Denarius Metals Corp.

Interim Condensed Consolidated Financial Statements
(Unaudited)

For the three and six months ended June 30, 2026 and 2025

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

	Notes	June 30, 2026	December 31, 2025
ASSETS			
Current			
Cash and cash equivalents		$ 18,947	$ 6,899
Trade and other receivables		2,980	759
Inventories		566	371
Prepaid expenses and deposits	3c	857	664
Deferred financing costs	10	617	458
		23,967	9,151
Non-current			
Mineral property, plant and equipment	3	42,925	32,068
Exploration and evaluation assets	4	55,555	55,981
Investment in joint venture	5	11,697	12,187
Advances to joint venture	5	1,766	3,236
Total assets		$ 135,910	$ 112,623
LIABILITIES AND EQUITY			
Current			
Accounts payable and accrued liabilities	6	$ 5,565	$ 4,031
Short-term borrowings	7	1,567	1,377
Income tax payable		155	-
Debentures	8	51,573	55,559
Current portion of Zancudo NSR liability	9	188	551
Current portion of Zancudo Prepayment Facility	10	3,513	1,216
Current portion of lease obligations	11	192	177
		62,753	62,911
Non-current			
Accounts payable and accrued liabilities	6	771	1,140
Zancudo NSR liability	9	4,851	4,825
Zancudo Prepayment Facility	10	4,562	3,352
Lease obligations	11	276	122
Other liabilities		246	303
Total liabilities		73,459	72,653
Equity			
Share capital	12b	164,349	130,694
Share purchase warrants	12c	10,002	19,844
Contributed surplus	12d	13,096	5,763
Accumulated other comprehensive income		2,762	1,287
Deficit		(127,758)	(117,618)
Total equity		62,451	39,970
Total liabilities and shareholders’ equity		$ 135,910	$ 112,623

Basis of presentation and going concern **(Note 2)**
Subsequent events **(Notes 8a, 8b, 9, 12b, 12d, 19)**

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, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Revenue	15	4,920	$ 49	$ 8,447	$ 49
Costs of sales		(3,052)	(35)	(5,106)	(35)
Gross profit		1,868	14	3,341	14
General and administrative expenses	17	(1,673)	(1,157)	(3,182)	(2,422)
Share-based compensation	12d	(392)	(270)	(1,081)	(287)
Loss from operations		(197)	(1,413)	(922)	(2,695)
Other income (expense)					
Finance income		145	27	237	37
Finance costs	16	(7,818)	(1,258)	(12,613)	(2,067)
Gain (loss) on financial instruments	8	15,511	(1,195)	2,017	(4,092)
Gain on settlement of interest on Debentures	8	459	54	798	54
Gain (loss) on settlement of Zancudo NSR MPA	9	171	(1,036)	171	(1,036)
Wealth tax		(124)	-	(124)	-
Equity share of loss in joint venture	5	(106)	(29)	(157)	(64)
Foreign exchange gain (loss)		694	(162)	918	608
Income (loss) before income tax		**8,735**	**(5,012)**	**(9,675)**	**(9,255)**
Current income tax expense		(465)	-	(465)	-
Net income (loss)		**8,270**	**(5,012)**	**(10,140)**	**(9,255)**
Other comprehensive income (loss):					
Items that will not be reclassified to profit in subsequent periods:					
Unrealized loss on Debentures due to changes in credit risk (nil tax effect)		(203)	(205)	22	38
Items that may be reclassified to profit in subsequent periods:					
Foreign currency translation adjustment (nil tax effect)		1,410	4,586	1,453	7,263
Comprehensive income (loss)		**$ 9,477**	**$ (631)**	**$ (8,665)**	**$ (1,954)**
Basic and diluted earnings (loss) per share		**$ 0.04**	**$ (0.05)**	**$ (0.05)**	**$ (0.09)**
Weighted average number of common shares outstanding		209,356,158	110,031,189	190,049,119	102,782,228

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, 2026	2025
Share capital			
Balance, beginning of period		$ 130,694	$ 116,127
Shares issued on conversion of Series 1 Debentures	8a	-	40
Shares issued on conversion of Series 2 Debentures	8b	35	12
Shares issued to settle interest on Debentures, net of issue costs	8	1,509	195
Shares issued to settle gold premiums on Series 1 Debentures	8	7,807	-
Shares issued to settle Zancudo NSR MPA, net of issue costs	9	437	1,050
Shares issued to settle Zancudo capital expenditures, net of issue costs	3c	1,387	-
Shares issued in 2025 Private Placement, net of issue costs		-	2,676
Shares issued in June 2025 LIFE Offering, net of issue costs		-	2,423
Toral transaction costs settled in shares		-	95
Exercises of options	12d	175	-
Exercises of warrants	12c	22,305	76
Balance, end of period		164,349	122,694
Share purchase warrants			
Balance, beginning of period		19,844	12,577
Zancudo NSR MPA Warrants issued, net of issue costs		-	725
Zancudo Prepayment Facility warrants issued	10	610	927
2025 Private Placement Warrants issued, net of issue costs		-	1,786
June 2025 LIFE Offering Warrants issued, net of issue costs		-	1,777
June 2025 LIFE Offering Broker Warrants issued		-	229
Expiration of warrants	12c	(6,154)	-
Exercises of warrants	12c	(4,298)	(15)
Balance, end of period		10,002	18,006
Contributed surplus			
Balance, beginning of period		5,763	4,743
Toral transaction costs settled in shares		-	(95)
Share-based compensation	12d	1,240	341
Exercises of options	12d	(61)	-
Expiration of warrants	12c	6,154	-
Balance, end of period		13,096	4,989
Accumulated other comprehensive loss			
Balance, beginning of period		1,287	(7,308)
Unrealized gain (loss) on Debentures due to changes in credit risk (nil tax effect)	8	22	38
Foreign currency translation adjustment		1,453	7,263
Balance, end of period		2,762	(7)
Deficit			
Balance, beginning of period		(117,618)	(86,466)
Net loss		(10,140)	(9,255)
Balance, end of period		(127,758)	(95,721)
Total equity		**$ 62,451**	**$ 49,961**

