Denarius Metals Corp.

Interim Condensed Consolidated Financial Statements
(Unaudited)

For the three and six months ended June 30, 2025 and 2024

Denarius Metals Corp.
Interim Condensed Consolidated Statements of Financial Position
(Unaudited; Expressed in thousands of U.S. dollars)

	Notes	June 30, 2025	December 31, 2024
ASSETS			
Current			
Cash and cash equivalents		$ 4,412	$ 1,130
Cash in trust	8	-	486
Other receivables		292	216
Inventories		68	-
Prepaid expenses and deposits		524	582
Deferred financing costs	10	745	-
		6,041	2,414
Non-current			
Mineral property, plant and equipment	3	26,065	20,500
Exploration and evaluation assets	4	56,160	48,147
Investment in joint venture	5	11,305	9,992
Advances to joint venture	5	2,038	-
Total assets		$ 101,609	$ 81,053
LIABILITIES AND EQUITY			
Current			
Accounts payable and accrued liabilities	6	$ 4,557	$ 3,210
Short-term borrowings	7	1,845	1,263
Convertible Debentures	8	36,101	29,486
Current portion of NSR liability	9	188	563
Current portion of Zancudo Prepayment Facility	10	798	-
Current portion of lease obligations	11	180	87
Amount payable related to acquisition of joint venture	5	-	259
		43,669	34,868
Non-current			
Accounts payable and accrued liabilities	6	1,115	1,451
Zancudo NSR liability	9	4,799	4,773
Zancudo Prepayment Facility	10	1,548	-
Lease obligations	11	213	21
Other liabilities		304	267
Total liabilities		51,648	41,380
Equity			
Share capital	12b	122,694	116,127
Share purchase warrants	12c	18,006	12,577
Contributed surplus	12d	4,989	4,743
Accumulated other comprehensive loss		(7)	(7,308)
Deficit		(95,721)	(86,466)
Total equity		49,961	39,673
Total liabilities and shareholders' equity		$ 101,609	$ 81,053

Basis of presentation and going concern **(Note 2)**
Subsequent events **(Notes 8a, 8b)**

See accompanying notes to the interim condensed consolidated financial statements.

Denarius Metals Corp.

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

(Unaudited; Expressed in thousands of U.S. dollars, except share amounts)

	Notes	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Revenue	15	$ 49	$ -	$ 49	$ -
Costs and expenses					
Costs of sales		(35)	-	(35)	-
General and administrative expenses	17	(1,157)	(1,198)	(2,422)	(2,152)
Finder's fee and other costs associated with acquisition of joint venture investment	5	-	(502)	-	(772)
Share-based compensation	12d	(270)	(73)	(287)	(249)
Loss before the following		(1,413)	(1,773)	(2,695)	(3,173)
Other income (expense)					
Finance income		27	43	37	137
Finance costs	16	(1,258)	(2,070)	(2,067)	(3,701)
(Loss) gain on financial instruments	8	(1,195)	11,973	(4,092)	3,715
Gain on settlement of interest on Convertible Debentures	8	54	-	54	-
Gains on modification of amount payable related to acquisition of joint venture investment	5	-	191	-	278
Loss on settlement of Zancudo NSR Minimum Payment Adjustment	9	(1,036)	-	(1,036)	-
Equity share of loss in joint venture	5	(29)	282	(64)	92
Foreign exchange (loss) gain		(162)	(123)	608	64
Net (loss) income		**(5,012)**	**8,523**	**(9,255)**	**(2,588)**
Attributed to:					
Shareholders of the Company		(5,012)	8,600	(9,255)	(2,474)
Non-controlling interest		-	(77)	-	(114)
		(5,012)	8,523	(9,255)	(2,588)
Other comprehensive (loss) income:					
Items that will not be reclassified to profit in subsequent periods:					
Unrealized loss on Convertible Debentures due to changes in credit risk (nil tax effect)		(205)	(45)	38	(164)
Items that may be reclassified to profit in subsequent periods:					
Foreign currency translation adjustment (nil tax effect)		4,586	(1,073)	7,263	(1,825)
Comprehensive (loss) income		**$ (631)**	**$ 7,405**	**$ (1,954)**	**$ (4,577)**
Basic and diluted (loss) earnings per share		**$ (0.05)**	**$ 0.13**	**$ (0.09)**	**$ (0.04)**
Weighted average number of common shares outstanding		110,031,189	64,560,983	102,782,228	63,886,682

See accompanying notes to the interim condensed consolidated financial statements.

Denarius Metals Corp.
Interim Condensed Consolidated Statements of Equity
(Unaudited; Expressed in thousands of U.S. dollars)

	Notes	Six months ended June 30, 2025	2024
Share capital			
Balance, beginning of period		$ 116,127	$ 103,233
Shares issued on conversion of Convertible Debentures Series 1	8a	40	1,948
Shares issued on conversion of Convertible Debentures Series 2	8b	12	-
Shares issued to settle interest on Convertible Debentures	8	195	-
Shares issued to settle Zancudo NSR Minimum Payment Adjustment	9	1,057	-
Share issue costs related to settlement of Zancudo NSR Minimum Payment Adjustment	9	(7)	-
Shares issued in 2025 Private Placement	12b	2,750	-
Share issue costs related to 2025 Private Placement	12b	(74)	-
Shares issued in LIFE Offering	12b	2,837	-
Share issue costs related to LIFE Offering	12b	(414)	-
Toral transaction costs settled in shares	12b	95	-
Exercise of warrants	12c	76	1
Balance, end of period		122,694	105,182
Share purchase warrants			
Balance, beginning of period		12,577	11,022
Zancudo NSR Minimum Payment Adjustment Warrants issued	9	729	-
Zancudo NSR Minimum Payment Adjustment Warrants issue costs	9	(4)	-
Zancudo Prepayment Facility warrants issued	10	927	-
2025 Private Placement Warrants issued	12b	1,836	-
2025 Private Placement Warrants issue costs	12b	(50)	-
LIFE Offering Warrants issued	12b	2,080	-
LIFE Offering Warrants issue costs	12b	(303)	-
LIFE Offering Broker Warrants issued	12b	229	-
Convertible Debenture Warrants issued		-	1,274
Convertible Debenture Warrants issue costs		-	(41)
Exercise of warrants	12c	(15)	-
Balance, end of period		18,006	12,255
Contributed surplus			
Balance, beginning of period		4,743	4,408
Toral transaction costs settled in shares	12b	(95)	-
Share-based compensation	12d	341	325
Balance, end of period		4,989	4,733
Accumulated other comprehensive loss			
Balance, beginning of period		(7,308)	(2,872)
Unrealized gain (loss) on Convertible Debentures due to changes in credit risk (nil tax effect)	8	38	(164)
Foreign currency translation adjustment		7,263	(1,825)
Balance, end of period		(7)	(4,861)
Deficit			
Balance, beginning of period		(86,466)	(79,425)
Net loss attributable to shareholders of the Company		(9,255)	(2,474)
Contributions to non-controlling interest in EMI		-	(315)
Balance, end of period		(95,721)	(82,214)
Non-Controlling Interest			
Balance, beginning of period		-	2,315
Contributions to non-controlling interest in EMI		-	315
Net loss attributable to non-controlling interest		-	(114)
Balance, end of period		-	2,516
Total equity		**$ 49,961**	**$ 37,611**

See accompanying notes to the interim condensed consolidated financial statements.

