model for share options granted for the year ended December 31, 2025 is as follows:

	2025
Share price	C\$0.92
Exercise price	C\$0.92
Expected life	10 years
Risk-free interest rate ¹	3.34%
Expected volatility	129.09%
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.

During the year ended December 31, 2025, the weighted average share price on the date of exercise of the stock options was C\$1.17 per share (2024 - C\$1.31).

d) Warrants

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

	Number of warrants	Weighted average exercise price
	#	C\$
Balance, December 31, 2023 (Restated Note 3)	23,957,567	0.11
Exercised	(11,400,876)	0.11
Balance, December 31, 2024 (Restated Note 3)	12,556,691	0.11
Exercised	(556,691)	0.10
Balance, December 31, 2025	12,000,000	0.10

11. EQUITY (continued)

During the year ended December 31, 2025, the weighted average share price on the date of exercise of the warrants was C\$1.03 per share (2024 - C\$1.29).

12. GENERAL AND ADMINISTRATIVE EXPENSES

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

	December 31, 2025	December 31, 2024
	\$	\$
Advisory and consulting	777	730
Professional fees	8,563	5,963
Regulatory and transfer agent	55	79
Rent and office	2	10
Salaries, director fees and wages	965	902
Travel	-	20
	10,362	7,704

13. 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 a partner of Company B.	Provision of legal services.
Company C	A director of the Company is an officer of Company C.	Provision of corporate administrative services.

During 2025, the director associated with Company B and Company C resigned as a director. Consequently, at December 31, 2025, these entities were no longer related parties.

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:

	December 31, 2025	December 31, 2024
	\$	\$
Provision for corporate administrative services presented as part of advisory and consulting	120	120

13. RELATED PARTY TRANSACTIONS (continued)

Included in accounts payable and accrued liabilities (Note 6) are amounts due to Company A totaling \$181 (December 31, 2024 - \$181) (December 31, 2024 – Company B and C totaling \$1,261). These amounts are unsecured, due on demand, and non-interest bearing.

As of December 31, 2025, related parties, including an officer of the Company and certain directors, have provided promissory notes totaling \$6,303 (December 31, 2024 - \$5,303) to the Company, all of which remains outstanding.

b) Compensation of management and directors

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

	December 31, 2025	December 31, 2024
	\$	\$
Salaries and director's fees presented as part of general and administrative expenses	965	902
Share-based compensation	19,458	-
	20,423	902

Included in accounts payable and accrued liabilities (Note 6) is \$4,643 (December 31, 2024 - \$5,727) related to amounts owing to management and directors and their related companies. During 2025, unpaid and accrued amounts formerly owed to related parties totaling \$2,313 continues to be included in accounts payable and accrued liabilities but is no longer disclosed as amounts due to related parties.

Included in the success fee provision (Note 16) is \$1,700 owing to directors (December 31, 2024 - \$nil).

14. CAPITAL MANAGEMENT DISCLOSURES

The Company's capital includes its loan payable, promissory notes 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.

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.

As of December 31, 2025, the Company recognized a liability at amortized cost of \$103,300 (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 contingencies as described below, which are dependent upon successful recovery of compensation pursuant to the Award and Settlement Agreement. As of December 31, 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 December 31, 2025, the Company has accrued \$53,400 as its best estimate of the amount payable in connection with both the contingent success fees and the success fee in connection with the trust and contribution agreements (Note 16(ii)) (2024 - \$nil). Management has assessed at December 31, 2025 that it is probable that the Company will receive compensation for the expropriation of its investment in Venezuela (see Note 16(iv)) and as such, has recorded a provision for the success fees related to such compensation. The provision has not been discounted.

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 December 31, 2025 and 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, 2025 and 2024, none of the criteria had been met and \$nil had been paid to the Trust, however the Company has accrued a provision for this success fee that is included in the \$53,400 provision disclosed above at Note 16(i) as it has assessed as probable that the Award proceeds will be received and therefore this success fee will become payable. The provision has not been discounted.