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, 2026	2025
Operating Activities			
Net loss		$ (10,140)	$ (9,255)
Adjusted for the following items:			
Amortization	3	146	93
Share-based compensation	12d	1,081	287
Finance costs	16	12,613	2,067
(Gain) loss on financial instruments	8	(2,017)	4,092
Gain on settlements of interest and gold premiums on Debentures	8	(798)	(54)
(Gain) loss on settlement of Zancudo NSR MPA	9	(171)	1,036
Equity share of loss in joint venture	5	157	64
Foreign exchange gain		(918)	(608)
Wealth tax expense		124	-
Income tax expense		465	-
Changes in non-cash working capital items:		(1,581)	56
Operating cash flows before taxes		(1,039)	-
Income taxes paid		(84)	-
Net cash used in operating activities		(1,123)	(2,222)
Investing Activities			
Additions to mineral property, plant and equipment	3	(4,498)	(1,957)
Additions to exploration and evaluation assets	4	(949)	(1,264)
Payments related to acquisition of CRI assets	4b	(163)	(5)
Payments related to acquisition of joint venture		-	(263)
Repayment from (advances to) joint venture	5	1,402	(1,893)
Net cash used in investing activities		(4,208)	(5,382)
Financing Activity			
Proceeds from Zancudo Prepayment Facility, net of issue costs	10	3,500	2,396
Proceeds from 2025 Private Placement, net of issue costs		-	3,398
Proceeds from June 2025 LIFE Offering, net of issue costs		-	4,429
Share issue costs related to settlements of interest on Debentures		(12)	-
Other financing costs		-	(60)
Share issue costs related to settlement of Zancudo NSR MPA	9	(8)	(11)
Share issue costs related to settlement of Zancudo capital expenditures	9	(13)	-
Increase in short-term borrowings	7	62	1,537
Change in cash in trust for interest on Series 2 Debentures		-	494
Costs paid in connection with process for early redemption of Debentures	12b	(535)	-
Costs paid in connection with Debentures' consent solicitation process		-	(63)
Interest paid		(2,954)	(1,303)
Decrease in other liabilities		(50)	-
Payment of lease obligations	11	(172)	(119)
Exercises of options	12d	114	-
Exercises of warrants	12c	18,007	61
Net cash provided by financing activities		17,939	10,759
Impact of foreign exchange rate changes on cash and cash equivalents		(560)	127
Increase in cash and cash equivalents		**12,048**	**3,282**
Cash and cash equivalents, beginning of period		6,899	1,130
Cash and cash equivalents, end of period		**$ 18,947**	**$ 4,412**

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 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 August 13, 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 June 30, 2026, the Company reported a net loss of $10.1 million and net cash used in operating activities of $1.1 million. As at June 30, 2026, the Company has cash and cash equivalents of $18.9 million and a working capital deficiency of $38.8 million, including $51.6 million for the Debentures that were fully redeemed on July 31, 2026 (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 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, 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. ("Toral")	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
Six months ended June 30, 2026						
Opening net book value	$ 16,491	$ 13,509	$ 1,702	$ 79	$ 287	$ 32,068
Additions	2,347	2,880	(14)	278	305	5,796
Transfers	-	(1,394)	1,394	-	-	-
Capitalized borrowing costs (Note 16)	1,754	-	-	-	-	1,754
Share-based compensation	182	-	-	-	-	182
Depreciation and amortization	68	-	(84)	(34)	(126)	(176)
Exchange difference	1,764	1,306	201	15	15	3,301
Closing net book value	$ 22,606	$ 16,301	$ 3,199	$ 338	$ 481	$ 42,925
As at June 30, 2026						
Cost	$ 22,606	$ 16,301	$ 3,507	$ 411	$ 773	$ 43,598
Accumulated depreciation and amortization	-	-	(308)	(73)	(292)	(673)
Net book value	$ 22,606	$ 16,301	$ 3,199	$ 338	$ 481	$ 42,925

(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 June 30, 2026						
Zancudo Project	$ 22,606	$ 16,301	$ 2,816	$ 268	$ 296	$ 42,287
Lomero Project	-	-	383	70	185	638
Net book value	$ 22,606	$ 16,301	$ 3,199	$ 338	$ 481	$ 42,925
Year ended December 31, 2025						
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
As at December 31, 2025						
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
As at December 31, 2025						
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) 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).

