


# LION ONE METALS LIMITED

## CONSOLIDATED FINANCIAL STATEMENTS

**(Expressed in Canadian Dollars)**

## FOR THE YEAR ENDED JUNE 30, 2026

DAVIDSON

# INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Lion One Metals Limited

## Opinion

We have audited the accompanying consolidated financial statements of Lion One Metals Limited (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2026 and 2025, and the consolidated statements of income (loss) and comprehensive income (loss), changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2026 and 2025, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company's current debt obligations, together with its dependence on achieving forecast operating results and obtaining financing or refinancing as required, represent material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Emphasis of Matter – Restated Comparative information

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

- As at and for the year ended June 30, 2025 has been restated.
- As at July 1, 2024 has been derived from the consolidated financial statements for the year ended June 30, 2024 which have been restated (not presented herein).

Note 3 explains the change in accounting policy, related restatement and, also explains the adjustments that were applied to restate certain comparative information.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

### *Assessment of Impairment of the Tuvatu Gold Project*

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's Tuvatu mine, mill, mineral property, exploration and evaluation assets and related plant and equipment (collectively the "Tuvatu Gold Project") was $145,400,426 as at June 30, 2026. As more fully described in Notes 2 and 3 to the consolidated financial statements, the Company is required to assess whether impairment indicators are identified for the Tuvatu Gold Project at the end of each reporting period, and if so, management tests for impairment. The Company determined there was an indicator of impairment, being net assets exceeding the Company's market capitalization.

The test for impairment of the Tuvatu Gold Project necessitates the determination of the recoverable amount of the combined components of the cash generating unit ("CGU") to which the Tuvatu Gold Project belongs. The recoverable amount is the higher of value in use and fair value less costs to sell and requires management judgement and estimation on key internal variable inputs and external market conditions such as: estimated recoverable resources, mine life, future metal prices, operating costs, and discount rates for net present value calculations. The recoverable amount as at June 30, 2026 exceeded the carrying value, and as a result, no impairment loss was recorded for the year then ended.

The principal considerations for our determination that the assessment of impairment of the Tuvatu Gold Project is a key audit matter are that potential variances between management's assumptions and estimations, and the market conditions, including contract and title renewal, could have a material effect in the future on the Company's financial position and results of operations. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of the impairment test for the Tuvatu Gold Project.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating management's process in assessing impairment indicators and determining the recoverable amount of the CGU.
- Evaluating the appropriateness of the discounted cash flow model ("DCF model") on the CGU related to the Tuvatu Gold Project, including engaging our internal valuation experts to assess appropriateness of the model and key inputs applied; and performing sensitivity analyses over key inputs to assess the effect of reasonably possible changes on the estimated recoverable amount.
- Testing the completeness and accuracy of underlying data and significant assumptions of the DCF model, including assessment of discount rate, and evaluating the consistency with external market and industry data for future commodity prices, operating costs and capital expenditures, and reserve estimates.
- Evaluating mineral resource, mine-life and production assumptions by considering supporting technical information and the competence, capabilities and objectivity of management's specialists.

### *Stage of Mining for the Tuvatu Gold Project*

As described in Notes 2, 3 and 5 to the consolidated financial statements, determining when the Tuvatu Gold Project reached the stage at which it was capable of operating in the manner intended by management required significant judgment. Management considered capital and operating development meters, tonnes and grade of mineralized material mined, completion of mine and processing infrastructure, the ability to produce saleable product, and the ability to sustain ongoing production.

During the year ended June 30, 2026, management determined that the Tuvatu Gold Project achieved commercial production on December 31, 2025 after three consecutive months in which the defined operating thresholds were met. As a result, mine and mill construction-in-progress costs were transferred to the mine and mill asset, amortization of capitalized development costs commenced, and subsequent costs were accounted for in accordance with the Company's production-phase accounting policy.

We considered this matter to be a key audit matter because determining the date commercial production commenced involved significant management judgment and had a pervasive effect on the classification and measurement of mineral property, plant and equipment, depreciation and depletion, inventory, production costs and operating results. Auditing management's assessment required significant auditor judgment and effort.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating the Company's accounting policy and the criteria used to determine when the Tuvatu Gold Project was capable of operating in the manner intended by management.
- Testing, on a sample basis, production information used in management's assessment, including tonnes and grade of mineralized materials mined, capital and operating development meters, processing results and evidence of saleable production, by agreeing the information to underlying operational records.
- Assessing whether the production results were sustained over the defined period used by management and whether significant mine and processing activities necessary for intended operation had been completed.

## Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.