Denarius Metals Corp.
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited; Expressed in thousands of U.S. dollars)

	Notes	Six months ended June 30, 2025	2024
Operating Activities			
Net loss		$ (9,255)	$ (2,588)
Adjusted for the following items:			
Amortization	3	93	164
Share-based compensation	12d	287	249
Finance costs	16	2,067	3,701
Loss on financial instruments	8	4,092	(3,715)
Gain on settlement of interest on Convertible Debentures	8	(54)	-
Gains on modification of amount payable related to acquisition of joint venture		-	(278)
Loss on settlement of Zancudo NSR Minimum Payment Adjustment	9	1,036	-
Equity share of loss in joint venture	5	64	(92)
Foreign exchange gain		(608)	(64)
Changes in non-cash working capital items:			
Other receivables		(57)	(105)
Inventories		(66)	-
Prepaid expenses and deposits		112	(11)
Accounts payable and accrued liabilities		67	218
Net cash used in operating activities		(2,222)	(2,521)
Investing Activities			
Additions to mineral property, plant and equipment	3	(1,957)	(4,192)
Additions to exploration and evaluation assets	4	(1,264)	(1,722)
Payments related to acquisition of CRI assets		(5)	-
Payments related to acquisition of joint venture	5	(263)	(5,381)
Advances to joint venture	5	(1,893)	-
Capital contributions to joint venture	5	-	(346)
Deferred acquisition costs		-	(66)
Net cash used in investing activities		(5,382)	(11,707)
Financing Activity			
Proceeds from Zancudo Prepayment Facility	10	2,500	-
Zancudo Prepayment Facility financing costs	10	(104)	-
Proceeds from 2025 Private Placement	12b	3,522	-
2025 Private Placement issue costs	12b	(124)	-
Proceeds from LIFE Offering	12b	4,917	-
LIFE Offering transaction costs	12b	(488)	-
Other financing costs		(60)	-
Proceeds from sale of Zancudo NSR	9	-	5,000
Zancudo NSR transaction costs	9	-	(265)
Issue costs related to settlement of Zancudo NSR Minimum Payment Adjustment	9	(11)	-
Increase in short-term borrowings	7	1,537	-
Proceeds from issuance of 2024 Convertible Debenture Units	8b	-	10,094
2024 Convertible Debenture Units issue costs	8b	-	(319)
Change in cash in trust for interest on Convertible Debentures		494	(225)
Convertible Debentures consent solicitation costs paid		(63)	-
Interest paid		(1,303)	(1,006)
Payment of lease obligations	11	(119)	(144)
Exercise of warrants		61	1
Net cash provided by financing activities		10,759	13,136
Impact of foreign exchange rate changes on cash and cash equivalents		127	(293)
Increase (decrease) in cash and cash equivalents		**3,282**	**(1,385)**
Cash and cash equivalents, beginning of period		1,130	7,628
Cash and cash equivalents, end of period		**$ 4,412**	**$ 6,243**

See accompanying notes to the interim condensed consolidated financial statements.

1. NATURE OF OPERATIONS

Denarius Metals Corp. (the "Company") is a company incorporated under the laws of the Province of British Columbia, Canada. The Company's head office is located in Toronto, Canada. The Company and its wholly-owned subsidiaries are engaged in the acquisition, exploration, development and operation of mineral properties, primarily in Spain and Colombia. The Company's common shares are listed on Cboe Canada under the symbol "DMET" and also trade on the OTCQX Market in the United States under the symbol "DNRSF".

2. BASIS OF PRESENTATION AND GOING CONCERN

These interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, under IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The interim financial statements have been prepared following the same accounting policies and methods of computation as the audited consolidated financial statements for the fiscal year ended December 31, 2024, except as disclosed herein.

The interim financial statements do not include all the disclosures included in the annual audited consolidated financial statements and accordingly should be read in conjunction with the annual audited consolidated financial statements and the notes thereto for the year ended December 31, 2024. These interim financial statements were approved by the Audit Committee of the Company for issue on August 14, 2025.

The interim financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, and are presented in U.S. dollars, rounded to the nearest thousand except when otherwise indicated.

The interim financial statements have been prepared on a going concern basis assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due in the foreseeable future.

During the six months ended June 30, 2025, the Company reported a net loss of $9.3 million and net cash used in operating activities of $2.2 million. As at June 30, 2025, the Company has cash and cash equivalents of $4.4 million and a working capital deficiency of $37.6 million. The working capital deficiency includes $36.1 million for the Convertible Debentures which are not repayable in cash within the next 12 months. In April 2025, the Company commenced mining operations at its Zancudo Project. While the Company is ramping up its production, it will require additional sources of capital to fund ongoing operational requirements and planned exploration, development and capital expenditures related to its mineral property and E&E assets. To continue as a going concern, the Company must generate sufficient operating cash flow to fund these requirements or secure new funding. There can be no assurance that these initiatives will be successful. These material uncertainties cast significant doubt as to the ability of the Company to meet its business plan and obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

These financial statements do not include adjustments to the recoverability and classifications of recorded assets and liabilities and related expenses that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The recoverability of the amounts shown for mineral properties is dependent on the existence and economic extraction of resources, the capacity to obtain financing to complete the development of such resources, the ability to obtain the necessary licenses and permits, stability or increases in future commodity prices, and the success of future operations or dispositions of the mineral properties.

Consolidation

These financial statements comprise the financial results of the Company including its subsidiaries. Details regarding the Company and its principal subsidiaries, all of which have a December 31 year end, are summarized in the following table:

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

Entity	Property/ function	Registered	Functional currency[1]	Interest as at June 30, 2025	December 31, 2024
Denarius Metals Corp.	Corporate	Canada	CA	-	-
Alto Minerals S.L.U. ("Alto")	Lomero Project	Spain	EUR	100%	100%
Europa Metals Iberia S.L. ("EMI")	Toral Project	Spain	EUR	100%	100%
Zancudo Metals Sucursal Colombia ("Zancudo")	Zancudo Project	Colombia	COP	100%	100%
Emerene Corporation S.A. ("Emerene")	Phosphates Project	Colombia	COP	100%	100%

(1) "CA= Canadian dollar", "USD" = U.S. dollar; "COP" = Colombian peso, "EUR" = Euro

Intercompany transactions, balances and unrealized gains and losses on transactions between group companies are eliminated.

The consolidated financial statements also include the Company's 21% equity interest (December 31, 2024 – 21%) in Rio Narcea Recursos, S.A. ("RNR"), as outlined in Note 5. The investment in the RNR is accounted for using the equity method.

Inventories

Stockpiled ore is recorded at the lower of weighted average cost and net realizable value ("NRV"). Stockpiled ore inventory represents ore that has been extracted from the mine and is available for further processing. The cost of stockpiled ore inventory is derived from the costs incurred up to the point of stockpiling the ore and is removed at the weighted average cost as ore is processed.

Materials and supplies inventories are valued at the lower of cost and NRV, where cost is based on a first in, first out basis. NRV is the estimated selling price less applicable selling expenses and estimated costs to complete production.

Revenue recognition

Revenue from the sale of gold and silver is recognized when control has been transferred to the customer, which is considered to occur when products have been delivered to the location specified by the customer and the risks of loss have been passed to the customer. Revenue is measured at an amount reflecting the consideration the Company expects to receive in exchange for the product.

