

**Denarius Metals Corp.**

Interim Condensed Consolidated Financial Statements  
(Unaudited)

For the three months ended March 31, 2026 and 2025

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

	Notes	March 31, 2026	December 31, 2025
<b>ASSETS</b>			
Current			
Cash and cash equivalents		\$ 17,925	\$ 6,899
Other receivables		2,692	759
Inventories		848	371
Prepaid expenses and deposits		698	664
Deferred financing costs	10	458	458
		22,621	9,151
Non-current			
Mineral property, plant and equipment	3	35,592	32,068
Exploration and evaluation assets	4	55,596	55,981
Investment in joint venture	5	11,936	12,187
Advances to joint venture	5	3,707	3,236
<b>Total assets</b>		<b>\$ 129,452</b>	<b>\$ 112,623</b>
<b>LIABILITIES AND EQUITY</b>			
Current			
Accounts payable and accrued liabilities	6	\$ 5,254	\$ 4,031
Short-term borrowings	7	1,411	1,377
Convertible Debentures	8	67,874	55,559
Current portion of Zancudo NSR liability	9	709	551
Current portion of Zancudo Prepayment Facility	10	1,866	1,216
Current portion of lease obligations	11	267	177
		77,381	62,911
Non-current			
Accounts payable and accrued liabilities	6	1,119	1,140
Zancudo NSR liability	9	4,839	4,825
Zancudo Prepayment Facility	10	2,913	3,352
Lease obligations	11	287	122
Other liabilities		248	303
<b>Total liabilities</b>		<b>86,787</b>	<b>72,653</b>
<b>Equity</b>			
Share capital	12b	154,483	130,694
Share purchase warrants	12c	10,114	19,844
Contributed surplus	12d	12,541	5,763
Accumulated other comprehensive loss		1,555	1,287
Deficit		(136,028)	(117,618)
<b>Total equity</b>		<b>42,665</b>	<b>39,970</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 129,452</b>	<b>\$ 112,623</b>

Basis of presentation and going concern  
Subsequent events

(Note 2)  
(Notes 8a, 8b, 12a, 12c)

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 March 31,	
		2026	2025
<b>Revenue</b>	15	\$ 3,527	\$ -
Costs of sales		(2,054)	-
<b>Gross profit</b>		1,473	-
General and administrative expenses	17	1,509	1,265
Share-based compensation	12d	689	17
<b>Loss from operations</b>		(725)	(1,282)
<b>Other income (expense)</b>			
Finance income		92	10
Finance costs	16	(4,795)	(809)
Loss on financial instruments	8	(13,494)	(2,897)
Gain on settlements of gold premiums and interest on Convertible Debentures with shares	8	339	-
Foreign exchange gain		224	770
Equity share of loss in joint venture	5	(51)	(35)
<b>Net loss</b>		<b>(18,410)</b>	<b>(4,243)</b>
<b>Other comprehensive loss:</b>			
<b>Items that will not be reclassified to profit in subsequent periods:</b>			
Unrealized gain on Convertible Debentures due to changes in credit risk (nil tax effect)		225	243
<b>Items that may be reclassified to profit in subsequent periods:</b>			
Foreign currency translation adjustment (nil tax effect)		43	2,677
<b>Comprehensive loss</b>		<b>\$ (18,142)</b>	<b>\$ (1,323)</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.11)</b>	<b>\$ (0.04)</b>
Weighted average number of common shares outstanding		170,527,557	95,452,723

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	Three months ended March 31,	
		2026	2025
<b>Share capital</b>			
Balance, beginning of period		\$ 130,694	\$ 116,127
Shares issued to settle interest on Convertible Debentures, net of issue costs	8	1,033	-
Shares issued to settle gold premiums on Convertible Debentures Series 1	8	3,791	-
Shares issued pursuant to private placements, net of issue costs		-	2,676
Share issue costs related to 2025 Private Placement		-	-
Total transaction costs settled in shares		-	95
Exercises of options	12d	175	-
Exercises of warrants	12c	18,790	2
Balance, end of period		154,483	118,900
<b>Share purchase warrants</b>			
Balance, beginning of period		19,844	12,577
Prepayment Facility warrants issued		-	927
Private placement warrants issued, net of issue costs		-	1,786
Expiration of warrants	12c	(6,067)	-
Exercises of warrants	12c	(3,663)	(1)
Balance, end of period		10,114	15,289
<b>Contributed surplus</b>			
Balance, beginning of period		5,763	4,743
Total transaction costs settled in shares		-	(95)
Share-based compensation	12d	772	17
Exercises of options	12d	(61)	-
Expiration of warrants	12c	6,067	-
Balance, end of period		12,541	4,665
<b>Accumulated other comprehensive loss</b>			
Balance, beginning of period		1,287	(7,308)
Unrealized gain on Convertible Debentures due to changes in credit risk (nil tax effect)	8	225	243
Foreign currency translation adjustment		43	2,677
Balance, end of period		1,555	(4,388)
<b>Deficit</b>			
Balance, beginning of period		(117,618)	(86,466)
Net loss		(18,410)	(4,243)
Balance, end of period		(136,028)	(90,709)
<b>Total equity</b>		<b>\$ 42,665</b>	<b>\$ 43,757</b>

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)