Chartered Professional Accountants

Vancouver, Canada

October 28, 2026

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
**AS AT JUNE 30**

| | 2026 | 2025 (Restated-Note 3) | 2024 (Restated-Note 3) |
|---|---|---|---|
| **ASSETS** | | | |
| **Current** | | | |
| Cash | $ 13,755,470 | $ 5,102,192 | $ 6,731,873 |
| Receivables (Note 4) | 14,575,722 | 8,721,020 | 6,966,281 |
| Inventory (Note 6) | 35,909,873 | 16,587,541 | 12,865,099 |
| Prepaid expenses | 4,334,560 | 2,291,641 | 626,245 |
| | 68,575,625 | 32,702,394 | 27,189,498 |
| **Non-current assets** | | | |
| Right-of-use asset (Note 10) | 198,158 | 311,392 | 424,626 |
| Deposits (Note 5) | 2,740,731 | 2,602,253 | 2,484,682 |
| Other assets (Note 8) | 445,427 | 445,427 | 445,427 |
| Mineral property, plant and equipment (Note 3, 5) | 134,648,561 | 110,198,723 | 92,850,212 |
| Exploration and evaluation asset (Note 3, 5) | 10,751,865 | 10,751,865 | 10,751,865 |
| | $ 217,360,367 | $ 157,012,054 | $ 134,146,310 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| **Current** | | | |
| Accounts payable and accrued liabilities (Note 9, 18) | $ 10,702,918 | $ 7,368,567 | $ 6,594,561 |
| Lease liability (Note 10, 18) | 139,544 | 114,437 | 93,848 |
| Loan facility (Note 7) | 39,306,673 | 7,615,910 | - |
| Accrued interest – loan facility (Note 7) | 4,594,836 | 402,072 | - |
| | 54,743,971 | 15,500,986 | 6,688,409 |
| **Non-current liabilities** | | | |
| Loan facility (Note 7) | - | 35,384,189 | 37,634,301 |
| Accrued interest – loan facility (Note 7) | - | 4,411,495 | 4,829,092 |
| Lease liability (Note 10, 18) | 124,405 | 263,949 | 378,386 |
| Convertible debentures (Note 12) | 8,951,964 | - | - |
| Accrued interest – convertible debentures (Note 12) | 3,425 | - | - |
| Reclamation and closure provision (Note 11) | 1,301,726 | 1,170,333 | 1,132,300 |
| | 65,125,491 | 56,730,952 | 50,662,488 |
| **Shareholders' equity** | | | |
| Share capital (Note 17) | 254,444,340 | 227,086,021 | 210,257,725 |
| Reserves (Note 17) | 54,742,275 | 46,129,964 | 41,359,397 |
| Equity component of convertible debentures | 1,598,857 | - | - |
| Accumulated other comprehensive income | 11,308,658 | 2,881,393 | 3,336,382 |
| Deficit | (169,859,254) | (175,816,276) | (171,469,682) |
| | 152,234,876 | 100,281,102 | 83,483,822 |
| | $ 217,360,367 | $ 157,012,054 | $ 134,146,310 |

**Nature of operations and going concern (Note 1)**
**Subsequent events (Note 24)**

Approved and authorized by the Board on October 28, 2026:

*"Todd Romaine"* Director *"Richard Meli"* Director

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

## LION ONE METALS LIMITED

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)
**FOR THE YEAR ENDED JUNE 30**

| | 2026 | 2025 (Restated-Note 3) |
|---|---|---|
| **Revenue** (Note 13) | $ 76,526,267 | $ 57,968,173 |
| Cost of sales (Note 14) | (47,070,687) | (44,213,440) |
| **Mine operating income** | 29,455,580 | 13,754,733 |
| **Expenses** | | |
| General and administrative (Note 15) | (8,130,848) | (5,403,431) |
| Exploration and evaluation expenditures (Note 3, 5) | (2,376,575) | (1,631,532) |
| Depreciation (Note 10) | (113,234) | (113,234) |
| Share-based compensation (Note 17) | (147,844) | (471,182) |
| | (10,768,501) | (7,619,379) |
| **Other income (expense)** | | |
| Foreign exchange gain (loss) | (2,018,052) | 292,587 |
| Interest and finance expense (Note 16) | (11,009,537) | (11,413,304) |
| Debt modification gain (Note 7) | - | 259,926 |
| Interest income | 297,532 | 378,843 |
| **Income (loss) for the year** | 5,957,022 | (4,346,594) |
| **Other comprehensive income** | | |
| Foreign currency translation adjustment | 8,427,265 | (454,989) |
| **Comprehensive income (loss) for the year** | $ 14,384,287 | $ (4,801,583) |
| **Basic income (loss) per share** | $ 0.02 | $ (0.02) |
| **Diluted income (loss) per share** | $ 0.02 | $ (0.02) |
| **Weighted average number of common shares outstanding** | | |
| Basic | 374,831,074 | 273,789,076 |
| Diluted | 375,140,497 | 273,789,076 |