b) As at June 30, 2026, accounts payable and accrued liabilities (Note 6) includes $2.3 million related to expenditures on mineral property, plant and equipment (December 31, 2025 - $2.6 million).

c) In March 2026, the Company engaged a local civil engineering and industrial construction services firm with extensive experience in extractive industries projects (the “Plant Contractor”) to build and then operate the new processing plant at the Zancudo Project on a contract basis. The Plant Contractor agreed to finance their fees for the plant installation services, valued at $3.0 million, through the issuance of 2,529,000 common shares of the Company at a price of CA$0.76 per share, equivalent to $1.4 million, that were issued in April 2026 and the balance to be settled through the processing fees to be paid to the Plant Contractor by the Company during the operation of the Zancudo plant. As at June 30, 2026, $0.8 million of the amount settled with shares has been included in construction in progress and the balance of $0.6 million associated with future construction services is included in prepaid expenses and deposits.

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

4. EXPLORATION AND EVALUATION ASSETS

	Phosphates	Lomero	Toral	Total
Six months ended June 30, 2026				
Opening net book value	$ -	$ 46,882	$ 9,099	$ 55,981
Additions	-	742	317	1,059
Share-based compensation	-	37	-	37
Depreciation and amortization capitalized	-	30	-	30
Exchange difference	-	(1,308)	(244)	(1,552)
Closing net book value	$ -	$ 46,383	$ 9,172	$ 55,555
Year ended December 31, 2025				
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) The Lomero Project is subject to a 2% NSR on production from the project, payable in cash. The Toral Project is subject to a 1% NSR on any future production of minerals, payable in cash.

b) 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 June 30, 2026, the Company has paid EUR 0.8 million (equivalent to $0.9 million) and there is EUR 1.1 million (equivalent to $1.2 million), included in accounts payable and accrued liabilities (Note 6), that is remaining to be paid over the next three years.

c) As at June 30, 2026, accounts payable and accrued liabilities (Note 6) includes $0.3 million related to expenditures on E&E assets (December 31, 2025 - $0.2 million).

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:

	June 30, 2026	December 31, 2025
Total current assets	$ 921	$ 472
Total non-current assets	73,845	74,544
Total current liabilities	(2,168)	(4,202)
Total non-current liabilities	(18,936)	(14,908)
Total net assets	$ 53,662	$ 55,906

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

	Six Months Ended June 30, 2026	2025
Revenue	$ -	$ -
Net loss	720	310
Other comprehensive loss	1,524	-

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 six months ended June 30, 2026	(720)
Foreign currency translation adjustments	(1,524)
Net assets of RNR at June 30, 2026	53,662
Equity interest	21.8%
Investment in joint venture at June 30, 2026	**$ 11,697**

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

	Amount
As at January 1, 2025	**$ 9,992**
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
As at December 31, 2025	**12,187**
Equity share of loss in RNR	(157)
Exchange difference	(333)
As at June 30, 2026	**$ 11,697**

The Company, in its role as operator of the RNR joint venture, is leading the process to arrange the financing on behalf of RNR for the capital expenditures required to restart the Aguablanca Project. During this financing process, the Company has been making advances to RNR to fund certain costs and expenses. The advances to the joint venture bear interest at a rate equivalent to the quarterly Euribor + 2.5%. As at June 30, 2026, the total advances and interest receivable from the joint venture amount to EUR 1.5 million (equivalent to $1.8 million; December 31, 2025 – EUR 2.8 million, equivalent to $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.

As part of the financing for the restart of the Aguablanca Project, RNR closed a private placement in two tranches in late March and early April 2026 of five-year, 12% secured notes (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.

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

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2026	December 31, 2025
Related to operating, general and administrative expenses	$ 2,336	$ 1,021
Related to expenditures for mineral property, plant and equipment (Note 3b)	2,434	2,624
Related to expenditures for E&E assets (Note 4c)	278	175
Related to acquisition of CRI assets, including transaction costs	1,228	1,348
DSU liabilities	60	3
Total accounts payable and accrued liabilities	6,336	5,171
Non-current portion related to expenditures for mineral property, plant and equipment	(529)	(638)
Non-current portion related to acquisition of CRI assets	(242)	(502)
Current portion	$ 5,565	$ 4,031

7. SHORT-TERM BORROWINGS

As at June 30, 2026, the Company has borrowings under other short-term facilities with foreign financial institutions totalling approximately $1.6 million (December 31, 2025 - $1.4 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. DEBENTURES

	June 30, 2026	December 31, 2025
Series 1 Debentures (Note 8a)	$ 33,340	$ 37,220
Series 2 Debentures (Note 8b)	18,233	18,339
Total Debentures	$ 51,573	$ 55,559

a) *Series 1 Debentures due October 19, 2029*

In October 2023, the Company closed a private placement of senior unsecured convertible debentures (the "Series 1 Debentures", and, together with the Series 2 Debentures, the “Debentures”). The Series 1 Debentures are listed on Cboe Canada under the symbol “DMET.DB”.

	Number	Amount
As at January 1, 2025	**19,556,000**	**$ 19,379**
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
As at December 31, 2025	**19,886,560**	**$ 37,220**
Change in FVTPL	-	(2,589)
Change in FVOCI due to changes in credit risk	-	(51)
Exchange difference	-	(1,240)
As at June 30, 2026	**19,886,560**	**$ 33,340**

The Series 1 Debentures are denominated in units of CA$1.00 principal amount and are convertible at any time 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 Series 1 Debentures 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.