		Three months ended March 31,	
	Notes	2026	2025
<b>Operating Activities</b>			
Net loss		\$ (18,410)	\$ (4,243)
Adjusted for the following items:			
Share-based compensation	12d	689	17
Amortization	3	53	33
Finance costs	16	4,795	753
Equity share of loss in joint venture	5	51	35
Loss on financial instruments	8	13,494	2,897
Gain on settlements of interest and gold premiums on Convertible Debentures	8	(339)	-
Foreign exchange gain		(224)	(770)
Changes in non-cash working capital items:	14	(1,309)	105
<b>Net cash used in operating activities</b>		<b>(1,200)</b>	<b>(1,173)</b>
<b>Investing Activities</b>			
Additions to mineral property, plant and equipment	3	(1,678)	(713)
Additions to exploration and evaluation assets	4	(422)	(414)
Advances to joint venture	5	(531)	(870)
Payment related to acquisition of joint venture		-	(263)
<b>Net cash used in investing activities</b>		<b>(2,631)</b>	<b>(2,260)</b>
<b>Financing Activity</b>			
Share issue costs related to settlements of interest on Convertible Debentures		(7)	-
Decrease in other liabilities		(50)	-
Proceeds from Zancudo Prepayment Facility, net of costs		-	2,396
Net decrease (increase) in cash in trust for interest on Convertible Debentures		-	292
Interest and gold premiums paid		(80)	(744)
Increase in short-term borrowings	7	1	88
Proceeds from private placement, net of costs		-	3,398
Payment of lease obligations	11	(55)	(44)
Exercises of options		114	-
Exercises of warrants		15,127	1
<b>Net cash provided by financing activities</b>		<b>15,050</b>	<b>5,387</b>
Impact of foreign exchange rate changes on cash and cash equivalents		(193)	(28)
<b>Increase in cash and cash equivalents</b>		<b>11,026</b>	<b>1,926</b>
Cash and cash equivalents, beginning of period		6,899	1,130
<b>Cash and cash equivalents, end of period</b>		<b>\$ 17,925</b>	<b>\$ 3,056</b>

See accompanying notes to the interim condensed consolidated financial statements.

Denarius Metals Corp.  
Notes to the Interim Condensed Consolidated Financial Statements  
March 31, 2026

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

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**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 is listed on Cboe Canada and trades under the symbol “DMET”. The Company also trades 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, 2025, 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, 2025. These interim financial statements were approved by the Audit Committee of the Company for issue on May 14, 2026.

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 period ended March 31, 2026, the Company reported a net loss of \$18.4 million and net cash used in operating activities of \$1.2 million. As at March 31, 2026, the Company has cash and cash equivalents of \$17.9 million and a working capital deficiency of \$54.8 million, including \$67.9 million for the Convertible Debentures. Although the Convertible Debentures are not repayable in cash within the next 12 months, the Company must commence paying quarterly gold premiums on the Convertible Debentures in 2026 as described in Note 8. In 2025, the Company commenced mining operations at its Zancudo Project and is carrying out activities to reach commercial production in 2026. While the Company is ramping up its production, it will require additional sources of capital to fund ongoing operational requirements, planned exploration, development and capital expenditures related to its mineral property and E&E assets, and to pay the gold premiums and interest on the Convertible Debentures. 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

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regarding the Company and its principal subsidiaries, all of which have a December 31 year end, are summarized in the following table:

Entity	Property/ function	Registered	Functional currency <sup>(1)</sup>	Interest as at	
				March 31, 2026	December 31, 2025
Denarius Metals Corp.	Corporate	Canada	CA	-	-
Alto Minerals S.L.U. ("Alto")	Lomero Project	Spain	EUR	100%	100%
Toral Metals Iberia S.L. ("EMI")	Toral Project	Spain	EUR	100%	100%
Zancudo Metals Sucursal Colombia ("Zancudo")	Zancudo 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 21.8% equity interest (December 31, 2025 – 21.8%) in Rio Narcea Recursos, S.A. ("RNR"), as outlined in Note 5. The investment in the RNR is accounted for using the equity method.

### 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. The adoption of IFRS 18 will not affect net income, but it will change how income and expenses are presented. Items of income and expenses in the statement of operations will be classified into three new categories of operating, investing, and financing, with new subtotals presented. 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.

### 3. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Mineral property	Construction in progress	Plant and equipment	Leasehold improvements	ROU Asset	Total
<b>Three months ended March 31, 2026</b>						
Opening net book value	\$ 16,491	\$ 13,509	\$ 1,702	\$ 79	\$ 287	\$ 32,068
Additions	1,032	425	25	137	305	1,924
Transfers	-	(1,394)	1,394	-	-	-
Capitalized borrowing costs (Note 16)	820	-	-	-	-	820
Share-based compensation	111	-	-	-	-	111
Depreciation and amortization	13	-	(34)	(7)	(54)	(82)
Exchange difference	407	313	31	1	(1)	751
Closing net book value	\$ 18,874	\$ 12,853	\$ 3,118	\$ 210	\$ 537	\$ 35,592