New accounting standards issued but not effective

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 Statement of Cash Flows were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 Earnings per Share were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

3. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mineral property	Construction in progress	Plant and equipment	Leasehold improvements	ROU Asset	Total
Six months ended June 30, 2025						
Opening net book value	$ 8,285	$ 10,934	$ 1,089	$ 92	$ 100	$ 20,500
Additions	1,486	908	11	-	368	2,773
Transfer	-	(473)	473	-	-	-
Capitalized borrowing costs (Note 16)	1,027	-	-	-	-	1,027
Share-based compensation	47	-	-	-	-	47
Depreciation and amortization	16	-	(45)	(4)	(104)	(137)
Exchange difference	769	924	129	12	21	1,855
Closing net book value	$ 11,630	$ 12,293	$ 1,657	$ 100	$ 385	$ 26,065
As at June 30, 2025						
Cost	$ 11,630	$ 12,293	$ 1,852	$ 138	$ 606	$ 26,519
Accumulated depreciation and amortization	-	-	(195)	(38)	(221)	(454)
Net book value	$ 11,630	$ 12,293	$ 1,657	$ 100	$ 385	$ 26,065

	Mineral property	Construction in progress	Plant and equipment	Leasehold improvements	ROU Asset	Total
Year ended December 31, 2024						
Opening net book value	$ 2,740	$ 4,307	$ 949	$ 110	$ 356	$ 8,462
Acquisition of CRI assets	-	-	291	-	-	291
Additions	4,033	7,794	36	-	1	11,864
Capitalized borrowing costs (Note 16)	2,202	-	-	-	-	2,202
Share-based compensation	37	-	-	-	-	37
Depreciation and amortization	21	-	(65)	(10)	(237)	(291)
Exchange difference	(748)	(1,167)	(122)	(8)	(20)	(2,065)
Closing net book value	$ 8,285	$ 10,934	$ 1,089	$ 92	$ 100	$ 20,500
As at December 31, 2024						
Cost	$ 8,285	$ 10,934	$ 1,220	$ 121	$ 607	$ 21,167
Accumulated depreciation and amortization	-	-	(131)	(29)	(507)	(667)
Net book value	$ 8,285	$ 10,934	$ 1,089	$ 92	$ 100	$ 20,500

A summary of the net book value is as follows:

	Mineral property	Construction in progress	Plant and equipment	Leasehold improvements	ROU Asset	Total
As at June 30, 2025						
Zancudo Project	$ 11,630	$ 12,293	$ 1,133	$ -	$ -	$ 25,056
Phosphates Project	-	-	49	-	-	49
Lomero Project	-	-	475	100	376	951
Corporate	-	-	-	-	9	9
Net book value	$ 11,630	$ 12,293	$ 1,657	$ 100	$ 385	$ 26,065

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

	Mineral property	Construction in progress	Plant and equipment	Leasehold improvements	ROU Asset	Total
As at December 31, 2024						
Zancudo Project	$ 8,285	$ 10,934	$ 601	$ -	$ -	$ 19,820
Phosphates Project	-	-	45	-	-	45
Lomero Project	-	-	443	92	68	603
Corporate	-	-	-	-	32	32
Net book value	$ 8,285	$ 10,934	$ 1,089	$ 92	$ 100	$ 20,500

a) As at June 30, 2025, accounts payable and accrued liabilities (Note 6) includes $4.3 million related to expenditures on plant and equipment and acquisition of the CRI assets (December 31, 2024 - $3.5 million).

b) *Zancudo Project*

The Company owns a 100% interest in the Zancudo Project located in the municipality of Titiribi, in the mining district of Antioquia, Colombia. The Zancudo Project is subject to a total of 3.5% net smelter royalty (“NSR”) on future production from the project, payable in cash, including a 3% NSR sold in March 2024 to arm’s length third parties for which the Company received cash proceeds totaling $5.0 million (Note 9).

4. EXPLORATION AND EVALUATION ASSETS

	Phosphates	Lomero	Toral	Total
Six months ended June 30, 2025				
Opening net book value	$ 1,040	$ 39,642	$ 7,465	$ 48,147
Additions	-	941	375	1,316
Share-based compensation	-	7	-	7
Depreciation and amortization capitalized	-	44	-	44
Exchange difference	87	5,564	995	6,646
Closing net book value	$ 1,127	$ 46,198	$ 8,835	$ 56,160
Year ended December 31, 2024				
Opening net book value	$ 1,200	$ 37,261	$ 7,120	$ 45,581
Acquisition of CRI assets	-	2,439	-	2,439
Additions	-	2,319	792	3,111
Depreciation and amortization capitalized	-	85	-	85
Share-based compensation	-	39	-	39
Exchange difference	(160)	(2,501)	(447)	(3,108)
Closing net book value	$ 1,040	$ 39,642	$ 7,465	$ 48,147

a) As at June 30, 2025, accounts payable and accrued liabilities (Note 6) includes $0.6 million related to expenditures on E&E assets (December 31, 2024 - $0.5 million).

b) Phosphates Project, Colombia

The Company owns 100% of the issued and outstanding shares of Emerene Corporation S.A. (“Emerene”), a Panamanian company which owns several phosphorite mining rights in Boyacá, Colombia (the “Phosphates Project”).

c) Lomero Project

The Company owns a 100% interest in the Lomero Project, including the Rubia Investigation Permit which covers the areas occupied by the former Lomero-Poyatos Concessions and the mine within them and the adjacent Palomarejo Investigation Permit, both located in the Iberian Pyrite Belt in southern Spain. The Lomero Project is subject to a 2% NSR on production from the project, payable in cash.

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

d) Toral Project

In November 2024, the Company completed the acquisition of 100% of the issued and outstanding shares of EMI (the "EMI Acquisition") from Europa Metals Ltd. ("Europa"). EMI holds the Toral Zn-Pb-Ag Project (the "Toral Project"), Leon Province, Northern Spain. The Company was carrying out an exploration program pursuant to an option agreement entered into with Europa in November 2022 that was cancelled on closing of the EMI Acquisition. The Toral Project is subject to a 1% NSR on any future production of minerals, payable in cash.

5. INVESTMENT IN RIO NARCEA RECURSOS, S.A. JOINT VENTURE

The Company has a 21% interest in RNR, which owns a 5,000 tonnes per day processing plant and has the rights to exploit the historic producing Aguablanca nickel-copper mine located in Monesterio, Extremadura, Spain.

The Company determined that is has joint control over RNR and therefore accounts for its 21% interest in RNR as an investment in joint venture using the equity method. The Company is responsible for arranging the financing on behalf of RNR for the capital required to restart the Aguablanca Project and will be obligated to pay a EUR 2 million penalty to the RNR Shareholder Group if the financing does not commence within 12 months of RNR having all the required permits, including the pending Water Concession, for the reactivation of the Aguablanca Project. During the six months ended June 30, 2025, the Company made advances amounting to approximately $1.9 million to fund RNR's expenditures while it arranges the financing on behalf of RNR. The advances to the joint venture bear interest at a rate equivalent to the quarterly Euribor + 2.5%. Repayment of the advances by the joint venture to the Company will be made over a maximum period of five years following the start of operations at the Aguablanca Project.

The following tables summarize the consolidated financial information of RNR on a 100% basis, taking into account adjustments made by the Company for equity accounting purposes and fair value adjustments, on each of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Total current assets	$ 655	$ 1,963
Total non-current assets	76,119	65,780
Total current liabilities	(8,320)	(7,501)
Total non-current liabilities	(14,623)	(12,662)
Total net assets	$ 53,831	$ 47,580

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Revenue	$ -	$ -
Net income (loss)	(310)	184
Other comprehensive income (loss)	-	-

Reconciliation of RNR's net assets to the carrying value of the Company's investment in the RNR joint venture is as follows:

Net assets of RNR at January 1, 2024	48,118
Capital contributions for the year ended December 31, 2024	2,801
Net loss for the year ended December 31, 2024	(298)
Exchange difference	(3,041)
Net assets of RNR at December 31, 2024	47,580
Net loss for the six months ended June 30, 2025	(310)
Exchange difference	6,561
Net assets of RNR at June 30, 2025	53,831
Equity interest	21%
Investment in joint venture at June 30, 2025	**$ 11,305**

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

A summary of the changes in the investment in the joint venture is as follows:

	Amount
As at January 1, 2024	**$ 24,059**
Capital contributions to RNR	1,422
Equity share of loss in RNR	(149)
Reduction of investment on disposal of 29% interest in RNR	(13,893)
Exchange difference	(1,447)
As at December 31, 2024	**9,992**
Equity share of loss in RNR	(64)
Exchange difference	1,377
As at June 30, 2025	**$ 11,305**

The following table summarizes the changes in the amount payable related to the acquisition of the investment in RNR:

	Amount
As at January 1, 2024	**$ 21,708**
Instalments paid (EUR 7.75 million)	(8,396)
Accretion (Note 16)	3,351
Gains on modifications of debt	(278)
Reduction of investment on disposal of 29% interest in RNR	(15,118)
Exchange difference	(1,008)
As at December 31, 2024	**259**
Final instalment paid (EUR 0.25 million)	(263)
Exchange difference	4
As at June 30, 2025	**$ -**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2025	December 31, 2024
Related to operating, general and administrative expenses	$ 714	$ 684
Related to expenditures for mineral property, plant and equipment (Note 3)	2,894	2,322
Related to expenditures for E&E assets (Note 4)	615	474
Related to acquisition of CRI assets, including transaction costs	1,449	1,181
Total accounts payable and accrued liabilities	5,672	4,661
Non-current portion related to expenditures for mineral property, plant and equipment	(747)	(856)
Non-current portion related to acquisition of CRI assets	(368)	(595)
Current portion	$ 4,557	$ 3,210

7. SHORT-TERM BORROWINGS

	June 30, 2025	December 31, 2024
Brockville Promissory Notes	$ 305	$ 487
Zenk Promissory Note	606	-
Other short-term borrowing facilities	934	776
Current portion	$ 1,845	$ 1,263

In December 2024, Brockville International Holdings Ltd. (“Brockville”), an entity controlled by the Executive Chairman of the Company, advanced CA$0.7 million (equivalent to $0.5 million) to the Company by way of an unsecured promissory note ("Brockville Promissory Note") maturing June 30, 2025. The proceeds were used by the Company toward the funding for the remaining acquisition payments totalling EUR 0.5 million owing to the RNR Shareholder Group (Note 5) in connection with the Company's acquisition of a 21% equity interest in RNR. In January and February 2025, the Company received two additional advances from Brockville totalling CA$0.8 million (equivalent to approximately $0.6 million) on the same terms and conditions as the first Brockville Promissory Note. The proceeds of these additional Brockville Promissory Notes were used by the Company to fund an advance to RNR and for general corporate purposes. These Brockville Promissory Notes were settled in March 2025 in conjunction with the Company's non-brokered private placement (Note 12b). Interest on the Brockville Promissory Notes was incurred at a rate of 12% per annum.

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

In May 2025, Brockville advanced CA$0.4 million (equivalent to $0.3 million) to the Company by way of an unsecured promissory note due October 31, 2025 on the same terms and conditions as the previous Brockville Promissory Notes to fund certain expenditures at the Zancudo Project while it awaits receipt of the second advance under the Zancudo Prepayment Facility.

The Company also received an advance in May 2025 of $0.6 million from Zenk Capital Private Fund, an entity controlled by the Chief Executive Officer of the Company, by way of an unsecured promissory note due October 31, 2025 to fund the payment of certain accounts payable at the Lomero Project and to fund an advance to RNR. Interest on the Zenk Promissory Notes is being incurred at a rate of 12% per annum.

As at June 30, 2025, the Company has borrowings under other short-term facilities with third parties totalling approximately $0.9 million (December 31, 2024 - $0.8 million) to fund expenditures related to its Zancudo Project. These borrowings have a term of 90 days. The Company is required to pay a facility fee of 1% upon receipt of the funds and to make monthly interest payments at a rate of 2.1%.

8. CONVERTIBLE DEBENTURES

	June 30, 2025	December 31, 2024
Convertible Debentures Series 1 (Note 8a)	$ 23,878	$ 19,379
Convertible Debentures Series 2 (Note 8b)	12,223	10,107
Total Convertible Debentures	$ 36,101	$ 29,486

a) *Convertible Debentures Series 1*

	Number	Amount
As at January 1, 2024	**20,632,000**	**$ 22,653**
Conversions	(1,380,000)	(1,970)
Change in FVTPL	-	3,124
Change in FVOCI due to changes in credit risk	-	181
Gain on modification of terms	-	(2,958)
Issuance of consent fee debentures	304,000	302
Exchange difference	-	(1,953)
As at December 31, 2024	**19,556,000**	**$ 19,379**
Conversions	(35,000)	(40)
Change in FVTPL	-	2,786
Change in FVOCI due to changes in credit risk	-	31
Issuance of consent fee debentures	365,560	495
Exchange difference	-	1,227
As at June 30, 2025	**19,886,560**	**$ 23,878**

In October 2023, the Company closed a private placement in two tranches issuing a total of CA$20.6 million aggregate principal amount (equivalent to approximately $14.9 million) of senior unsecured convertible debentures (the "Convertible Debentures Series 1").

On March 4, 2024, the Convertible Debentures Series 1 commenced trading on Cboe Canada under the symbol “DMET.DB”.

The Convertible Debentures Series 1 are non-callable and mature and become payable in full at maturity on October 19, 2029, unless otherwise converted, prepaid or accelerated in accordance with their terms. The Convertible Debentures Series 1 bear interest at 12% per annum, paid monthly in equal installments in cash.

Commencing January 31, 2026, and at the end of each quarter thereafter, the Company will pay a gold premium in cash on the principal amount of the Convertible Debentures Series 1. The gold premium will be calculated as a percentage equal to 25% of (i) the amount, if any, by which the London P.M. Gold Fix on the quarterly measurement date exceeds $1,800 per ounce (the "2023 Floor Price") divided by (ii) the 2023 Floor Price.

On June 18, 2025, the Convertible Debentures Series 1 were amended through a consent solicitation process to (i) enable the Company to issue common shares rather than cash to settle the monthly interest payments from June 30, 2025 to May 31, 2026, inclusive; (ii) enable the Company to issue common shares rather than cash to settle the Gold Premium Payments, if any, payable on each January 31, 2026 and April 30, 2026 and (iii) implement a maximum amount of $4,000 per ounce for the London P.M. Gold Fix in the Gold Premium Payment calculation. Holders of the Convertible Debentures Series 1 who responded to the solicitation and consented to the amendments received a consent fee equal to 2% of the number of Convertible Debentures Series 1 they held. Consent fees were satisfied through the issuance to the consenting holders of additional Convertible Debentures Series 1, denominated in a principal amount of $1.00 per Convertible Debentures Series 1. Based on the consents received, the Company issued a total of 365,560 consent fee debentures to holders of the Convertible Debentures Series 1.

At any time prior to maturity, the Convertible Debentures Series 1 are convertible at a holder's option into common shares of the Company at a conversion price of CA$0.45 per share (the “2023 Conversion Option”). The Convertible Debentures Series 1 are a financial liability and have been designated at fair value through profit or loss (“FVTPL”). As such, the Convertible Debentures Series 1 were recorded at fair value at inception, being equal to the principal amount, and are subsequently remeasured with the change in fair value being recognized in the statement of operations, except the portion of the change in fair value due to changes in the Company’s credit risk, which is recognized in the statement of other comprehensive income (“FVOCI”).

The fair value of the Convertible Debentures Series 1 at June 30, 2025 has been determined using the finite-differences method model and level 2 fair value inputs that capture all the features of the Convertible Debentures Series 1, including the 2023 Conversion Option, gold futures curve, Company share price of CA$0.47 per share, share price volatility of 107.60%, risk free interest rate of 2.56%, dividend yield of 0.00% and credit spread of 51.13%. In valuing the Convertible Debentures Series 1, the Company applied a liquidity discount of 29.90% from the Black-Scholes value. The modifications adopted in the consent solicitation process on June 18, 2025 did not have a material impact on the fair value of the Convertible Debentures Series 1 as at June 30, 2025.

During the three and six months ended June 30, 2025, the Company recorded a loss on fair value of $0.7 million and a loss on fair value of $2.8 million, respectively (2024 - $11.7 million gain and $3.5 million gain, respectively) related to the Convertible Debentures Series 1 in the statement of operations and a loss of approximately $0.1 million and a loss of less than $0.1 million, respectively (2024 - $0.1 million loss and $0.2 million loss, respectively) related to the change in credit risk associated with the Convertible Debentures Series 1 in the statement of other comprehensive income.