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

## LION ONE METALS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
**FOR THE YEAR ENDED JUNE 30**

| | 2026 | 2025 |
|---|---|---|
| **CASH FLOWS (USED IN) OPERATING ACTIVITIES** | | (Restated-Note 3) |
| Net income (loss) for the year | $ 5,957,022 | $ (4,346,594) |
| Non-cash items: | | |
| Foreign exchange (gain) loss | 534,622 | (1,405,242) |
| Depreciation (Note 10) | 113,234 | (97,654) |
| Depreciation in cost of sales (Note 14) | 8,536,313 | 6,788,650 |
| Depreciation of MPPE | 4,305,795 | - |
| Interest and finance expense (Note 16) | 3,619,420 | 4,176,496 |
| Debt modification gain (Note 7) | - | (259,926) |
| Share-based payments | 147,844 | 584,719 |
| Changes in non-cash working capital items: | | |
| Receivables | (5,385,128) | (1,772,110) |
| Prepaid expenses | (986,601) | (1,665,427) |
| Inventory | (18,494,074) | (9,721,355) |
| Accrued interest (Note 12) | 3,425 | - |
| Accounts payable and accrued liabilities | 1,814,277 | 282,483 |
| | 166,149 | (7,435,960) |
| **CASH FLOWS (USED IN) INVESTING ACTIVITIES** | | |
| Purchase of mineral property, plant and equipment | (28,303,298) | (16,893,998) |
| Deposits and other assets | (41,948) | (118,979) |
| | (28,345,246) | (17,012,977) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Cash proceeds from sale of shares – private placement | 35,751,930 | 22,461,169 |
| Share issuance costs on private placement | (1,770,941) | (2,535,388) |
| Proceeds from loan facility | - | 4,947,786 |
| Proceeds from convertible debentures | 12,500,000 | - |
| Repayment on debt facility | (9,290,352) | (1,981,884) |
| Payment of lease liability | (180,000) | (180,000) |
| | 37,010,637 | 22,711,683 |
| **Effect of exchange rate changes on cash** | (178,262) | 107,573 |
| **Change in cash during the year** | 8,653,278 | (1,629,681) |
| **Cash, beginning of the year** | 5,102,192 | 6,731,873 |
| **Cash, end of the year** | $ 13,755,470 | $ 5,102,192 |
| **Supplementary cash flow information – see Note 20:** | | |
| Non-cash transactions: | | |
| Share-based payments expense capitalized to mineral property, plant and equipment assets | 30,070 | 108,363 |
| Depreciation included in inventory | 8,536,313 | 920,483 |
| Value of warrants issued in private placement | 6,045,132 | 3,639,668 |
| Value of warrants issued in convertible debenture | 1,811,727 | - |
| Value of equity portion in convertible debenture | 1,598,857 | - |
| Share-based payments expense – share issuance costs | 577,538 | 437,817 |
| Shares issued for deferred debt cost | - | 980,000 |
| Shares issued in lieu of finders fee – share issuance costs | 668,260 | - |
| Change in reclamation and closure provision | 48,174 | - |
| Accounts payable and accrued liabilities in mineral property assets | 1,264,541 | 6,707,294 |