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

Subsequent to June 30, 2026, the Company fully redeemed the Series 1 Debentures on July 31, 2026 (the "Early Redemption Date") after receiving approval from holders of the Series 1 Debentures to amend the indenture governing the Series 1 Debentures to give the Company the right to redeem into its common shares all, but not less than all, of the then outstanding Series 1 Debentures on the Early Redemption Date. The Company also received approval from its shareholders to issue the shares required to complete the early redemption. On the Early Redemption Date, the Company issued a total of 131,252,064 common shares and paid withholding taxes of approximately $0.2 million to fully redeem the Series 1 Debentures, including 44,192,350 common shares related to the conversion of the principal amount of the Series 1 Debentures and 87,059,714 common shares in settlement of make whole payments and consent fees associated with the early redemption. Directors and officers of the Company received a total of 13,480,086 common shares in connection with the early redemption of the Series 1 Debentures.

The Series 1 Debentures bear interest at 12% per annum, paid monthly in equal installments in cash. In addition, 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 Series 1 Debentures. The quarterly gold premium is 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.

In June 2025, the terms of the Series 1 Debentures 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 Series 1 Debentures who responded to the solicitation and consented to the amendments received a consent fee equal to 2% of the number of Series 1 Debentures they held. Based on the consents received, the Company issued a total of 365,560 consent fee debentures to holders of the Series 1 Debentures.

The following table summarizes the common shares issued by the Company during the six months ended June 30, 2026 to settle the monthly interest payments for the Series 1 Debentures:

Interest Period	Number	Amount
January	284,094	$ 145
February	368,270	145
March	228,581	144
April	218,534	146
May	251,729	145
Total	1,351,208	$ 725

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 Series 1 Debentures due on January 31, 2026 totaling approximately CA$6.1 million (equivalent to approximately $4.4 million). On April 30, 2026, the Company issued a total of 6,651,313 common shares and paid withholding taxes in cash of approximately $17,000 to settle the quarterly gold premium payments for the Series 1 Debentures due on that date totaling approximately CA$6.1 million (equivalent to approximately $4.5 million).

In conjunction with the early redemption completed subsequent to June 30, 2026, as approved by both holders of the Series 1 Debentures and shareholders, the Company issued a total of 7,825,595 common shares and paid withholding taxes of approximately $18,000 on the Early Redemption Date to settle the monthly interest payments and the quarterly gold premium payments due on July 31, 2026.

During the three and six months ended June 30, 2026, the Company recorded a gain of approximately $0.5 million and a gain of $0.9 million, respectively, on the settlements of the monthly interest and gold premiums on the Series 1 Debentures 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.

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

The Series 1 Debentures are a financial liability and have been designated at fair value through profit or loss ("FVTPL"). As such, the Series 1 Debentures 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 Series 1 Debentures at June 30, 2026 has been determined using the finite-differences method model and level 2 fair value inputs that capture all the features of the Series 1 Debentures, including the 2023 Conversion Option, gold futures curve, Company share price of CA$0.61 per share, share price volatility of 99.23%, risk free interest rate of 2.28%, dividend yield of 0.00% and credit spread of 50.15%. In valuing the Series 1 Debentures, the Company applied a liquidity discount of 22.96% from the Black-Scholes value.

During the three and six months ended June 30, 2026, the Company recorded a gain on fair value of $10.4 million and a gain on fair value of $2.6 million, respectively (2025 – $0.7 million loss and $2.8 million loss, respectively) related to the Series 1 Debentures in the statement of operations. The Company also recorded a fair value loss of $0.1 million and a gain of $0.1 million during the three and six months ended June 30, 2026 (2025 – $0.1 million loss and a loss of less than $0.1 million, respectively) related to the change in credit risk associated with the Series 1 Debentures in the statement of other comprehensive income.

b) Series 2 Debentures due May 30, 2030

In May and June 2024, the Company closed two tranches of a private placement of convertible debenture units comprised of senior unsecured convertible debentures (the "Series 2 Debentures", and together with the Series 1 Debentures, the "Debentures") and unlisted warrants (the "Convertible Debenture Warrants") of the Company (Note 12c).

	Number	Amount
As at January 1, 2025	**14,030,460**	**$ 10,107**
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
As at December 31, 2025	**14,272,314**	**$ 18,339**
Conversions	(20,808)	(35)
Change in FVTPL	-	572
Change in FVOCI due to changes in credit risk	-	29
Exchange difference	-	(672)
As at June 30, 2026	**14,251,506**	**$ 18,233**

The Series 2 Debentures are denominated in units of CA$1.00 principal amount and are convertible at any time 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"). In May 2026, the Company issued 34,680 common shares on the conversion of CA$20,808 principal amount of Series 2 Debentures. In 2025, the Company issued a total of 51,000 common shares on the conversion of CA$30,600 principal amount of Series 2 Debentures.

The Series 2 Debentures 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.