On May 7, 2025, the Company issued 77,777 common shares on the conversion of CA$35,000 principal amount of Convertible Debentures Series 1.

On June 30, 2025, the Company issued 327,756 common shares to settle the monthly interest payment in the amount of approximately CA$0.2 million for the Convertible Debentures Series 1.

Subsequent to June 30, 2025, the Company issued 382,433 common shares to settle the July 31, 2025 monthly interest of approximately CA$0.2 million for the Convertible Debentures Series 1.

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

b) Convertible Debentures Series 2

	Number	Amount
Issued on closing of first tranche on May 30, 2024	10,025,000	$ 7,329
Issued on closing of second tranche on June 25, 2024	3,783,000	2,765
Total 2024 Convertible Debenture Units issued	13,808,000	10,094
Value allocated to Convertible Debenture Warrants	-	(1,274)
Value allocated to Convertible Debentures Series 2	13,808,000	8,820
Conversions	(50,000)	(38)
Change in FVTPL	-	2,955
Change in FVOCI due to changes in credit risk	-	(2)
Gain on modification of terms	-	(1,264)
Issuance of consent fee debentures	272,460	196
Exchange difference	-	(560)
As at December 31, 2024	**14,030,460**	**$ 10,107**
Conversions	(15,000)	(12)
Change in FVTPL	-	1,306
Change in FVOCI due to changes in credit risk	-	(69)
Issuance of consent fee debentures	272,454	266
Exchange difference	-	625
As at June 30, 2025	**14,287,914**	**$ 12,223**

In May and June 2024, the Company closed two tranches of a private placement, issuing a total of 13.8 million convertible debenture units ("Convertible Debenture Units") for total gross cash proceeds of CA$13.8 million (equivalent to approximately $10.1 million). The Convertible Debenture Units comprised an aggregate principal amount of CA$13.8 million of senior unsecured convertible debentures (the "Convertible Debentures Series 2") and 6.9 million unlisted warrants (the “Convertible Debenture Warrants”) of the Company (Note 12c).

The Convertible Debentures Series 2 are non-callable and mature and become payable in full at maturity on May 30, 2030, unless otherwise converted, prepaid or accelerated in accordance with their terms. The Convertible Debentures Series 2 bear interest at 12% per annum, paid monthly in equal installments in cash. At closing in 2024, the Company set aside a portion of the gross proceeds amounting to a total of approximately CA$1.7 million (equivalent to approximately $1.2 million) in trust to fund the monthly interest payments during the first 12 months of the term of the Convertible Debentures Series 2.

Commencing June 30, 2026, and at the end of each quarter thereafter, the Company will pay a gold premium in cash on the principal amount of the Convertible Debentures Series 2. The gold premium will be calculated as a percentage equal to 25% of (i) the amount, if any, by which the London P.M. Gold Fix on the quarterly measurement date exceeds $2,000 per ounce (the "2024 Floor Price") divided by (ii) the 2024 Floor Price.

On June 18, 2025, the Convertible Debentures Series 2 were amended through a consent solicitation process to (i) enable the Company to issue common shares rather than cash to settle the monthly interest payments from June 30, 2025 to May 31, 2026, inclusive and (ii) implement a maximum amount of $4,000 per ounce for the London P.M. Gold Fix in the Gold Premium Payment calculation. Holders of the Convertible Debentures Series 1 who responded to the solicitation and consented to the amendments received a consent fee equal to 2% of the number of Convertible Debentures Series 2 they held. Consent fees were satisfied through the issuance to the consenting holders of additional Convertible Debentures Series 2, denominated in a principal amount of $1.00 per Convertible Debentures Series 2. Based on the consents received, the Company issued a total of 272,454 consent fee debentures to holders of the Convertible Debentures Series 2.

At any time prior to maturity, the Convertible Debentures Series 2 are convertible at a holder's option into common shares of the Company at a conversion price of CA$0.60 per share (the “2024 Conversion Option”). The Convertible Debentures Series 2 are a financial liability and have been designated at FVTPL. As such, the Convertible Debentures Series 2 were recorded at fair value at inception and are subsequently remeasured with the change in fair value being recognized in the statement of operations, except the portion of the change in fair value due to changes in the Company’s credit risk, which is recognized in the statement of other comprehensive income.

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

The fair value of the liability component of the Convertible Debentures Series 2 at June 30, 2025 has been determined using the finite-differences method model and level 2 fair value inputs that capture all the features of the Convertible Debentures, including the 2024 Conversion Option, gold futures curve, Company share price of CA$0.47 per share, share price volatility of 107.60%, risk free interest rate of 2.59%, dividend yield of 0.00% and credit spread of 51.13%. In valuing the Convertible Debentures Series 2, the Company applied a liquidity discount of 30.61% from the Black-Scholes value. The modifications adopted in the consent solicitation process on June 18, 2025 did not have a material impact on the fair value of the Convertible Debentures Series 2 as at June 30, 2025.

During the three and six months ended June 30, 2025, the Company recorded a loss on fair value of $0.5 million and a loss on fair value of $1.3 million, respectively (2024 - $0.2 million gain and $nil, respectively) related to the Convertible Debentures Series 2 in the statement of operations and a loss of approximately $0.1 million and a gain of approximately $0.1 million, respectively (2024 – less than $0.1 million gain and $nil, respectively) related to the change in credit risk associated with the Convertible Debentures Series 2 in the statement of other comprehensive income.

On June 19, 2025, the Company issued 25,000 common shares on the conversion of CA$15,000 principal amount of Convertible Debentures Series 2.

On June 30, 2025, the Company issued 235,384 common shares to settle payment the monthly interest payment in the amount of approximately CA$0.1 million for the Convertible Debentures Series 2.

Subsequent to June 30, 2025, the Company issued 274,768 common shares to settle the July 31, 2025 monthly interest of approximately CA$0.1 million for the Convertible Debentures Series 2.

9. ZANCUDO NET SMELTER ROYALTY (“NSR”) PAYABLE

As at January 1, 2024	$	-
Issuance of Zancudo NSR, net of transaction costs		4,734
Accretion		39
Recognition of a portion of Year 1 Minimum Payment Adjustment		563
As at December 31, 2024	$	5,336
Recognition of the balance of the Year 1 Minimum Payment Adjustment		187
Settlement of the Year 1 Minimum Payment Adjustment with shares on April 30, 2025		(750)
Accretion (Note 16)		26
Recognition of a portion of the Year 2 Minimum Payment Adjustment		188
Total carrying value of the Zancudo NSR payable as at June 30, 2025	$	4,987
Less: current portion, represented by the Year 2 Minimum Payment Adjustment recognized		(188)
Non-current portion	$	4,799

On March 27, 2024, the Company closed the sale of a 3% NSR on future production from its Zancudo Project to a syndicate of third-party investors for total cash consideration of $5.0 million.

The Zancudo NSR agreement includes a Minimum Payment Adjustment which is calculated on an annual basis, commencing March 31, 2025, until the Zancudo Project reaches commercial production as defined in the Zancudo NSR agreement. The Minimum Payment Adjustment will be paid in cash to the royalty holders and represents the difference between $750,000 and the aggregate amount of actual royalties paid to the royalty holders during the preceding 12-month period. Once commercial production is achieved, the Minimum Payment Adjustment is cancelled.

On April 30, 2025, the Company issued an aggregate of 2,083,500 units to the holders of the Zancudo NSR in exchange for the cancellation of the $750,000 Minimum Payment Adjustment obligation for the first year ended March 31, 2025 (“Year 1”). Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of CA$0.60 per common share at any time on or before April 30, 2028. The common shares and warrants issued are subject to a hold period in Canada ending August 31, 2025.