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

## LION ONE METALS LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

| | Share Capital | | | | | | |
|---|---|---|---|---|---|---|---|
| | Number | Amount | Equity Component of Convertible Debenture | Reserves | Deficit | Accumulated Other Comprehensive Income (Loss) | Total |
| | | | | | (Restated Note 3) | | |
| **Balance, June 30, 2024** | 230,550,241 | $ 210,257,725 | $ - | $ 41,359,397 | $ (171,469,682) | $ 3,336,382 | $ 83,483,822 |
| Share-based payments – stock options | - | - | - | 693,082 | - | - | 693,082 |
| Private placement | 63,284,140 | 22,461,169 | - | - | - | - | 22,461,169 |
| Share issuance costs | - | (2,973,205) | - | 437,817 | - | - | (2,535,388) |
| Value of warrants issued in private placement | | (3,639,668) | - | 3,639,668 | - | - | - |
| Shares return to treasury | (2) | - | - | - | - | - | - |
| Deferred debt cost – shares issued | 3,920,000 | 980,000 | - | - | - | - | 980,000 |
| Comprehensive loss for the year | - | - | - | - | (4,346,594) | (454,989) | (4,801,583) |
| **Balance, June 30, 2025** | 297,754,379 | $ 227,086,021 | $ - | $ 46,129,964 | $ (175,816,276) | $ 2,881,393 | $ 100,281,102 |
| Share-based payments – stock options | - | - | - | 123,747 | - | - | 123,747 |
| Share-based payment expense – restricted cash units (RSUs) | - | - | - | 54,167 | - | - | 54,167 |
| Private placements | 124,459,279 | 35,751,930 | - | - | - | - | 35,751,930 |
| Share issuance costs | 2,088,312 | (2,348,479) | - | 577,538 | - | - | (1,770.941) |
| Value of warrants issued in private placement | - | (6,045,132) | - | 6,045,132 | - | - | - |
| Value of warrants issued in convertible debenture | - | - | - | 1,811,727 | - | - | 1,811,727 |
| Equity component of convertible debenture | - | - | 1,598,857 | - | - | - | 1,598,857 |
| Comprehensive income (loss) for the year | - | - | - | - | 5,957,022 | 8,427,265 | 14,384,287 |
| **Balance, June 30, 2026** | 424,301,970 | $ 254,444,340 | $ 1,598,857 | $ 54,742,275 | $ (169,859,254) | $ 11,308,658 | $ 152,234,876 |

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

## 1. NATURE OF OPERATIONS AND GOING CONCERN

Lion One Metals Limited ("Lion One" or the "Company") was incorporated on November 12, 1996 under the laws of the Province of British Columbia, Canada. The Company is in the business of mine development and exploration of mineral properties in Fiji. The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol LIO. The Company's head office and principal address is 306 - 267 West Esplanade, North Vancouver, BC, Canada, V7M 1A5. The address of the Company's registered and records office is Suite 1700 – 1055 West Hastings Street, Vancouver, BC, V6E 2E9.

The Company's consolidated financial statements are presented in Canadian dollars.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

On January 31, 2026, the Company received a notice from its senior secured lenders Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP (each as Lender and collectively, "Nebari") stating that an event of default had arisen from non-financial covenants and therefore the margin component of the interest rate payable under the Facility was increased in accordance with the terms of the Facility, effective February 20, 2026. A second subsequent financial default event occurred on March 31, 2026 as the Company was in breach of the $7,000,000 working capital covenant. The interest on the loan facility would remain at the default rate until the events of default had been remedied or otherwise resolved to Nebari's satisfaction.

On June 29, 2026, the Company closed the first tranche of a non-brokered private placement of 12,500 convertible debenture units for gross proceeds of $12,500,000 and its non-brokered private placement of units ("Units") for gross proceeds of $2,788,185 (the "Private Placement"). As at June 30, 2026, the Company has working capital of $13,831,654 (Note 23), which is above the $7,000,000 working capital covenant as required under the Facility.

On July 22, 2026, the Company entered into a forbearance agreement (the "Forbearance Agreement") with Nebari pursuant to which Nebari has agreed to extend the final repayment date for Tranche 1 of the Company's loan facility to December 31, 2026. The Company also announces that it has cured the financial and non-financial default events that occurred under the terms of the loan facility. Forbearance requires the Company to remain in compliance with its obligations under the loan facility going forward.

Management's ability to continue as a going concern is dependent on the Company's ability to generate sufficient cash flows from the Tuvatu Gold Project, maintain compliance with the covenants of its financing arrangements, and obtain additional financing or refinancing as necessary to meet its obligations as they become due. Management's plans include continued ramp-up of production and operating cash flows, refinancing or repayment of the Nebari facility, and raising additional debt or equity financing, as appropriate.

The Company's current debt obligations, together with its dependence on achieving forecast operating results and obtaining financing or refinancing as required, represent material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Notwithstanding these uncertainties, management believes that the going concern basis of preparation remains appropriate after considering the Company's forecast cash flows and its plans to manage its liquidity requirements.

These consolidated financial statements do not include adjustments to the carrying amounts and classification of assets and liabilities that could be necessary if the Company were unable to continue as a going concern. Such adjustments could be material.

## 2. BASIS OF PREPARATION

### Statement of Compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These consolidated financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

### Use of Critical Judgments and Estimates

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

*Critical judgments in applying accounting policies*

*Assessment of impairment indicators of non-current assets*

Management assesses whether any indication of impairment exists at the end of each reporting period or when a triggering event is identified. Judgment is required in assessing whether certain factors would be considered an indicator of impairment. Management considers both internal and external information to determine whether there is an indicator of impairment and, accordingly, whether impairment testing is required.