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	Mineral property	Construction in progress	Plant and equipment	Leasehold improvements	ROU Asset	Total
<b>As at March 31, 2026</b>						
Cost	\$ 18,874	\$ 12,853	\$ 3,388	\$ 255	\$ 757	\$ 36,127
Accumulated depreciation and amortization	-	-	(270)	(45)	(220)	(535)
Net book value	\$ 18,874	\$ 12,853	\$ 3,118	\$ 210	\$ 537	\$ 35,592
<b>As at March 31, 2026</b>						
Zancudo Project	\$ 18,874	\$ 12,853	\$ 2,688	\$ 136	\$ 302	\$ 34,853
Lomero Project	-	-	430	74	235	739
Net book value	\$ 18,874	\$ 12,853	\$ 3,118	\$ 210	\$ 537	\$ 35,592
<b>Year ended December 31, 2025</b>						
Opening net book value	\$ 8,285	\$ 10,934	\$ 1,089	\$ 92	\$ 100	\$ 20,500
Additions	3,453	1,100	66	(15)	369	4,973
Transfers	-	(473)	473	-	-	-
Capitalized borrowing costs (Note 16)	2,683	-	-	-	-	2,683
Impairment	-	-	(53)	-	-	(53)
Share-based compensation	152	-	-	-	-	152
Depreciation and amortization	39	-	(96)	(8)	(200)	(265)
Exchange difference	1,879	1,948	223	10	18	4,078
Closing net book value	\$ 16,491	\$ 13,509	\$ 1,702	\$ 79	\$ 287	\$ 32,068
<b>As at December 31, 2025</b>						
Cost	\$ 16,491	\$ 13,509	\$ 1,952	\$ 118	\$ 458	\$ 32,528
Accumulated depreciation and amortization	-	-	(250)	(39)	(171)	(460)
Net book value	\$ 16,491	\$ 13,509	\$ 1,702	\$ 79	\$ 287	\$ 32,068
<b>As at December 31, 2025</b>						
Zancudo Project	\$ 16,491	\$ 13,509	\$ 1,257	\$ -	\$ -	\$ 31,257
Lomero Project	-	-	445	79	287	811
Net book value	\$ 16,491	\$ 13,509	\$ 1,702	\$ 79	\$ 287	\$ 32,068

a) As at March 31, 2026, accounts payable and accrued liabilities (Note 6) includes \$2.4 million related to expenditures on mineral property, plant and equipment (December 31, 2025 - \$2.6 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 (Note 9).

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**4. EXPLORATION AND EVALUATION ASSETS**

	Phosphates	Lomero	Toral	Total
<b>Three months ended March 31, 2026</b>				
Opening net book value	\$ -	\$ 46,882	\$ 9,099	\$ 55,981
Additions	-	348	147	495
Share-based compensation	-	22	-	22
Depreciation and amortization capitalized	-	16	-	16
Exchange difference	-	(774)	(144)	(918)
Closing net book value	\$ -	\$ 46,494	\$ 9,102	\$ 55,596
<b>Year ended December 31, 2025</b>				
Opening net book value	\$ 1,040	\$ 39,642	\$ 7,465	\$ 48,147
Additions	-	1,753	666	2,419
Impairment	(1,221)	-	-	(1,221)
Share-based compensation	-	24	-	24
Depreciation and amortization capitalized	-	56	-	56
Exchange difference	181	5,407	968	6,556
Closing net book value	\$ -	\$ 46,882	\$ 9,099	\$ 55,981

a) As at March 31, 2026, accounts payable and accrued liabilities (Note 6) includes \$0.2 million related to expenditures on E&E assets (December 31, 2025 - \$0.2 million).

*b) Lomero Project*

The Company owns a 100% interest in the Lomero Project which is located in the Iberian Pyrite Belt in southern Spain. The Lomero Project comprises the Rubia Investigation Permit which covers the areas occupied by the former Lomero-Poyatos Concessions and the mine within them, the adjacent Palomarejo Investigation Permit and the Cruzadillo Investigation Permit which is located less than 1 km from the Rubia and Palomarejo Investigation Permits. The Lomero Project is subject to a 2% NSR on production from the project, payable in cash.

In August 2021, the Company, through Alto, entered into an agreement with the creditors of Corporation de Recursos Iberia SL ("CRI") pursuant to which it agreed to acquire all the assets of CRI related to the Lomero Project, including, but not limited to, physical assets, lands, warehouse and exploration assets, in exchange for making payments to the creditors of CRI. CRI was involved in a bankruptcy process in Spain and, on May 23, 2024, the Commercial Court nº 12 of Madrid approved the Company's agreement with the creditors of CRI. In aggregate, the Company agreed to pay a total of EUR 1.9 million (equivalent to approximately \$2.2 million) to the creditors of CRI, including EUR 1.3 million (equivalent to \$1.5 million) that will be paid in five instalments over a four-year period. As at March 31, 2026, the Company has paid EUR 0.7 million (equivalent to \$0.8 million) and there is EUR 1.2 million (equivalent to \$1.4 million), included in accounts payable and accrued liabilities (Note 6), that is remaining to be paid over the next three years.

*c) Toral Project*

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

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

The Company has a 21.8% 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 it has joint control over RNR and therefore accounts for its 21.8% interest in RNR as an investment in joint venture using the equity method.

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:

	March 31, 2026	December 31, 2025
Total current assets	\$ 3,744	\$ 472
Total non-current assets	73,921	74,544
Total current liabilities	(4,475)	(4,202)
Total non-current liabilities	(18,437)	(14,908)
<b>Total net assets</b>	<b>\$ 54,753</b>	<b>\$ 55,906</b>
	Three Months Ended March 31,	
	2026	2025
Revenue	\$ -	\$ -
Net loss	239	163
Other comprehensive loss	(914)	-

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

	Amount
Net assets of RNR at January 1, 2025	\$ 47,580
Net income for the year ended December 31, 2025	113
Capitalization of advances from RNR Shareholder Group	1,744
Foreign currency translation adjustments	6,469
Net assets of RNR at December 31, 2025	55,906
Net loss for the three months ended March 31, 2026	(239)
Foreign currency translation adjustments	(914)
Net assets of RNR at March 31, 2026	54,753
Equity interest	21.8%
<b>Investment in joint venture at March 31, 2026</b>	<b>\$ 11,936</b>