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

If commercial production has not been achieved by the Zancudo Project by March 31, 2029, then the Zancudo NSR holders may elect to sell to the Company, and the Company shall be obligated to purchase, the Zancudo NSR for an amount equal to the upfront cash payment totaling $5.0 million (the “Put Option”). Once commercial production has been achieved, the Put Option is cancelled.

This Zancudo NSR obligation has been recognized as a financial liability, initially recorded at the value of the consideration received less transaction costs and subsequently measured at amortized cost. Transaction costs incurred related to the sale of the Zancudo NSR, totalling approximately $0.3 million, have been offset against the fair value of the Zancudo NSR.

10. ZANCUDO PREPAYMENT FACILITY

As at January 1, 2025	$	-
First advance received		2,500
Facility fees and expenses		(286)
Interest capitalized to principal during the Grace Period (Note 16)		93
Accretion (Note 16)		39
Total carrying value of the Zancudo Prepayment Facility as at June 30, 2025	$	2,346
Less: current portion		(798)
Non-current portion	$	1,548

In April 2024, the Company signed a commercial agreement with Trafigura Pte. Ltd. (“Trafigura”) for the sale at market prices of 100% of the gold-silver concentrates to be produced at its Zancudo Project over the next eight years. In conjunction with this offtake arrangement, the Company executed a prepayment agreement with Trafigura (the “Zancudo Prepayment Facility”) on February 7, 2025 pursuant to which the Company will receive up to a total of $9.0 million from Trafigura in three advances as the Company reaches certain milestones in 2025 related to construction activities at its Zancudo Project. On February 21, 2025, the Company received the first advance of $2.5 million under the Zancudo Prepayment Facility. Advances under the Zancudo Prepayment Facility bear interest at the three-month Secured Overnight Financing Rate (“SOFR”) plus 6% (March 27, 2025 – 10.3%) and will be capitalized to the principal amount borrowed under the Zancudo Prepayment Facility during the nine-month period following the date of the first advance (the “Grace Period”). The principal amount drawn under the Zancudo Prepayment Facility will be repaid, with interest, through equal monthly deductions from amounts payable by Trafigura under the commercial agreement over a 26-month period following the Grace Period. The Zancudo Prepayment Facility is secured by certain assets of the Company related to its Zancudo Project. On signing of the Zancudo Prepayment Facility, the Company issued 3,000,000 common share purchase warrants to Trafigura with an exercise price of CA$0.74 per common share that will expire on February 7, 2028.

The Zancudo Prepayment Facility has been recognized as a financial liability, initially recorded at fair value and subsequently measured at amortized cost. Facility fees and expenses, including the financing warrants, totaled approximately $1.0 million, of which $0.3 million has been offset against the fair value of the first advance and the balance of $0.7 million is included in deferred financing costs in respect of the future advances from the Zancudo Prepayment Facility. The carrying value of the Zancudo Prepayment Facility will be accreted using an effective interest rate of 17.45%.

11. LEASES

The lease obligations are summarized as follows:

	Maturity	Currency	Interest rate	June 30, 2025	December 31, 2024
Leases	2026	EUR	8.58%	$ 383	$ 73
Leases	2025	CAD	7.07%	10	35
Total lease obligations				393	108
Less: current portion				180	87
Non-current portion				$ 213	$ 21

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

The table below summarizes the changes in the lease obligation during the six months ended June 30, 2025:

	Amount
As at January 1, 2025	$ 108
Additions	373
Accretion	11
Lease payments	(119)
Exchange difference	20
As at June 30, 2025	$ 393

The undiscounted and discounted future lease payments are as follows:

	June 30, 2025	December 31, 2024
Within one year	$ 205	$ 89
More than one year	233	21
Total undiscounted lease obligations	438	110
Amount representing interest	(45)	(2)
Lease obligations – discounted	$ 393	$ 108

During the six months ended June 30, 2025, the Company recognized total payments in the consolidated statement of cash flows in the amount of $119,000 (2024 - $144,000).

Scheduled future undiscounted lease payments, comprising principal and interest, are as follows:

	2025	2026	2027	2028	Thereafter	Total
Total payments	$ 107	$ 195	$ 67	$ 28	$ 41	$ 438

12. SHARE CAPITAL

a) Authorized

Authorized share capital comprises an unlimited number of common shares without par value and 10,000,000 preferred shares at $1.00 par value. No preferred shares have been issued.

b) Issued and fully paid

A summary of the change in the issued and outstanding common shares during the six-months period ended June 30, 2025 is as follows:

	Shares	**Amount**
Balance, January 1, 2025	**93,833,066**	**$ 116,127**
Exercise of Rights Offering Warrants	141,444	76
Shares issued in the 2025 Private Placement	13,138,000	2,676
Shares issued in the LIFE Offering	12,280,309	2,423
Toral Finder’s Fee settled in shares	212,634	95
Conversion of Convertible Debentures Series 1 (Note 8a)	77,777	40
Conversion of Convertible Debentures Series 2 (Note 8b)	25,000	12
Settlement of interest on Convertible Debentures (Note 8)	563,140	195
Settlement of Zancudo NSR Minimum Payment Adjustment (Note 9)	2,083,500	1,050
Balance, June 30, 2025	**122,354,870**	**$ 122,694**

2025 Private Placement

On March 20, 2025, the Company completed a non-brokered private placement (the “2025 Private Placement”) of 13,138,000 Units at CA$0.50 per Unit for gross proceeds of approximately CA$6.6 million (approximately $4.6 million), of which 3,052,000 Units valued at approximately $1.1 million were issued to settle the Brockville Promissory Notes, including interest (Note 7). Each Unit consisted of one common share and one common share purchase warrant (“2025 Private Placement Warrant). Each 2025 Private Placement Warrant entitles the holder to purchase one common share of the Company at a price of CA$0.60 per common share at any time on or before March 20, 2028.

The aggregate fair value of the Units issued in the 2025 Private Placement amounted to approximately $4.6 million, of which approximately $2.8 million was allocated to the common shares and approximately $1.8 million was allocated to the fair value of the 2025 Private Placement Warrants. Total fair value of the Units issued in the 2025 Private Placement was determined based on the quoted closing price of the Company’s common shares and the fair value of the 2025 Private Placement Warrants as described in Note 12c.

Transaction costs related to the 2025 Private Placement amounted to approximately $0.1 million, of which $0.1 million was allocated to the common shares and the balance was allocated to the 2025 Private Placement Warrants.

Listed Issuer Financing Exemption (“LIFE”) Offering

On June 20, 2025, the Company completed a LIFE Offering of 12,280,309 Units at CA$0.55 per Unit for gross proceeds of approximately CA$6.8 million (approximately $4.9 million). Each Unit consisted of one common share and one common share purchase warrant (“2025 LIFE Offering Warrant). Each 2025 LIFE Offering Warrant entitles the holder to purchase one common share of the Company at a price of CA$0.66 per common share at any time on or before June 20, 2030.

The aggregate fair value of the Units issued in the LIFE Offering amounted to approximately $4.9 million, of which approximately $2.8 million was allocated to the common shares and approximately $2.1 million was allocated to the fair value of the 2025 LIFE Offering Warrants. Total fair value of the Units issued in the LIFE Offering was determined based on the quoted closing price of the Company’s common shares and the fair value of the 2025 LIFE Offering Warrants.

Transaction costs related to the LIFE Offering amounted to approximately $0.7 million, of which $0.4 million was allocated to the common shares and the balance was allocated to the 2025 LIFE Offering Warrants. The transaction costs include $0.2 million related to the value of the 859,621 broker warrants issued.