Subsequent to June 30, 2026, the Company fully redeemed the Series 2 Debentures on the Early Redemption Date after receiving approval from holders of the Series 2 Debentures to amend the indenture governing the Series 2 Debentures to give the Company the right to redeem into its common shares all, but not less than all, of the then outstanding Series 2 Debentures on the Early Redemption Date. The Company also received approval from its shareholders to issue the shares required to complete the early redemption. On the Early Redemption Date, the Company issued a total of 84,398,676 common shares and paid withholding taxes of approximately $0.8 million to fully redeem the Series 2 Debentures, including 23,752,512 common shares related to the conversion of the principal amount of the Series 2 Debentures and 60,646,164 common shares in settlement of make whole payments and consent fees associated with the early redemption. Directors and officers of the Company received a total of 40,429,175 common shares in connection with the early redemption of the Series 2 Debentures.

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

The Series 2 Debentures bear interest at 12% per annum, paid monthly in equal installments in cash. In addition, 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 Series 2 Debentures. The quarterly 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.

In June 2025, the terms of the Series 2 Debentures 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 Series 2 Debentures who responded to the solicitation and consented to the amendments received a consent fee equal to 2% of the number of Series 2 Debentures they held. Based on the consents received, the Company issued a total of 272,454 consent fee debentures to holders of the Series 2 Debentures.

The following table summarizes the common shares issued by the Company during the six months ended June 30, 2026 to settle the monthly interest payments for the Series 2 Debentures:

Interest period	Number	Amount
January	203,891	$ 104
February	264,302	104
March	164,049	104
April	156,839	105
May	180,400	104
Total	969,481	$ 521

In conjunction with the early redemption completed subsequent to June 30, 2026, as approved by both holders of the Series 2 Debentures and shareholders, the Company issued a total of 171,801 common shares and paid withholding taxes of approximately $3,000 on the Early Redemption Date to settle the monthly interest payments due on July 31, 2026.

During the three and six months ended June 30, 2026, the Company recorded a loss of approximately $0.1 million and a loss of $0.1 million, respectively, on the settlement of the monthly interest and gold premiums on the Series 2 Debentures 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.

On June 30, 2026, the Company paid approximately CA$3.6 million (equivalent to approximately $2.5 million) in cash to settle the quarterly gold premium payments for the Series 2 Debentures due on that date.

The Series 2 Debentures are a financial liability and have been designated at FVTPL. As such, the Series 2 Debentures 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 Series 2 Debentures at June 30, 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$0.61 per share, share price volatility of 99.23%, risk free interest rate of 2.28%, dividend yield of 0.00% and credit spread of 50.15%. In valuing the Convertible Debentures Series 2, the Company applied a liquidity discount of 24.16% from the Black-Scholes value.

During the three and six months ended June 30, 2026, the Company recorded a gain on fair value of $5.1 million and a loss on fair value of $0.6 million, respectively (2025 – $0.5 million loss and $1.3 million loss, respectively) related to the Series 2 Debentures in the statement of operations. The Company also recorded a fair value loss of $0.1 million and a loss of less than $0.1 million during the three and six months ended June 30, 2026 (2025 – $0.1 million loss and a gain of $0.1 million, respectively) related to the change in credit risk associated with the Series 2 Debentures in the statement of other comprehensive income.

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

9. ZANCUDO NET SMELTER ROYALTY ("NSR") PAYABLE

As at January 1, 2025	$	5,336
Recognition of the balance of the Year 1 Minimum Payment Adjustment ("MPA")		187
Settlement of the Year 1 MPA with units in April 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		522
As at December 31, 2025	$	5,376
NSR recognized in the period		227
NSR paid in the period		(123)
Recognition of the balance of the Year 2 MPA		94
Settlement of the Year 2 MPA with shares in June 2026		(616)
Recognition of a portion of the Year 3 MPA		55
Accretion (Note 16)		26
Total carrying value of the Zancudo NSR payable as at June 30, 2026	$	5,039
Less: current portion, represented by the Year 2 MPA recognized		(188)
Non-current portion	$	4,851

In March 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 ("Year 1"), 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. In June 2026, the Company issued an aggregate of 1,052,531 common shares to the Zancudo NSR holders in exchange for the cancellation of the $0.6 million MPA obligation for the second year ended March 31, 2026 ("Year 2").

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.

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

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)
As at December 31, 2025	$ 4,568
Advances received	3,500
Facility fees and expenses	(466)
Interest capitalized to principal during the Grace Period (Note 16)	256
Accretion (Note 16)	217
Total carrying value of the Zancudo Prepayment Facility as at June 30, 2026	$ 8,075
Less: current portion	(3,513)
Non-current portion	$ 4,562

In April 2024, the Company signed a commercial offtake 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 the offtake agreement, the Company executed a prepayment agreement in February 2025 with Trafigura (the "Zancudo Prepayment Facility") for up to $9.0 million in advances to fund construction of the Zancudo Project to be received by the Company in three instalments on the achievement of specified milestones at the Zancudo Project. The Zancudo Prepayment Facility is secured by certain assets of the Company related to its Zancudo Project.

In February and October 2025, the Company received the first two advances totaling $5.0 million. In June 2026, the Company received the third advance of $3.5 million and capitalized $0.5 million of interest accrued to-date on the first two advances received in 2025, bringing the total proceeds received under the Trafigura Prepayment Facility to $9.0 million as at June 30, 2026.