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

	Amount
<b>As at January 1, 2025</b>	<b>\$ 9,992</b>
Equity share of income in RNR	31
Equity share of other comprehensive income	1,370
Gain resulting from capitalization of advances in the joint venture	794
<b>As at December 31, 2025</b>	<b>12,187</b>
Equity share of loss in RNR	(51)
Exchange difference	(200)
<b>As at March 31, 2026</b>	<b>\$ 11,936</b>

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The Company has been assigned the responsibility for arranging the financing on behalf of RNR for the capital expenditures required to restart the Aguablanca Project. Since the beginning of 2025, the Company has also advanced EUR 3.1 million (approximately \$3.6 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%. As at March 31, 2026, the total advances and interest receivable from the joint venture amount to \$3.7 million (December 31, 2025 - \$3.2 million). Repayment of the advances and interest 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 Company 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 for the reactivation of the Aguablanca Project. In late March and early April 2026, RNR closed a private placement in two tranches of five-year, 12% secured notes issued by RNR (the "RNR Notes") for total gross proceeds of \$7.5 million. The RNR Notes are secured solely by certain assets and rights of the Aguablanca Project and are non-recourse to the Company or its other subsidiaries.

The Executive Chairman and the Chief Executive Officer of the Company acquired a total of approximately \$2.7 million of the RNR Notes. This related party transaction, occurring in the normal course of operations, was measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	March 31, 2026	December 31, 2025
Related to operating, general and administrative expenses	\$ 2,330	\$ 1,021
Related to expenditures for mineral property, plant and equipment (Note 3)	2,380	2,624
Related to expenditures for E&E assets (Note 4)	244	175
Related to acquisition of CRI assets, including transaction costs	1,366	1,348
DSU liabilities	53	3
Total accounts payable and accrued liabilities	6,373	5,171
Non-current portion related to expenditures for mineral property, plant and equipment	(596)	(638)
Non-current portion related to acquisition of CRI assets	(523)	(502)
Current portion	\$ 5,254	\$ 4,031

**7. SHORT-TERM BORROWINGS**

	March 31, 2026	December 31, 2025
Financial institutions	\$ 1,411	\$ 1,377
Current portion	\$ 1,411	\$ 1,377

*Financial Institutions*

As at March 31, 2026, the Company has borrowings under other short-term facilities with financial institutions totalling approximately \$1.4 million (December 31, 2025 - \$1.4 million) to fund expenditures related to its Zancudo Project while it awaits receipt of funds under the Zancudo Prepayment Facility. 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**

	March 31, 2026	December 31, 2025
Convertible Debentures Series 1 (Note 8a)	\$ 44,280	\$ 37,220
Convertible Debentures Series 2 (Note 8b)	23,594	18,339
Total Convertible Debentures	\$ 67,874	\$ 55,559

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a) *Convertible Debentures Series 1*

	Number	Amount
<b>As at January 1, 2025</b>	<b>19,556,000</b>	<b>\$ 19,379</b>
Conversions	(35,000)	(40)
Change in FVTPL	-	15,954
Change in FVOCI due to changes in credit risk	-	282
Issuance of consent fee debentures	365,560	495
Exchange difference	-	1,150
<b>As at December 31, 2025</b>	<b>19,886,560</b>	<b>\$ 37,220</b>
Change in FVTPL	-	7,841
Change in FVOCI due to changes in credit risk	-	(158)
Exchange difference	-	(623)
<b>As at March 31, 2026</b>	<b>19,886,560</b>	<b>\$ 44,280</b>

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.

The following table summarizes the common shares issued by the Company during the period ended March 31, 2026 to settle the monthly interest payments for the Convertible Debentures Series 1:

Interest Period	Number	Amount
January	284,094	\$ 145
February	368,270	145
March	228,581	144
<b>Total</b>	<b>880,945</b>	<b>\$ 434</b>

On February 2, 2026, the Company issued a total of 8,645,816 common shares and paid withholding taxes in cash of approximately \$18,000 to settle the quarterly gold premium payments for the Convertible Debentures Series 1 due on January 31, 2026 totaling approximately CA\$6.1 million (equivalent to approximately \$4.4 million).

During the three months ended March 31, 2026, the Company recorded a gain of approximately \$0.4 million on the settlement of the monthly interest and gold premiums on the Convertible Debentures Series 1 arising from the change in the Company's share price between the measurement dates in the determination of the number of shares to be issued and the issuance date of the shares to the holders.

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Subsequent to March 31, 2026, the Company issued a total of 218,534 common shares to settle the monthly interest payment for the Convertible Debentures Series 1 for April 2026 totaling approximately CA\$0.2 million (equivalent to approximately \$0.1 million). In addition, the Company issued a total of 6,651,313 common shares and paid withholding taxes in cash of approximately \$18,000 to settle the quarterly gold premium payments for the Convertible Debentures Series 1 due on April 30, 2026 totaling approximately CA\$6.1 million (equivalent to approximately \$4.5 million).

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 March 31, 2026 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\$1.01 per share, share price volatility of 111.97%, risk free interest rate of 2.26%, dividend yield of 0.00% and credit spread of 50.65%. In valuing the Convertible Debentures Series 1, the Company applied a liquidity discount of 24.69% from the Black-Scholes value.