Toral Finder’s Fee Shares

In 2022, the Company incurred a finder’s fee with an arm’s length third party for services rendered in connection with the acquisition of the Toral Project through the initial option arrangement with Europa. The parties agreed to settle the finder’s fee through the issuance of a total of 457,163 common shares by the Company (the “Finder’s Fee Shares”), of which a total of 244,529 common shares were issued in 2023 as the Company achieved certain milestones under the option agreement. The Finder’s Fee Shares were issued at a price of CA$0.63 per share, being the closing price of the shares on the Toronto Stock Venture Exchange on November 22, 2022.

In March 2025, the remaining 212,634 Finder’s Fee Shares were issued as a result of the EMI Acquisition (Note 4d) and are subject to a four-month-and-one-day statutory hold period.

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

c) Share Purchase Warrants

A summary of the change in the share purchase warrants outstanding during the six months ended June 30, 2025 is as follows:

	Outstanding	Common shares issuable	Weighted average exercise price per common share (CA$)
Balance, January 1, 2025	**126,164,608**	**57,941,278**	**$ 1.59**
Warrants issued in the 2025 Private Placement	13,138,000	13,138,000	0.60
Warrants issued in the LIFE Offering	12,280,309	12,280,309	0.66
Broker warrants issued in the LIFE Offering	859,621	859,621	0.66
Warrants issued in settlement of Zancudo NSR Minimum Payment Adjustment (Note 9)	2,083,500	2,083,500	0.60
Warrants issued in Zancudo Prepayment Facility financing (Note 10)	3,000,000	3,000,000	0.74
Exercise of Rights Offering Warrants [(1)]	(141,444)	(141,444)	0.60
Balance, June 30, 2025	**157,384,594**	**89,161,264**	**$ 1.25**

(1) Cash proceeds from the warrants exercised during the six months ended June 30, 2025 amounted to CA$84,866.

As at June 30, 2025, the Company had the following warrants issued and outstanding:

	Number of warrants	**Shares Issuable**	**Exercise price per share**	**Expiry date**
Listed warrants (Cboe CA: DMET.WT)	75,000,000	7,500,000	CA$8.00	March 17, 2026
Unlisted warrants:				
Finder's warrants	803,700	80,370	CA$8.00	March 17, 2026
Rights Warrants	23,335,676	23,335,676	CA$0.60	March 2, 2026
2023 Private Placement Warrants	16,036,625	16,036,625	CA$0.60	April 4, 2026
Convertible Debenture Warrants	6,698,014	6,698,014	CA$0.60	April 4, 2026
2024 Private Placement Warrants	4,149,149	4,149,149	CA$0.85	October 31, 2026
Zancudo Prepayment Facility warrants	3,000,000	3,000,000	CA$0.74	February 7, 2028
2025 Private Placement Warrants	13,138,000	13,138,000	CA$0.60	March 20, 2028
Zancudo NSR Settlement Warrants	2,083,500	2,083,500	CA$0.60	April 30, 2028
LIFE Offering Warrants	12,280,309	12,280,309	CA$0.66	June 20, 2030
LIFE Offering Broker Warrants	859,621	859,621	CA$0.66	June 20, 2030
	157,384,594	89,161,264		

d) Stock option plan

The Company has a stock option plan in place under which it is authorized to grant options to directors, executive officers, management, employees and consultants enabling them to acquire up to a total of 10% of the issued and outstanding common stock of the Company. Under the plan, the option price of any common share in respect of which an option may be granted under the stock option plan shall be fixed by the Board of Directors but shall be not less than the minimum price permitted by Cboe Canada.

As at June 30, 2025, the Company has a total of 10,692,500 stock options outstanding under its stock option plan (December 31, 2024 – 5,992,500). A summary of the change in the stock options outstanding during the six months ended June 30, 2025 is as follows:

	Number of stock options outstanding	Weighted average exercise price per common share (CA$)
Balance, January 1, 2025	**5,992,500**	**$ 1.46**
Granted	4,700,000	0.59
Balance, June 30, 2025	**10,692,500**	**$ 1.08**

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

On April 16, 2025, the Company granted a total of 4,700,000 stock options to executive officers, directors, senior management and consultants. During the six months ended June 30, 2024, the Company granted a total of 200,000 stock options on February 8, 2024 at an exercise price of CA$0.59 per share to a new director of the Company.

A summary of the inputs used in the determination of the fair value of the stock options granted during the six months ended June 30, 2025 and 2024 is as follows:

Grant date	April 16, 2025	February 8, 2024
Number of stock options granted	4,700,000	200,000
Term	5 years	5 years
Vesting	1 year	1 year
Weighted average Black-Scholes option pricing model inputs		
Market price per share	CA$0.59	CA$0.59
Exercise price per share	CA$0.59	CA$0.59
Dividends expected	Nil	Nil
Expected volatility	102.98%	98.10%
Risk-free interest rate	2.64%	4.03%
Expected life of options	5 years	2.5 years
Fair value per option	$ 0.32	$ 0.25
Share-based compensation recognized in the six months ended June 30, 2025 and 2024, including amounts capitalized	$ 310	$ 13

The table below summarizes information about the stock options outstanding and as at June 30, 2025:

Expiry date	Stock Options Outstanding	Vested Stock Options	Remaining contractual life in years	Exercise price (CA$/share)
June 30, 2026	515,000	515,000	1.0	$ 4.45
July 25, 2026	200,000	200,000	1.0	0.55
November 22, 2026	260,000	260,000	1.4	6.50
May 3, 2028	4,000,000	4,000,000	2.8	0.52
February 8, 2029	200,000	200,000	3.6	0.59
July 11, 2029	200,000	-	4.0	0.59
April 16, 2030	4,700,000	-	4.8	0.59
August 27, 2030	127,500	127,500	5.2	1.00
February 19, 2031	490,000	490,000	5.6	4.50
	10,692,500	5,792,500	3.7	$ 1.08

A summary of share-based compensation expense is as follows:

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Total share-based compensation cost recognized in the period				
Stock options granted in 2023	$ -	$ 87	$ -	$ 312
Stock options granted in 2024	14	6	31	13
Stock options granted in 2025	310	-	310	-
	324	93	341	325
Less: amounts capitalized to mineral property, plant and equipment and E&E assets (Notes 3, 4)	54	20	54	76
Share-based compensation expense	$ 270	$ 73	$ 287	$ 249

e) Loss per share

For the three and six months ended June 30, 2025 and 2024, the stock options and warrants were anti-dilutive.

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

13. FINANCIAL RISK MANAGEMENT

a) *Credit risk*

The exposure to credit risk arises through the failure of a third party to meet its contractual obligations to the Company. The Company's exposure to credit risk arises primarily from the Company's cash balances, which are held with highly-rated Canadian, Colombian and Spanish financial institutions.

b) Foreign currency risk

The Company is exposed to foreign currency fluctuations in USD, EUR and COP. Such exposure arises primarily from expenditures that are denominated in currencies other than the functional currency which is denominated in CA. The Company monitors its exposure to foreign currency risks. To reduce its foreign currency exposure associated with operating expenses incurred in USD, EUR and COP, the Company may enter into foreign currency derivatives to manage such risks. For the six months ended June 30, 2025 and 2024, the Company did not utilize derivative financial instruments to manage this risk.

The following table summarizes, in USD equivalents, the Company's major currency exposure as at June 30, 2025 in USD, EUR and COP arising from foreign currency monetary assets and liabilities and foreign currency components:

	USD	EUR	COP
Cash	$ 15	$ 170	$ 112
Other receivables	-	130	80
Investment in joint venture	-	11,305	-
Advances to joint venture	-	2,038	-
Accounts payable and accrued liabilities	(429)	(2,071)	(2,785)
Short-term borrowings	(600)	-	(934)
Lease obligations	-	(383)	-
Other liabilities	-	(304)	-
Net financial assets (liabilities)	$ (1,014)	$ 10,885	$ (3,527)

Based on the net exposure at June 30, 2025, a 10% depreciation or appreciation of the USD against the CA would result in a $92,000 increase or decrease in the Company's after-tax net loss and a 10% depreciation or appreciation of the EUR and COP against the CA would result in a $990,000 and $321,000 decrease or increase, respectively in the Company's other comprehensive loss.

c) Liquidity risk

The Company manages its liquidity risk by continuously monitoring forecast cash flow requirements. As at June 30, 2025, the Company has cash and cash equivalents of approximately $4.4 million. As such, cash inflows are dependent on the Company's ability to develop its mineral property and E&E assets, obtain financing through the issuance of additional securities, entering into debt or credit facilities, or entering into joint ventures, partnerships or other similar arrangements.