Advances under the Zancudo Prepayment Facility bear interest at the three-month Secured Overnight Financing Rate ("SOFR") plus 6% (9.73% as of June 26, 2026).

In June 2026, the Company executed an amendment (the "Amended Zancudo Prepayment Facility") with Trafigura to increase the Zancudo Prepayment Facility from $9.0 million to $16.0 million. The fourth advance of up to $7.0 million may be drawn at the Company's request in one or more tranches over the six-month period ending December 31, 2026 and will be used to fund the Company's current exploration drilling campaign and to accelerate certain mine development at the Zancudo Project.

Pursuant to the Amended Zancudo Prepayment Facility, principal repayments of the first two advances, totaling $5.0 million, will be made, together with interest, in equal monthly amounts in cash over a 26-month period commencing July 1, 2026. Principal repayments of the third advance of $4.0 million, together with interest, will commence on January 1, 2027 in equal monthly amounts in cash over the ensuing 20-month period. Principal repayments of the fourth advance of up to $7.0 million, including interest capitalized on the third and fourth advances during the six-month period ending December 31, 2026, together with interest, will commence on January 1, 2027 in equal monthly amounts in cash over the ensuing 20-month period.

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. In connection with the Amended Zancudo Prepayment Facility, the Company issued an additional 3,000,000 common share purchase warrants to Trafigura with an exercise price of CAD $1.00 that will expire on December 8, 2028 and are subject to a statutory four-month hold period.

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 $1.7 million, of which $0.6 million has been offset against the fair value of the first and second advances, $0.5 million has been offset against the fair value of the third advance and the balance of $0.6 million is included in deferred financing costs in respect of the fourth advance. The carrying value of the Zancudo Prepayment Facility will be accreted using an effective interest rate of 19.06%.

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

11. LEASES

The lease obligations are summarized as follows:

	Maturity	Currency	Interest rate	June 30, 2026	December 31, 2025
Leases	2030	EUR	7.90%	$ 207	$ 299
Leases	2029	COP	12.90%	261	-
Total lease obligations				468	299
Less: current portion				192	177
Non-current portion				$ 276	$ 122

The table below summarizes the changes in the lease obligation during the six months ended June 30, 2026:

	Amount
As at January 1, 2026	$ 299
Additions	306
Accretion	22
Lease payments	(172)
Exchange difference	13
As at June 30, 2026	$ 468

The undiscounted and discounted future lease payments are as follows:

	June 30, 2026	December 31, 2025
Within one year	$ 265	$ 194
More than one year	280	135
Total undiscounted lease obligations	545	329
Amount representing interest	(77)	(30)
Lease obligations – discounted	$ 468	$ 299

During the six months ended June 30, 2026, the Company recognized total payments in the consolidated statement of cash flows in the amount of $172,000 (2025 - $55,000).

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

	2026	2027	2028	Thereafter	Total
Total payments	$ 155	$ 185	$ 147	$ 58	$ 545

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.

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

b) Issued and fully paid

A summary of the change in the issued and outstanding common shares during the six-month period ended June 30, 2026 is as follows:

	Shares		Amount
Balance, January 1, 2026	**151,613,060**	**$**	**130,694**
Exercise of Listed warrants	49,100		325
Exercise of Rights Warrants	21,835,228		11,864
Exercise of 2023 Private Placement Warrants	15,097,125		8,018
Exercise of 2024 Private Placement Warrants	13,635		11
Exercise of Convertible Debenture Warrants	255,000		157
Exercise of June 2025 LIFE Offering Warrants	2,327,000		1,457
Exercise of November 2025 LIFE Offering Warrants	710,040		473
Exercise of stock options	300,000		175
Conversion of Series 2 Debentures (Note 8b)	34,680		35
Settlements of interest on Debentures (Notes 8a, 8b)	2,320,689		1,509
Settlement of gold premiums on Series 1 Debentures (Note 8a)	15,297,129		7,807
Settlement of Zancudo NSR MPA (Note 9)	1,052,531		437
Settlement of Zancudo Project capital expenditures (Note 3c)	2,529,000		1,387
Balance, June 30, 2026	**213,434,217**	**$**	**164,349**

Subsequent to June 30, 2026, the Company issued a total of 223,648,136 on July 31, 2026 in connection with the settlements of the monthly interest payments due on the Debentures, the quarterly gold premiums due on the Series 1 Debentures and the early redemption of the Debentures, including conversion of the principal amounts, make whole payments and consent fees (Notes 8a, 8b).

c) Share Purchase Warrants

A summary of the change in the share purchase warrants outstanding during the six months ended June 30, 2026 is as follows:

	Outstanding	Common shares issuable		Weighted average exercise price per common share (CA$)
Balance, January 1, 2026	**170,272,152**	**102,048,822**	**$**	**1.18**
Exercise of Listed warrants (1)	(491,000)	(49,100)		8.00
Exercise of Rights Warrants (1)	(21,835,228)	(21,835,228)		0.60
Exercise of 2023 Private Placement Warrants (1)	(15,097,125)	(15,097,125)		0.60
Exercise of 2024 Private Placement Warrants (1)	(13,635)	(13,635)		0.85
Exercise of Convertible Debenture Warrants (1)	(255,000)	(255,000)		0.60
Exercise of June 2025 LIFE Offering Warrants (1)	(2,327,000)	(2,327,000)		0.66
Exercise of November 2025 LIFE Offering Warrants (1)	(710,040)	(710,040)		0.70
Issuance of Zancudo Prepayment Facility warrants	3,000,000	3,000,000		1.00
Expiration of Rights Warrants	(1,402,226)	(1,402,226)		0.60
Expiration of 2023 Private Placement Warrants	(912,500)	(912,500)		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
Balance, June 30, 2026	**54,915,698**	**54,915,698**	**$**	**0.66**

(1) Cash proceeds from the warrants exercised during the six months ended June 30, 2026 amounted to CA$24,749,650 (equivalent to approximately $18.0 million).