During the three months ended March 31, 2026, the Company recorded a loss on fair value of \$7.8 million (2025 – \$2.0 million) related to the Convertible Debentures Series 1 in the statement of operations. The Company also recorded a fair value gain of \$0.2 million during the three months ended March 31, 2026 (2025 – \$0.1 million gain) related to the change in credit risk associated with the Convertible Debentures Series 1 in the statement of other comprehensive income.

b) *Convertible Debentures Series 2*

	Number	Amount
<b>As at January 1, 2025</b>	<b>14,030,460</b>	<b>\$ 10,107</b>
Conversions	(30,600)	(25)
Change in FVTPL	-	7,327
Change in FVOCI due to changes in credit risk	-	88
Issuance of consent fee debentures	272,454	266
Exchange difference	-	576
<b>As at December 31, 2025</b>	<b>14,272,314</b>	<b>\$ 18,339</b>
Change in FVTPL	-	5,653
Change in FVOCI due to changes in credit risk	-	(67)
Exchange difference	-	(331)
<b>As at March 31, 2026</b>	<b>14,272,314</b>	<b>\$ 23,594</b>

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.

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

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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.

The following table summarizes the common shares issued by the Company during the period ended March 31, 2026 to settle the monthly interest payments for the Convertible Debentures Series 2:

Interest period	Number	Amount
January	203,891	\$ 104
February	264,302	104
March	164,049	104
Total	632,242	\$ 312

During the three months ended March 31, 2026, the Company recorded a loss of approximately \$0.1 million on the settlement of the monthly interest on the Convertible Debentures Series 2 arising from the change in the Company's share price between the measurement dates in the determination of the number of shares to be issued and the issuance date of the shares to the holders.

Subsequent to March 31, 2026, the Company issued a total of 156,839 common shares to settle the monthly interest payments for the Convertible Debentures Series 2 for April 2026 totaling approximately CA\$0.1 million (equivalent to approximately \$0.1 million).

On May 4, 2026, the Company issued 34,680 common shares on the conversion of CA\$20,808 principal amount of 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"). 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 September 9, 2025, the Company issued 26,000 common shares on the conversion of CA\$15,600 principal amount of Convertible Debentures Series 2.

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.

The fair value of the liability component of the Convertible Debentures Series 2 at March 31, 2026 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\$1.01 per share, share price volatility of 107.16%, risk free interest rate of 2.26%, dividend yield of 0.00% and credit spread of 50.65%. In valuing the Convertible Debentures Series 2, the Company applied a liquidity discount of 25.69% from the Black-Scholes value.

During the three months ended March 31, 2026, the Company recorded a loss on fair value of \$5.7 million (2025 – \$0.9 million loss), related to the Convertible Debentures Series 2 in the statement of operations. The Company also recorded a gain of \$0.1 million in the three months ended March 31, 2026 (2025 – \$0.1 million gain), related to the change in credit risk associated with the Convertible Debentures Series 2 in the statement of other comprehensive income.

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**9. ZANCUDO NET SMELTER ROYALTY (“NSR”) LIABILITY**

As at January 1, 2025	\$ 5,336
Recognition of the balance of the Year 1 MPA obligation	187
Settlement of the Year 1 MPA obligation with units on April 30, 2025	(750)
Accretion (Note 16)	52
NSR recognized in the year	40
NSR paid in the year	(11)
Recognition of a portion of the Year 2 MPA obligation	522
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As at December 31, 2025	\$ 5,376
NSR recognized in the period	94
NSR paid in the period	(29)
Recognition of the balance of the Year 2 MPA obligation	94
Accretion (Note 16)	13
<hr/>	
Total carrying value of the Zancudo NSR payable as at March 31, 2026	\$ 5,548
Less: current portion, represented by the Year 2 MPA obligation recognized	(709)
<hr/>	
Non-current portion	\$ 4,839

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 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.

The Zancudo NSR agreement includes a Minimum Payment Adjustment (“MPA”) obligation 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 MPA obligation represents the difference between \$750,000 and the aggregate amount of actual royalties paid to the Zancudo NSR holders during the preceding 12-month period. Once commercial production is achieved, the MPA obligation is cancelled.

On April 30, 2025, the Company issued an aggregate of 2,083,500 units to the Zancudo NSR holders in exchange for the cancellation of the \$750,000 MPA 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.

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.

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**10. ZANCUDO PREPAYMENT FACILITY**

As at January 1, 2025	\$ -
Advances received	5,000
Facility fees and expenses	(573)
Interest capitalized to principal during the Grace Period (Note 16)	268
Accretion (Note 16)	184
Gain on modification of payment schedule	(311)
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As at December 31, 2025	\$ 4,568
Interest capitalized to principal during the Grace Period (Note 17)	119
Accretion (Note 17)	92
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Total carrying value of the Zancudo Prepayment Facility as at March 31, 2026	\$ 4,779
Less: current portion	(1,866)
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Non-current portion	\$ 2,913

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 instalments as the Company reaches certain milestones related to construction activities at its Zancudo Project. In February and October 2025, the Company received the first two advances of \$2.5 million each under the Zancudo Prepayment Facility.

Advances under the Zancudo Prepayment Facility bear interest at the three-month Secured Overnight Financing Rate (“SOFR”) plus 6% (February 25, 2026 – 9.7%). Interest is being capitalized to the principal amount borrowed under the Zancudo Prepayment Facility until June 30, 2026 (the “Grace Period”). On December 1, 2025, the Grace Period was extended to June 30, 2026 to align with the expected completion of the primary construction milestones. This amendment resulted in a gain on modification of the payment schedule of \$0.3 million.

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 \$0.5 million has been offset against the fair value of the first and second advances and the balance of \$0.5 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 18.22%.