The Company's undiscounted commitments as at June 30, 2025 consist of the following:

	Less than 1 year	1 to 3 years	4 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities (Note 6) (1)	$ 4,638	$ 1,057	$ 310	$ -	$ 6,005
Short-term borrowings (Note 7)	1,845	-	-	-	1,845
Convertible Debentures (Note 8) (2)	-	-	25,114	-	25,114
Zancudo NSR liability (Note 9) (3)	750	1,500	5,750	-	8,000
Zancudo Prepayment Facility (Note 10) (4)	769	1,731	-	-	2,500
Lease obligations (Note 11)	205	178	49	6	438
Other liabilities	26	102	102	74	304
Total	$ 8,233	$ 4,568	$ 31,325	$ 80	$ 44,206

(1) Includes an amount payable related to the acquisition of the CRI assets which is being paid over a four-year period and is carried

at a discounted amount at June 30, 2025.
(2) Represents the principal amount of the Convertible Debentures as at June 30, 2025 due at maturity.
(3) Represents the annual Minimum Payment Adjustment obligation and the Put Option, both of which are cancelled once the Zancudo Project attains commercial production.
(4) Represents the principal amount of the first advance drawn under the Zancudo Prepayment Facility.

d) Fair value risk

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing their classification (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The fair values of cash and cash equivalents, cash in trust, other receivables and accounts payable and accrued liabilities approximate their carrying values due to the short-term maturity of these financial instruments.

e) Capital management

The Company's objectives, when managing capital, are to safeguard cash as well as maintain financial liquidity and flexibility in order to preserve its ability to meet financial obligations and deploy capital to maintain investor, creditor and market confidence to sustain the future development of the business. The Company considers its capital structure to include equity attributable to its shareholders of $50.0 million (December 31, 2024 – $39.7 million).

The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to business growth opportunities and changes in economic conditions. In order to maintain or adjust its capital structure, the Company may, from time to time, issue new shares, issue new debt (secured, unsecured, convertible and/or other types of debt instruments), acquire or dispose of assets or adjust its capital spending to manage its ability to continue as a going concern. The Company is not subject to any externally imposed capital requirements.

14. RELATED PARTY TRANSACTIONS

Brockville Promissory Notes

The Company received an advance of CA$0.7 million (equivalent to $0.5 million) in December 2024 from Brockville, an entity controlled by the Executive Chairman of the Company, by way of the Brockville Promissory Note. The proceeds were used by the Company toward the funding for the remaining acquisition payments totalling EUR 0.5 million owing to the RNR Shareholder Group (Note 5) in connection with the Company's acquisition of a 21% equity interest in RNR. In January and February 2025, the Company received two additional advances from Brockville totalling CA$0.8 million (equivalent to approximately $0.6 million) on the same terms and conditions as the first Brockville Promissory Note. The proceeds of these additional Brockville Promissory Notes were used by the Company to fund an advance to RNR and for general corporate purposes. These Brockville Promissory Notes were settled in March 2025 in conjunction with the Company's non-brokered private placement (Note 12b). Interest on the Brockville Promissory Notes was incurred at a rate of 12% per annum.

In May 2025, Brockville advanced CA$0.4 million (equivalent to $0.3 million) to the Company by way of an unsecured promissory note due October 31, 2025 on the same terms and conditions as the previous Brockville Promissory Notes to fund certain expenditures at the Zancudo Project while it awaits receipt of the second advance under the Zancudo Prepayment Facility.

Zenk Promissory Notes

The Company received an advance in May 2025 of $0.6 million from Zenk Capital Private Fund, an entity controlled by the Chief Executive Officer of the Company, by way of an unsecured promissory note due October 31, 2025 to fund the payment of certain accounts payable at the Lomero Project and to fund an advance to RNR. Interest on the Zenk Promissory Notes is being incurred at a rate of 12% per annum.

These transactions, occurring in the normal course of operations, are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

15. REVENUE

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Gold	$ 44	$ -	$ 44	$ -
Silver	5	-	5	-
	$ 49	$ -	$ 49	$ -

16. FINANCE COSTS

	Three months ended June 30, 2025	Three months ended June 30, 2024	Six months ended June 30, 2025	Six months ended June 30, 2024
Convertible Debentures interest expense (Notes 8a, 8b)	$ 733	$ 548	$ 1,436	$ 1,006
Zancudo NSR Minimum Payment Adjustment (Note 9)	188	188	375	188
Accretion of Zancudo NSR liability (Note 9)	13	13	26	13
Interest on Zancudo Prepayment Facility (Note 10)	65	-	93	-
Accretion of Zancudo Prepayment Facility (Note 10)	35	-	39	-
Interest on Brockville Promissory Notes (Note 7)	7	-	28	-
Interest on Zenk Promissory Note (Note 7)	7	-	7	-
Interest on other short-term borrowing facilities (Note 7)	69	-	107	-
Total borrowing costs	1,117	749	2,111	1,207
Less: amount capitalized to mineral property (Note 3)	(740)	-	(1,027)	-
Net borrowing costs expensed	377	749	1,084	1,207
Accretion of amount payable related to acquisition of CRI assets	44	24	88	24
Accretion of amount payable related to acquisition of RNR (Note 5)	-	1,011	-	2,179
Accretion of lease obligations (Note 11)	9	8	11	13
Convertible Debentures Series 2 issue costs	-	278	-	278
Convertible Debentures consent fees	761	-	761	-
Convertible Debentures consent solicitation costs	63	-	63	-
Other financing costs	4	-	60	-
	$ 1,258	$ 2,070	$ 2,067	$ 3,701

The weighted average rate used to calculate the capitalized interest on the general borrowings was 12%.

17. EXPENSES BY NATURE

During the three and six months ended June 30, 2025, general and administrative expenses included $0.4 million and $0.9 million, respectively, of salaries and other employee benefits (2024 - $0.3 million and $0.7 million, respectively).

18. SEGMENT DISCLOSURES

The Company’s reportable segments are consistent with the Company’s geographic regions in which the Company’s projects are located. In determining the Company’s segment structure, the Company considered the basis on which the chief operating decision-maker reviews the financial and operational performance and whether any of the Company’s exploration operations share similar economic, operational and regulatory characteristics. The Company considers its Zancudo Project and Phosphates Project in Colombia, its Lomero Project, Toral Project and joint venture in Spain and its corporate functions in Canada as its reportable segments.

(Unaudited; Tabular amounts expressed in thousands of U.S. dollars unless otherwise noted)

The following table shows the Company's reportable segments and its geographic locations:

	Colombia	Spain	Corporate	Total
Six months June 30, 2025				
Net loss	$ (114)	$ (356)	$ (8,785)	$ (9,255)
Capital expenditures (Notes 3 and 4)	2,401	1,688	-	4,089
As at June 30, 2025				
Total assets	$ 27,321	$ 69,927	$ 4,361	$ 101,609
Total liabilities	11,052	2,758	37,838	51,648
Six months June 30, 2024				
Net loss	$ (133)	$ (2,858)	$ 403	$ (2,588)
Capital expenditures	5,386	1,757	-	7,143
As at December 31, 2024				
Total assets	$ 21,227	$ 58,213	$ 1,613	$ 81,053
Total liabilities	8,337	2,280	30,763	41,380