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

As at June 30, 2026, the Company had the following warrants issued and outstanding:

	Number of warrants	**Shares Issuable**	**Exercise price per share**	**Expiry date**
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 LIFE Offering Warrants	11,920,000	11,920,000	CA$0.70	November 19, 2028
November 2025 LIFE Offering Broker Warrants	442,740	442,740	CA$0.50	November 19, 2028
Zancudo Prepayment Facility warrants	3,000,000	3,000,000	CA$1.00	December 8, 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
	54,915,698	54,915,698		

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. Stock options granted by the Company typically vest over a one-year period following the grant date.

A summary of the change in the stock options outstanding during the six months ended June 30, 2026 is as follows:

	Outstanding	Weighted average exercise price per common share (CA$)
Balance, January 1, 2026	**14,532,500**	**$ 0.97**
Granted	200,000	0.83
Exercised [(1)]	(300,000)	0.52
Expired	(415,000)	4.45
Cancelled	(90,000)	4.45
Balance, June 30, 2026	**13,927,500**	**$ 0.85**

(1) Cash proceeds from options exercised during the six months ended June 30, 2026 amounted to CA$156,000. The share price at the date the stock options were exercised was CA$0.82 per share.

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

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Total share-based compensation cost recognized in the period				
Stock options granted in 2024	$ -	$ 14	$ -	$ 31
Stock options granted in 2025	468	310	1,201	310
Stock options granted in 2026	23	-	40	-
DSUs (Note 12e)	9	-	59	-
	500	324	1,300	341
Less: amounts capitalized to mineral property, plant and equipment and E&E assets (Notes 3, 4)	108	54	219	54
Share-based compensation expense	$ 392	$ 270	$ 1,081	$ 287

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

The table below summarizes information about the stock options outstanding and as at June 30, 2026:

Expiry date	Stock Options Outstanding	Vested Stock Options	Remaining contractual life in years	Exercise price (CA$/share)
July 25, 2026	200,000	200,000	0.1	$ 0.55
November 22, 2026	260,000	260,000	0.4	6.50
May 3, 2028	3,500,000	3,500,000	1.8	0.52
February 8, 2029	200,000	200,000	2.6	0.59
July 11, 2029	200,000	200,000	3.0	0.59
April 16, 2030	4,600,000	4,600,000	3.8	0.59
August 27, 2030	127,500	127,500	4.2	1.00
December 22, 2030	4,150,000	-	4.5	0.67
January 23, 2031	200,000	-	4.6	0.83
February 19, 2031	490,000	490,000	4.6	4.50
	13,927,500	9,577,500	3.4	$ 0.85

Subsequent to June 30, 2026, 200,000 stock options with an exercise price of CA$0.55 expired unexercised.

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, 2026 and 2025 is as follows:

Grant date	January 23, 2026	April 16, 2025
Number of stock options granted	200,000	4,700,000
Term	5 years	5 years
Vesting	1 year	1 year
Weighted average Black-Scholes option pricing model inputs		
Market price per share	CA$0.83	CA$0.59
Exercise price per share	CA$0.83	CA$0.59
Dividends expected	Nil	Nil
Expected volatility	101.49%	102.98%
Risk-free interest rate	2.88%	2.64%
Expected life of options	5 years	5 years
Fair value per option	$ 0.46	$ 0.32

e) DSU plan

A summary of the changes in the DSU liability during the six months ended June 30, 2026 is as follows:

	Amount
As at January 1, 2026	**$ 3**
Share-based compensation expense	
DSUs recognized in the period	78
Change in fair value	(19)
Exchange difference	(2)
As at June 30, 2026	**$ 60**

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.

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

The DSU liability at June 30, 2026 was determined based on the Company's closing share price, a level 1 fair value input, of CA$0.61 (approximately $0.43) per share.

f) Loss per share

For the three months ended June 30, 2026, the Debentures were excluded from the computation of diluted earnings per share because their effect would be anti-dilutive. The stock options and warrants were dilutive and included in the diluted earnings per share calculation, though their impact did not change the rounded diluted earnings per share figure from $0.04.