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**11. LEASES**

The lease obligations are summarized as follows:

	Maturity	Currency	Interest rate	March 31, 2026	December 31, 2025
Leases	2030	EUR	7.90%	\$ 252	\$ 299
Leases	2029	COP	12.90%	302	-
Total lease obligations				554	299
Less: current portion				267	177
Non-current portion				\$ 287	\$ 122

The table below summarizes the changes in the lease obligation during the three months ended March 31, 2026:

	Amount
As at January 1, 2026	\$ 299
Additions	306
Accretion	9
Lease payments	(55)
Exchange difference	(5)
As at March 31, 2026	\$ 554

The undiscounted and discounted future lease payments are as follows:

	March 31, 2026	December 31, 2025
Within one year	\$ 308	\$ 194
More than one year	318	135
Total undiscounted lease obligations	626	329
Amount representing interest	(72)	(30)
Lease obligations – discounted	\$ 554	\$ 299

During the three months ended March 31, 2026, the Company recognized total payments in the consolidated statement of cash flows in the amount of \$55,000 (2025 - \$44,000).

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

	2026	2027	2028	Thereafter	Total
Total payments	\$ 233	\$ 186	\$ 148	\$ 59	\$ 626

**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.

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b) *Issued and fully paid*

A summary of the change in the issued and outstanding common shares during the three-month period ended March 31, 2026 is as follows:

	Shares	Amount
<b>Balance, January 1, 2026</b>	<b>151,613,060</b>	<b>\$ 130,694</b>
Exercise of Listed warrants	49,100	325
Exercise of Rights Warrants	21,835,228	11,864
Exercise of 2023 Private Placement Warrants	8,434,625	4,503
Exercise of 2024 Private Placement Warrants	13,635	11
Exercise of Convertible Debenture Warrants	255,000	157
Exercise of November 2025 Warrants	710,040	473
Exercise of June 2025 LIFE Offering Warrants	2,327,000	1,457
Exercise of options	300,000	175
Settlements of interest on Convertible Debentures (Notes 8a, 8b)	1,513,187	1,033
Settlement of gold premiums on Convertible Debentures Series 1 (Note 8a)	8,645,816	3,791
<b>Balance, March 31, 2026</b>	<b>195,696,691</b>	<b>\$ 154,483</b>

Subsequent to March 31, 2026, the Company issued additional common shares as follows:

- on April 8, 2026, the Company issued 2,529,000 common shares at a price of CA\$0.76 per share for an aggregate value of \$1.4 million pursuant to a definitive agreement with a local contractor for the construction, installation, operation and maintenance of the gold ore concentration plant at the Company's Zancudo Project;
- the Company issued a total of 6,662,500 common shares for the exercises of warrants (Note 12c);
- on April 30, 2026, the Company issued a total of 375,373 common shares to settle the monthly interest payments for April 2026 totaling approximately CA\$0.3 million (equivalent to approximately \$0.2 million) for the Convertible Debentures (Notes 8a, 8b); and,
- on April 30, 2026, the Company issued a total of 6,651,313 common shares to settle the quarterly gold premium payment for April 2026 totaling approximately CA\$6.1 million (equivalent to approximately \$4.4 million) for the Convertible Debentures Series 1 (Note 8a).

c) *Share Purchase Warrants*

A summary of the change in the share purchase warrants outstanding during the three months ended March 31, 2026 is as follows:

	Outstanding	Common shares issuable	Weighted average exercise price per common share (CA\$)
<b>Balance, January 1, 2026</b>	<b>170,272,152</b>	<b>102,048,822</b>	<b>\$ 1.18</b>
Exercise of Listed warrants <sup>(1)</sup>	(491,000)	(49,100)	8.00
Exercise of Rights Warrants <sup>(1)</sup>	(21,835,228)	(21,835,228)	0.60
Exercise of 2023 Private Placement Warrants <sup>(1)</sup>	(8,434,625)	(8,434,625)	0.60
Exercise of 2024 Private Placement Warrants <sup>(1)</sup>	(13,635)	(13,635)	0.85
Exercise of Convertible Debenture Warrants <sup>(1)</sup>	(255,000)	(255,000)	0.60
Exercise of November 2025 Warrants <sup>(1)</sup>	(710,040)	(710,040)	0.70
Exercise of June 2025 LIFE Offering Warrants <sup>(1)</sup>	(2,327,000)	(2,327,000)	0.66
Expiration of Rights Warrants	(1,402,226)	(1,402,226)	0.60
Expiration of Listed warrants	(74,509,000)	(7,450,900)	8.00
Expiration of finder's warrants	(803,700)	(80,370)	8.00
<b>Balance, March 31, 2026</b>	<b>59,490,698</b>	<b>59,490,698</b>	<b>\$ 0.65</b>

(1) Cash proceeds from the warrants exercised during the three months ended March 31, 2026 amounted to CA\$20,752,150.

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As at March 31, 2026, the Company had the following warrants issued and outstanding:

	Number of warrants	Shares Issuable	Exercise price per share	Expiry date
2023 Private Placement Warrants	7,575,000	7,575,000	CA\$0.60	April 4, 2026
2024 Private Placement Warrants	4,135,514	4,135,514	CA\$0.85	October 31, 2026
Convertible Debenture Warrants	6,443,014	6,443,014	CA\$0.60	May 30, 2027
Zancudo Prepayment Facility warrants	3,000,000	3,000,000	CA\$0.74	February 7, 2028
March 2025 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
November 2025 Warrants	11,914,960	11,914,960	CA\$0.70	November 19, 2028
November 2025 LIFE Offering Broker Warrants	447,780	447,780	CA\$0.50	November 19, 2028
June 2025 LIFE Offering Warrants	9,893,309	9,893,309	CA\$0.66	June 20, 2030
June 2025 LIFE Offering Broker Warrants	859,621	859,621	CA\$0.66	June 20, 2030
	59,490,698	59,490,698		

Subsequent to March 31, 2026, the Company received a total of approximately CA\$4.0 million (equivalent to approximately \$2.9 million) in cash through the issuance of a total of 6,662,500 common shares for the exercises of warrants. On April 4, 2026, a total of 912,500 of the 2023 Private Placement Warrants expired unexercised.