*Mineral property, plant and equipment and determination whether the assets are ready for their intended use*

Determining when the Tuvatu Gold Project are in the condition necessary to be capable of operating in the manner intended by management is a matter of judgment. The Company has established a framework in the context of *IAS 16 – Property, Plant and Equipment* with respect to determining when the Tuvatu Gold Project are deemed to be capable of operating in the manner intended by management. This framework considers factors such as the physical and technical performance of the asset. For further details on this framework and the factors considered, please refer to Note 3 *"Material Accounting Policies – Mineral property, plant, and equipment – Mineral property – development phase"*. During the year ended June 30, 2026, management determined that the Tuvatu Gold Project had achieved commercial production effective December 31, 2025.

*Functional currencies*

The functional currency of each of the subsidiaries and the Company were assessed to determine the economic substance of the currency in which each entity performed its operations. The functional currency of the Company is the Canadian dollar. The functional currencies of the Company's subsidiaries have been assessed as follows:

| | Country of Incorporation | Effective Interest | Functional currency |
|---|---|---|---|
| American Eagle Resources Inc. | Canada | 100% | Canadian Dollar |
| Laimes International Inc. | BVI | 100% | Canadian Dollar |
| Auksas Inc. | BVI | 100% | Canadian Dollar |
| Lion One Pte Limited | Fiji | 100% | Fijian Dollar |
| Lion One Australia Pty Ltd. | Australia | 100% | Australian Dollar |
| Piche Resources Pty Ltd. | Australia | 100% | Australian Dollar |

## 2. BASIS OF PREPARATION (cont'd…)

### Use of Critical Judgments and Estimates (cont'd…)

*Going concern*

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumptions were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the consolidated statements of financial position.

*Key sources of estimation uncertainty*

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, are as follows:

*Collectability and classification of VAT recoverable*

VAT recoverable is collectible from the government of Fiji. The collection of VAT is subject to an application and collection process and therefore, there is risk related to the collectability and timing of payment from the Fijian government. The Company uses its best estimates based on the facts known at the time and its experience to determine its best estimate of the collectability and timing of these recoveries. Changes in the assumptions regarding collectability and the timing of collection could impact the valuation and classification as a current or non-current asset associated with VAT recoverable.

*Impairment of non-current assets*

The carrying value and recoverability of exploration and evaluation assets and mineral property, plant and equipment requires management to make certain estimates, judgments and assumptions about its project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

*Mineral resource estimates*

Judgements about the amount of mineral resources that can be economically and legally extracted from the Company's properties are made by management using a range of geological, technical and economic factors. Grade and tonnage balances are estimates of the amount of mineral that can be mined by the Company. The estimate of grade and tonnages is prepared and reviewed by professional geologists, engineers and members of the Company's management or independent qualified consultants.

Changes in judgements surrounding reserves and resources may impact the carrying values of mineral property, plant and equipment (Note 5), reclamation and closure provisions and timing (Note 11), and amortization and depletion (Note 14).

*Income taxes*

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the Company's provision for income taxes.

*Share-based payments*

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Where such valuations are applied, such as the time of a stock option grant or issuance of shares from trust, management provides detailed valuation assumptions.

## 2. BASIS OF PREPARATION (cont'd…)

### Use of Critical Judgments and Estimates (cont'd…)

*Inventory*

Stockpiled mineralized materials, work-in-process inventory, and finished goods are measured at the lower of weighted average cost or net realizable value ("NRV"). The assumptions used in the valuation of work-in process inventory include estimates of the amount of gold and silver in the mill circuits and assumptions of the gold and silver prices expected to be realized when the metals are recovered. If these estimates or assumptions prove to be inaccurate, the Company could be required to write-down the recorded value of its work-in-process inventory, which would reduce the Company's earnings. The Company allocates mining costs between capital mine development activities and operating activities on a monthly basis, by using capital and operating meters advanced and ore tonnes and waste tonnes mined ore as a basis to allocate.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

### Foreign exchange

Transactions in currencies other than an entity's functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

On translation of the entities whose functional currency is other than the Canadian dollar, revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Assets and liabilities are translated at the rate of exchange at the reporting date. Exchange gains and losses, including results of re-translation, are recorded in other comprehensive loss.

### Financial instruments

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

The Company classifies its cash, receivables, deposits, accounts payable and accrued liabilities, lease liability, loan facility, the debt host portion of the convertible debentures and related accrued interest as financial instruments at amortized cost.