For the six months ended June 30, 2026 and 2025 and the three months ended June 30, 2025, the stock options, warrants and Debentures 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 six months ended June 30, 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 June 30, 2026 in USD, EUR and COP arising from foreign currency monetary assets and liabilities and foreign currency components:

	USD	EUR	COP
Cash	$ 40	$ 2,044	$ 3,060
Other receivables	-	81	2,773
Investment in joint venture	-	11,697	-
Advances to joint venture	-	1,766	-
Accounts payable and accrued liabilities	(144)	(1,506)	(3,758)
Short-term borrowings	-	-	(1,567)
Income tax payable	-	-	(155)
Lease obligations	-	(207)	(261)
Other liabilities	-	(246)	-
Net financial assets (liabilities)	$ (104)	$ 13,629	$ 92

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

Based on the net exposure at June 30, 2026, a 10% depreciation or appreciation of the USD against the CA would result in a $9,000 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 $1,239,000 and $8,000 decrease or increase, respectively in the Company's other comprehensive loss.

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 June 30, 2026, the Company has cash and cash equivalents of approximately $18.9 million. 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 June 30, 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) (1)	$ 5,762	$ 730	$ 101	$ -	$ 6,593
Short-term borrowings (Note 7)	1,567	-	-	-	1,567
Zancudo NSR liability (Note 9) (2)	750	6,500	-	-	7,250
Zancudo Prepayment Facility (Note 10) (3)	3,508	5,492	-	-	9,000
Lease obligations (Note 11)	247	263	35	-	545
Other liabilities	24	98	98	26	246
Total	$ 11,858	$ 13,083	$ 234	$ 26	$ 25,201

(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, 2026.
(2) Represents the annual Zancudo NSR MPA obligation and the Put Option, both of which are cancelled once the Zancudo Project attains commercial production.
(3) Represents the principal amount of the first and second advances drawn under the Zancudo Prepayment Facility.

As at June 30, 2026, the Company also had future commitments for gold premium and interest payments on its Debentures. However, as described in Note 8, subsequent to June 30, 2026, the Company redeemed the full carrying amount of its Debentures through the issuance of common shares, thereby extinguishing all future cash flow commitments associated with the Debentures.

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 $62.5 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.

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

14. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

	Six months ended June 30, 2026	Six months ended June 30, 2025
Other receivables	$ (2,408)	$ (57)
Inventories	(143)	(66)
Prepaid expenses and deposits	(203)	112
Accounts payable and accrued liabilities	1,068	67
Current portion of Zancudo NSR liability	105	-
	$ (1,581)	$ 56

15. REVENUE

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Gold	$ 4,187	$ 44	$ 7,075	$ 44
Silver	733	5	1,372	5
	$ 4,920	$ 49	$ 8,447	$ 49

16. FINANCE COSTS

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Interest expense on the Debentures (Notes 8a, 8b)	$ 738	$ 733	$ 1,484	$ 1,436
Gold premiums on the Debentures (Notes 8a, 8b)	6,983	-	11,425	-
Zancudo NSR MPA (Note 9)	55	188	148	375
Accretion of Zancudo NSR liability (Note 9)	13	13	26	26
Interest on Zancudo Prepayment Facility (Note 10)	135	65	256	93
Accretion of Zancudo Prepayment Facility (Note 10)	127	35	217	39
Interest on Brockville Promissory Notes	-	7	-	28
Interest on Zenk Promissory Note	-	7	-	7
Interest on other short-term borrowings (Note 7)	114	69	176	107
Total borrowing costs	8,165	1,117	13,732	2,111
Less: amounts capitalized to mineral property (Note 3)	(934)	(740)	(1,754)	(1,027)
Net borrowing costs expensed	7,231	377	11,978	1,084
Accretion of amount payable related to acquisition of CRI assets	37	44	78	88
Accretion of lease obligations (Note 11)	15	9	22	11
Costs related to the early redemption of the Debentures	535	-	535	-
Consent fees related to the Debentures	-	761	-	761
Consent solicitation costs related to the Debentures	-	63	-	63
Other financing costs	-	4	-	60
	$ 7,818	$ 1,258	$ 12,613	$ 2,067

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, 2026, general and administrative expenses included $0.4 million and $0.9 million, respectively, of salaries and other employee benefits (2025 - $0.4 million and $0.9 million, respectively).

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

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.

	Colombia	Spain	Corporate	Total
Six months June 30, 2026				
Revenue	$ 8,447	$ -	$ -	$ 8,447
Gross profit	3,341	-	-	3,341
Loss from operations	2,686	(258)	(3,350)	(922)
Net income (loss)	2,400	(445)	(12,095)	(10,140)
Capital expenditures (Notes 3, 4)	5,796	1,059	-	6,855
As at June 30, 2026				
Total assets	$ 49,689	$ 72,060	$ 14,161	$ 135,910
Total liabilities	19,251	1,959	52,249	73,459
Year ended December 31, 2025				
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
As at December 31, 2025				
Total assets	$ 33,776	$ 72,627	$ 6,220	$ 112,623
Total liabilities	14,396	2,125	56,132	72,653

19. SUBSEQUENT EVENT

On August 6, 2026, the Company announced it is making a strategic investment to acquire a 15.6% equity interest in Copper Giant Resources Corp. ("Copper Giant") through a CA$28.8 million subscription in a non-brokered private placement with Copper Giant, giving the Company exposure to Copper Giant's world class Mocoa copper-molybdenum deposit located in the Putumayo Department of southern Colombia. To fund this investment, the Company has agreed to issue 67,000,000 common shares and 12,500,000 warrants in a non-brokered private placement with Trafigura for cash proceeds of CA$28.8 million.