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.

A summary of the change in the stock options outstanding during the three months ended March 31, 2026 is as follows:

	Outstanding	Weighted average exercise price per common share (CA\$)
<b>Balance, January 1, 2026</b>	<b>14,532,500</b>	<b>\$ 0.97</b>
Granted	200,000	0.83
Exercised <sup>(1)</sup>	(300,000)	0.52
Cancelled	(90,000)	4.45
<b>Balance, March 31, 2026</b>	<b>14,342,500</b>	<b>\$ 0.96</b>

(1) Cash proceeds from options exercised during the three months ended March 31, 2026 amounted to CA\$156,000. The share price at the date the stock options were exercised was CA\$0.82.

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

	Three months ended March 31,	
	2026	2025
Total share-based compensation recognized in the period		
Stock options granted in 2024	\$ -	\$ 17
Stock options granted in 2025	733	-
Stock options granted in 2026	17	-
DSUs (Note 12e)	50	-
	800	17
Less: amounts capitalized to mineral property and E&E assets (Notes 3, 4)	(111)	-
<b>Share-based compensation expense</b>	<b>\$ 689</b>	<b>\$ 17</b>

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The table below summarizes information about the stock options outstanding and as at March 31, 2026:

Expiry date	Stock Options Outstanding	Vested Stock Options	Remaining contractual life in years	Exercise price (CA\$/share)
June 30, 2026	415,000	415,000	0.2	\$ 4.45
July 25, 2026	200,000	200,000	0.3	0.55
November 22, 2026	260,000	260,000	0.6	6.50
May 3, 2028	3,500,000	3,500,000	2.1	0.52
February 8, 2029	200,000	200,000	2.9	0.59
July 11, 2029	200,000	200,000	3.3	0.59
April 16, 2030	4,600,000	-	4.0	0.59
August 27, 2030	127,500	127,500	4.4	1.00
December 22, 2030	4,150,000	-	4.7	0.67
January 23, 2031	200,000	-	4.8	0.83
February 19, 2031	490,000	490,000	4.9	4.50
	14,342,500	5,392,500	3.6	\$ 0.96

A summary of the inputs used in the determination of the fair value of the stock options granted during the three months ended March 31, 2026 is as follows:

Grant date	January 23, 2026
Number of stock options granted	200,000
Term	5 years
Vesting	1 year
Weighted average Black-Scholes option pricing model inputs	
Market price per share	CA\$0.83
Exercise price per share	CA\$0.83
Dividends expected	Nil
Expected volatility	101.49%
Risk-free interest rate	2.88%
Expected life of options	5 years
Fair value per option	\$ 0.46

e) *DSU plan*

A summary of the changes in the DSU liability during the three months ended March 31, 2026 is as follows:

	Amount
<b>As at January 1, 2026</b>	<b>\$ 3</b>
Share-based compensation expense	
Recognized	50
Exchange difference	-
<b>As at March 31, 2026</b>	<b>\$ 53</b>

On December 22, 2025, the Company granted a total of approximately \$0.1 million of DSUs to its three non-executive directors representing a total of 268,656 DSUs at a price of CA\$0.67 per share that will vest on December 22, 2026. If a director ceases to be a director, other than through a change of control, any unvested DSUs will be forfeited and will not be paid to the director. On a change of control, all unvested DSUs will immediately vest.

The DSU liability at March 31, 2026 was determined based on the Company's closing share price, a level 1 fair value input, of CA\$1.01 (approximately \$0.73) per share.

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f) *Loss per share*

For the three-month periods ended March 31, 2026 and 2025, the stock options and warrants were anti-dilutive.

**13. FINANCIAL RISK MANAGEMENT**

a) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is primarily associated with the advances to the joint venture, other receivables and cash and cash equivalents. The Company reviews the recoverable amount of its financial assets at each statement of financial position date to ensure that adequate provision is made for expected credit losses on a timely basis.

None of the Company's financial assets are deemed to be in default and there are no other events that have occurred that indicate a significant increase in credit risk. As such, the expected credit loss allowance was calculated based on the 12-month expected credit losses. For all financial assets measured at amortized cost, the Company calculates the expected credit loss based on contractual payment terms of the asset. The exposure to credit risk is influenced by the individual characteristics and the long- and short-term nature of the counterparty.

Repayment of the Company's advances to the joint venture will be made over a maximum period of five years following the start of operations at the Aguablanca Project. RNR has had no events of default on shareholder or external loans or borrowings since it was acquired by the current shareholder group, and as such, management considers the probability of default, and thus the expected credit loss, to be minimal.

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 three months ended March 31, 2026 and 2025, 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 March 31, 2026 in USD, EUR and COP arising from foreign currency monetary assets and liabilities and foreign currency components:

	USD	EUR	COP
Cash	\$ 13	\$ 302	\$ 494
Other receivables	-	85	2,448
Investment in joint venture	-	11,939	-
Advances to joint venture	-	3,707	-
Accounts payable and accrued liabilities	(168)	(1,620)	(3,604)
Short-term borrowings	-	-	(1,411)
Lease obligations	-	(252)	-
Other liabilities	-	(248)	-
<b>Net financial assets (liabilities)</b>	<b>\$ (155)</b>	<b>\$ 13,913</b>	<b>\$ (2,073)</b>

Based on the net exposure at March 31, 2026, a 10% depreciation or appreciation of the USD against the CA would result in a \$14,000 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 \$1,265,000 and \$188,000 decrease or increase, respectively in the Company's other comprehensive loss.