Measurement
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost
An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the year.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

**Convertible debentures**

The convertible debentures are a non-derivative financial instrument that creates a financial liability of the entity and grants an option to the holder of the instrument to convert it into common shares of the Company. The liability component is recorded at the fair value of a similar liability that does not have a conversion option. The convertible debenture units were issued with a detachable warrant; therefore, the Company considered the aggregate of the debt and warrants issued at fair value, and allocated the equity amounts between warrants and the equity conversion feature.

Total transaction costs directly attributable to the offerings are allocated proportionately to the liability and equity components of the debentures.

Subsequent to initial recognition, the liability component of the debentures is measured at amortized cost using the effective interest method and is accreted each period, such that the carrying value will equal the principal amount outstanding at maturity. The equity components are not re-measured. The carrying amounts of the liability and conversion feature of the debentures are reclassified to share capital on conversion to common shares. The carrying amount of the share purchase warrants, plus cash received upon exercise, is allocated to share capital on exercise of the share purchase warrants.

**Mineral property, plant and equipment**

*Mineral property - development phase*

Once the technical feasibility and commercial viability of an exploration property has been determined, it is then considered to be a mine under development and is reclassified to mineral property. The carrying value of capitalized exploration and evaluation costs are tested for impairment before they are transferred to mineral property. All costs relating to the construction, installation, or completion of a mine that are incurred subsequent to the exploration and evaluation stage are capitalized to mineral property. The Company assesses the stage of each mine under development to determine when a property reaches the stage when it is in the condition for it to be capable of operating in a manner intended by management ("commercial production"). Determining when a mine has achieved commercial production is a matter of judgement.

Depending on the specific facts and circumstances, the following factors may indicate that commercial production has commenced:

- all major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed;
- the completion of a reasonable period of testing of the mine plant and equipment;
- the ability to produce saleable product;
- the mine or mill has reached a predetermined percentage of design capacity;
- mineral recoveries are at or near the expected production level; and
- the ability to sustain ongoing production of mineralized materials (i.e., the ability to continue to produce mineralized materials at a steady or increasing level).

On December 31, 2025, the Company's Tuvatu mineral property achieved commercial production by establishing three consecutive months of capital and operating development meters of over 6.0 meters a day and over 8.0 meters day, coupled with tonnes of mineralized material mined of over 350 tonnes per day at over 4.5 g/t Au. During the three-month period ended December 31, 2025, the Company achieved the pre-established criteria and declared commercial production on January 1, 2026.

*Proceeds before intended use*

Revenue from the sale of gold and silver ounces recovered before items of mineral property, plant, and equipment, such as the mine or process plant, are operating in the manner intended by management are recognized, along with related costs, in the consolidated statement of loss and comprehensive loss.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)**

*Mineral property - production phase*

When management determines that a property is capable of commercial production, amortization of costs capitalized during development begins. Once a mineral property has been brought into commercial production, the costs of any additional work on that property are expensed as incurred, except for exploration and development programs and mine capital development including mine decline development which constitute a betterment, which will be deferred and amortized over the remaining useful life of the related assets. Mineral properties include decommissioning and restoration costs related to the reclamation of mineral properties. Mineral properties are derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset or the carrying value of the cash generating unit exceeds its recoverable amount. Any gain or loss on disposal of the asset, determined as the difference between the proceeds received and the carrying amount of the asset is recognized in the statement of loss and comprehensive loss.

Mineral properties are amortized on the unit-of-production basis using the mineable tonnes extracted from the mine in the period as a percentage of the total mineable tonnes to be extracted in current and future periods based on mineral resources. Mineral properties are recorded at cost, net of accumulated depreciation and depletion and accumulated impairment losses and are not intended to represent future values. Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

*Property and equipment*

Property and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized when the asset is available for its intended use, using the straight-line method at the following annual rates and Units of Production method ('UOP'):

| | |
|---|---|
| Mill equipment | 12.5% - 25% / UOP |
| Mineral property | UOP |
| Mine equipment | 12.5% - 25% |
| Computer and office equipment | 12.5% - 100% |
| Motor vehicle | 18% - 25% |
| Buildings and equipment | 2.5% - 25% |

Depreciation of property, plant and equipment related to exploration and evaluation activities is capitalized in exploration and evaluation costs. Depreciation related to general administration is expensed in office costs.

**Mineral properties – exploration and evaluation assets**

Exploration and evaluation costs are charged to profit or loss in the year incurred until the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property has been determined, in which case subsequent exploration costs and the costs incurred to develop a property are capitalized into mineral property, plant, and equipment. The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, such as but not limited to: the extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document; the results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study; the status of environmental permits, and the status of mining leases or permits.