16. CONTINGENCIES (continued)

iii. Bidding lawsuit

On November 7, 2025, Gold Reserve filed a lawsuit against Rusoro in the Delaware Court of Chancery. The lawsuit was accompanied by a motion for preliminary injunction (“PI Motion”) and a motion to expedite consideration of the PI motion. The purpose of Gold Reserve’s lawsuit and PI Motion was to preliminarily and permanently prevent Rusoro from taking the necessary steps to consummate closing of the Amber Bid and, importantly, to impede the District Court proceedings and prevent Judge Stark from issuing a sale order confirming Amber Energy as the winning bidder. The Court heard oral argument on the motion to expedite consideration of the PI Motion on November 13, 2025. The Court denied Gold Reserve’s motion to expedite and determined that they failed to demonstrate that there would be any immediate or irreparable harm to Gold Reserve if the Court did not adjudicate the PI Motion on an expedited basis. On December 30, 2025, Rusoro filed a pre-answer motion to dismiss Gold Reserve’s complaint in its entirety, on the basis that Gold Reserve’s claims fail as a matter of law, regardless of whether Gold Reserve’s factual allegations are true (which Rusoro denies). Rusoro’s motion has been fully briefed, and oral argument is scheduled for June 4, 2026. If the Chancery Court grants Rusoro’s motion, Gold Reserve’s lawsuit will be dismissed (though Gold Reserve will have the right to appeal the decision). If the Chancery Court does not grant Rusoro’s motion, the Chancery Court will instruct the parties as to the next steps in the litigation.

iv. Amber agreement

The Company has entered into a commitment letter, as amended on August 22, 2025, with Amber Energy Inc. (“Amber Energy”) in connection with Amber Energy’s proposed acquisition of PDVH. Under the agreement, and subject to the issuance of a court-approved sale order and the successful completion of the acquisition, Rusoro has agreed to extinguish its judgment claim in exchange for settlement consideration.

The agreed settlement consideration consists of (i) approximately \$650 million in non-cash consideration, in the form of convertible notes to be issued by an indirect subsidiary of Amber Energy, together with associated warrants, and (ii) \$400 million in cash, subject to adjustment for certain allowable transaction-related expense reimbursements.

Rusoro’s right to receive settlement consideration is conditional upon future events, including court approval of the acquisition of PDVH by Amber Energy, obtaining a license from the U.S. Department of the Treasury’s Office of Foreign Assets Control to engage in transactions that would otherwise be prohibited under U.S. sanctions, completion of the transaction, and the execution and effectiveness of a transaction support agreement with third-party creditors. As these conditions had not been satisfied as of the reporting date, no asset has been recognized in the financial statements in accordance with IAS 37.

The arrangement has been disclosed as a contingent asset, as the inflow of economic benefits cannot be considered virtually certain and will be confirmed only upon the occurrence or non-occurrence of future events not wholly within Rusoro’s control.

v. 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 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, litigation funding agreement and warrant liability.

The derivative financial liability relates to the gold delivery contract (Note 7) and is measured at fair value. The carrying amounts of cash, accounts payable, and accrued liabilities are considered to be reasonable approximations of their fair values due to the short-term nature of these instruments.

17. FINANCIAL INSTRUMENTS (continued)

Certain accounts payable and accrued liabilities, 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 (Note 7) 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 not be able to meet its financial obligations when they become due. To mitigate risk, the Company continuously monitors cash and other financial resources available to meet its maturing obligations. The Company currently has a working capital deficiency of \$411,690. All financial liabilities are current, and the Company assesses liquidity risk as high.

A summary of the Company's contractual undiscounted cash flow requirements as at December 31, 2025, is as follows:

	< 1 year	1 - 2 years	2 - 5 years	>5 years	Total
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	27,700	-	-	-	27,700
Derivative financial liability	72,926	-	-	-	72,926
Loan payable	148,012	-	-	-	148,012
Promissory notes payable	10,165	-	-	-	10,165
Litigation funding agreement	143,000	-	-	-	143,000
Success fee accrual	53,400	-	-	-	53,400
Warrant liability	7,310	-	-	-	7,310
	462,513	-	-	-	462,513

17. FINANCIAL INSTRUMENTS (continued)

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\$.