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c) *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.

d) *Liquidity risk*

The Company manages its liquidity risk by continuously monitoring forecast cash flow requirements. As at March 31, 2026, the Company has cash and cash equivalents of approximately \$17.9 million. As such, cash inflows are dependent on the Company's ability to successfully achieve commercial production at Zancudo, 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 March 31, 2026 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) <sup>(1)</sup>	\$ 5,377	\$ 1,053	\$ 151	\$ -	\$ 6,581
Short-term borrowings (Note 7)	1,411	-	-	-	1,411
Convertible Debentures (Note 8) <sup>(2)</sup>	-	-	24,547	-	24,547
Convertible Debentures interest and Gold Premiums (Note 8) <sup>(3)</sup>	26,450	62,268	26,181	-	114,899
Zancudo NSR liability (Note 9) <sup>(4)</sup>	709	1,500	5,750	-	7,959
Zancudo Prepayment Facility (Note 10) <sup>(5)</sup>	1,731	3,269	-	-	5,000
Lease obligations (Note 11)	280	300	46	-	626
Other liabilities	-	75	100	73	248
<b>Total</b>	<b>\$ 35,958</b>	<b>\$ 68,465</b>	<b>\$ 56,775</b>	<b>\$ 73</b>	<b>\$ 161,271</b>

- (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 March 31, 2026.
- (2) Represents the principal amount of the Convertible Debentures as at March 31, 2026 due at maturity.
- (3) The interest and Gold Premiums payable are calculated based on the current principal balances outstanding as at March 31, 2026. Interest is charged based on 12% per annum. The computation of the future Gold Premiums payable assumes the London P.M. Gold Fix remains in excess of the \$4,000 per ounce maximum amount (Note 8) at each of the quarterly measurement dates. Interest on the Convertible Debentures for April and May 2026 and the April 2026 Gold Premium payment for the Convertible Debentures Series 1 have not been included in the table as they are being settled with common shares of the Company.
- (4) Represents the annual Zancudo NSR MPA obligation and the Put Option, both of which are cancelled once the Zancudo Project attains commercial production.
- (5) Represents the principal amount of the first and second advances drawn under the Zancudo Prepayment Facility.

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 \$42.7 million (December 31, 2025 – \$40.0 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.

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**14. CHANGES IN NON-CASH WORKING CAPITAL ITEMS**

	Three months ended March 31,	
	2026	2025
Other receivables	\$ (1,925)	\$ (70)
Inventories	(464)	-
Prepaid expenses and deposits	(34)	62
Accounts payable and accrued liabilities	1,114	(177)
	<b>\$ (1,309)</b>	<b>\$ (185)</b>

**15. REVENUE**

	Three months ended March 31,	
	2026	2025
Gold	\$ 2,888	\$ -
Silver	639	-
	<b>\$ 3,527</b>	<b>\$ -</b>

**16. FINANCE COSTS**

	Three months ended March 31,	
	2026	2025
Convertible Debentures interest expense (Notes 8a, 8b)	\$ 746	\$ 703
Convertible Debentures Series 1 gold premiums (Note 8a)	4,442	-
Zancudo NSR MPA obligation (Note 9)	93	187
Accretion of Zancudo NSR liability (Note 9)	13	13
Interest on Zancudo Prepayment Facility (Note 10)	121	28
Accretion of Zancudo Prepayment Facility (Note 10)	90	4
Interest on Brockville Promissory Notes	-	21
Interest on other short-term borrowing facilities (Note 7)	62	38
Total borrowing costs	5,567	994
Less: amount capitalized to mineral property (Note 3)	(820)	(287)
Net borrowing costs expensed	4,747	707
Accretion of amount payable related to acquisition of CRI assets	41	44
Accretion of lease obligations (Note 11)	7	2
Convertible Debentures Series 2 issue costs	-	-
Other financing costs	-	56
	<b>\$ 4,795</b>	<b>\$ 809</b>

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

**17. EXPENSES BY NATURE**

During the three months ended March 31, 2026, general and administrative expenses included \$0.4 million of salaries and other employee benefits (2025 - \$0.4 million).

**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 RNR joint venture in Spain and its corporate functions in Canada as its reportable segments.

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	Colombia	Spain	Corporate	Total
<b>Three months March 31, 2026</b>				
Revenue	\$ 3,527	\$ -	\$ -	\$ 3,527
Gross profit	1,473	-	-	1,473
Income (loss) from operations	1,112	(103)	(1,734)	(725)
Net income (loss)	1,155	(159)	(19,406)	(18,410)
Capital expenditures (Notes 3, 4)	1,602	495	-	2,097
<b>As at March 31, 2026</b>				
Total assets	\$ 39,399	\$ 72,636	\$ 17,417	\$ 129,452
Total liabilities	16,146	2,120	68,521	86,787
<b>Year ended December 31, 2025</b>				
Revenue	\$ 1,656	\$ -	\$ -	\$ 1,656
Gross profit	552	-	-	552
Loss from operations	(1,232)	(344)	(5,179)	(6,755)
Net loss	(490)	366	(31,028)	(31,152)
Capital expenditures (Notes 3, 4)	4,617	2,775	-	7,392
<b>As at December 31, 2025</b>				
Total assets	\$ 33,776	\$ 72,627	\$ 6,220	\$ 112,623
Total liabilities	14,396	2,125	56,132	72,653