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

As at December 31, 2025, the Company had cash of \$376 (December 31, 2024 - \$1,032) and accounts payable and accrued liabilities of \$158 (December 31, 2024 - \$1,688), expressed in Canadian dollars.

(c) *Price risk*

Price risk is the risk that the fair value of financial instruments will fluctuate due to changes in commodity prices. Commodity prices are influenced by numerous factors outside of the Company's control, including global and regional consumption trends, supply and demand conditions, the availability and cost of substitute materials, inflation, speculative trading activities, and broader political and economic conditions such as interest rates and foreign exchange movements. The Company has assessed its price risk as high because the fair value of its derivative financial liability is directly linked to the price of gold.

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 reassess expected cash flows at each reporting date, and any resulting adjustment to amortized costs are recognized through profit or loss. The original effective interest rate is not adjusted.

As part of its assessment, the Company performed a sensitivity analysis to estimate amortized cost:

- assuming the settlement date occurs 3 months earlier or later, and
- assuming the likelihood of settlement increases or decreases by 10% or 15%.

17. FINANCIAL INSTRUMENTS (continued)

The increase (decrease) in amortized cost when these inputs are changed are as follows:

	Accelerate by 3 months	Delay by 3 months	Increase likelihood by 10% ¹⁾	Decrease likelihood by 10%
December 31, 2025	\$	\$	\$	\$
Loan payable	(5,058)	5,401	3,991	(3,491)
Litigation funding agreement	(7,124)	7,872	10,971	(10,971)
Promissory notes payable	(1,668)	1,844	2,508	(2,508)
	Accelerate by 3 months	Delay by 3 months	Increase likelihood by 15%	Decrease likelihood by 15%
December 31, 2024	\$	\$	\$	\$
Loan payable	(3,287)	3,507	(2,632)	2,938
Litigation funding agreement	(1,678)	1,849	6,889	(6,889)
Promissory notes payable	(289)	318	1,234	(1,234)

Management will continue to update estimates as new information becomes available.

18. INCOME TAX

A summary of the Company's reconciliation of income taxes at statutory rates, is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Loss for the year	(261,942)	(40,711)
Combined federal and provincial statutory income tax rates	27%	27%
Income tax recovery a statutory rates	(70,724)	(10,992)
Non-deductible expenditures and non-taxable revenues	12,942	-
Change in statutory, foreign exchange rates and other	748	8,309
Rate difference in foreign jurisdictions	4,084	3,707
Impact of currency devaluation	-	2,820
Change in unrecognized deferred tax assets	52,950	(3,844)
Income tax	-	-

A summary of the Company's significant components of unrecognized deferred tax assets is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Deferred tax assets		
Non-capital losses	37,298	16,301
Property and equipment	92	88
Deferred financing charges	1,349	-
Provisions and financial liabilities	21,517	-
Other	13	66
Unrecognized deferred tax assets	60,269	16,455

18. INCOME TAX (continued)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2025	Expiry date range	December 31, 2024	Expiry date range
	\$		\$	
Temporary differences:				
Share issuance costs and financing fees	41	2042 to 2045	-	No expiry date
Allowable capital losses	11	No expiry date	66	No expiry date
Non-capital losses	138,027	2026 to 2045	16,301	2025 to 2044
Property and equipment	342	No expiry date	88	No expiry date
Deferred financing charges	4,996	No expiry date	-	No expiry date
Provisions and financial liabilities	76,694	No expiry date	-	No expiry date

19. SUBSEQUENT EVENTS

On April 1, 2026 the Company issued 5,000,000 common shares pursuant to the exercise of 5,000,000 stock options with a weighted average exercise price of C\$0.92 per share for gross proceeds of \$4,600.