**Impairment of non-current assets**

Non-current assets are tested for impairment when indicators of impairment are present. Calculating the estimated fair values of cash generating units for non-current asset impairment tests requires management to make estimates and assumptions with respect to future gold prices; future capital cost estimates; operating cost estimates; estimated mineral resources; and, the discount rate. Reductions in metal price forecasts; increases in estimated future costs of production; increases in estimated future non-expansionary capital expenditures; reductions in the amount of recoverable resources, and exploration potential; and/or adverse current economics can result in a write-down of the carrying amounts of the Company's non-current assets *(Note 5)*.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

**Impairment of non-current assets (cont'd…)**

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

During the year, the Company performed an impairment test of the carrying value of the Tuvatu Gold Project and no impairment loss was recognized *(Note 5).*

**Provision for environmental rehabilitation**

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

**Leases**

The Company assesses whether a contract is or contains a lease, at the inception of a contract. The Company recognizes a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in either the consolidated statement of financial position or the consolidated statement of loss and comprehensive loss on a straight-line basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expenditure in the period in which the triggering event occurs and are included in either the consolidated statement of financial position or the consolidated statement of loss and comprehensive loss.

**Share capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

### Share-based payments

The Company accounts for stock options granted to directors, officers, employees and non-employees at fair value. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and share-based compensation is accrued and charged to profit or loss or exploration and evaluation assets, with an offsetting credit to share-based payment reserve, over the vesting periods. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to profit or loss or exploration and evaluation assets upon re-measurement. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. If and when the stock options are exercised, the applicable amounts of equity reserves are transferred to share capital. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

### Inventories

Inventories include stockpiled mineralized materials, work-in-process, materials and supplies, and finished goods, and are measured at the lower of weighted average cost or net realizable value ("NRV"). For work-in-process and finished goods inventories, cost includes all direct costs incurred in production, including direct labour and materials, depreciation and depletion, and directly attributable overhead costs. NRV is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future costs to convert the inventories into saleable form, transportation costs, and estimated costs to sell.

Stockpiled mineralized materials represents mineralized materials that has been extracted from the mine and is available for further processing. Costs added to stockpiled mineralized materials inventory is based on mining cost per ounce incurred up to the point of stockpiling the mineralized materials and are removed at the weighted average cost per ounce. Costs are included in work-in-process inventory based on costs incurred up to the point prior to the refining process, including applicable depletion of mining interests, and removed at the weighted average cost per recoverable ounce of silver equivalent.

The average costs of finished goods represent the average costs of work-in-process inventory incurred prior to the refining process. Work-in-process inventory includes inventory in the milling process, in tanks, and precipitates. Finished goods inventory includes metals in their final stage of production prior to sale, primarily doré at the mine site or in transit, and refined metal held at a refinery.

Any write-downs of inventories to NRV are recorded as cost of sales. If there is a subsequent increase in the value of inventories, the previous write-downs to NRV are reversed to the extent that the related inventories have not been sold. Materials and supplies are measured at weighted average cost. Cost includes acquisition, freight, and other directly attributable costs. In the event that the NRV of the finished goods, the production of which the materials and supplies are held for use in, is lower than the expected cost of the finished product, the material and supplies are written down to their NRV.

### Revenue recognition

The Company adopted the Amendments to IAS 16 "Property, Plant, and Equipment" during the year ended June 30, 2024, pursuant to which proceeds from sales occurring before the Tuvatu Gold Project is operating in the manner intended by management should be recognized in the consolidated statement of loss and comprehensive loss, together with the costs of producing those items. The Company measured the costs of production, while the Tuvatu Mine was in commissioning, in accordance with IAS 2 "Inventories".

The Company's primary source of revenue is the sale of refined gold and silver and its performance obligations are the delivery of refined gold and silver to its customer. Revenue from the sale of metal is recognized when the buyer obtains control of the metal. When considering whether the Company has satisfied its performance obligations, it considers the indicators of the transfer of control, which include, but are not limited to, whether: the Company has a present right to payment; the customer has legal title to the metal; the Company has transferred physical possession of the metal to the customer; and, the customer has the significant risks and rewards of ownership of the metal. Revenue is recognized at the time when the risks and rewards of ownership and title transfers to the customer, which is when the metals are delivered to the refinery.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

### Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

### Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered the deferred tax asset is not recognized.

### Debt and borrowing costs

Debt is initially recognized at fair value, net of any transaction costs, and subsequently carried at amortized cost.

- Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset until the asset is substantially complete and ready for its intended use. All other borrowing costs are expensed as incurred.

### Change in accounting policy

Effective January 1, 2026, the Company changed its accounting policy for exploration and evaluation (E&E) expenditures. The Company previously capitalized the acquisition costs of exploration and evaluation assets and deferred exploration expenditures directly related to specific exploration and evaluation assets.

Under the new policy, exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to the statement of loss and comprehensive loss as incurred. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of production method based upon estimated proven and probable reserves. The Company believes that expensing such costs as incurred provides more reliable financial information, eliminating the use of estimates and judgments regarding the valuation of exploration and evaluation expenditures and aligns the analysis to when the mineral property is considered economically and commercially viable.

Mineral property acquisition costs will continue to be capitalized and include consideration and transaction costs for mineral property interests. These costs are amortized over the estimated life of the property following commencement of commercial production. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)**

The Company has accounted for this change in accounting policy on a retrospective basis. The change in accounting policy resulted in the following changes to the Company's consolidated financial statements:

Consolidated Statement of Financial Position as at **July 1, 2024**:

| | As previously reported $ | Effect on change in accounting policy $ | As restated under new policy $ |
|---|---|---|---|
| Non-current assets | | | |
| Exploration and evaluation assets (i) | 35,009,969 | (24,258,104) | 10,751,865 |
| Mineral property and PP&E assets (ii) | 150,333,840 | (57,483,628) | 92,850,212 |
| Total assets | 215,888,042 | (81,741,732) | 134,146,310 |
| Liabilities and shareholder's equity | | | |
| Deficit | (89,727,950) | (81,741,732)) | (171,469,682) |
| Total shareholder's equity | 165,225,554 | (81,741,732) | 83,483,822 |
| Total liabilities and shareholder's equity | 215,888,042 | (81,741,732) | 134,146,310 |

(i) All exploration and evaluation expenditures have been expensed to deficit rather than capitalized on the statement of financial position. $10,751,865 relates to the net book value of acquisition costs as at June 30, 2024.

(ii) The amounts previously reclassified from exploration and evaluation expenditures to mineral properties and Mine (CIP) as at July 1, 2023, have been expensed to deficit. Accordingly, these amounts have not been recognized as capitalized assets in the statement of financial position.

Consolidated Statement of Financial Position as at **June 30, 2025**:

| | As previously reported $ | Effect on change in accounting policy $ | As restated under new policy $ |
|---|---|---|---|
| Non-current assets | | | |
| Exploration and evaluation assets (iii) | 36,641,501 | (25,889,636) | 10,751,865 |
| Mineral property and PP&E assets (iv) | 167,682,351 | (57,483,628) | 110,198,723 |
| Total assets | 240,385,318 | (83,373,264) | 157,012,054 |
| Liabilities and shareholder's equity | | | |
| Deficit | (92,443,012) | (83,373,264) | (175,816,276) |
| Total shareholder's equity | 183,654,366 | (83,373,264) | 100,281,102 |
| Total liabilities and shareholder's equity | 240,385,318 | (83,373,264) | 157,012,054 |

(iii) All exploration and evaluation expenditures have been expensed to deficit rather than capitalized on the statement of financial position. $10,751,865 relates to the net book value of acquisition costs as at June 30, 2025.

(iv) The amounts previously reclassified from exploration and evaluation expenditures to mineral properties and Mine (CIP) as at July 1, 2023, have been expensed to deficit. Accordingly, these amounts have not been recognized as capitalized assets in the statement of financial position.

**3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)**

Consolidated Statement of Loss and Comprehensive Loss for the year ended **June 30, 2025:**

| | As previously reported $ | Effect on change in accounting policy $ | As restated under new policy $ |
|---|---|---|---|
| Expenses | | | |
| Exploration expenses (v) | - | 1,631,532 | 1,631,532 |
| Loss for the year | (2,715,062) | (1,631,532) | (4,346,594) |
| Comprehensive loss for the year | (3,170,051) | (1,631,532) | (4,801,583) |
| Basic and diluted loss per share | (0.02) | - | (0.02) |
| Weighted average number of common shares outstanding | 273,789,076 | - | 273,789,076 |

(v) $1,631,532 in costs for the year ended June 30, 2025 which were previously capitalized in exploration and evaluation assets and recognized as investing activities have been reflected in loss and comprehensive loss for the year and thereby recognized in operating activities.

Consolidated Statement of Cash Flows for the year ended **June 30, 2025:**

| | As previously reported $ | Effect on change in accounting policy $ | As restated under new policy $ |
|---|---|---|---|
| **CASH FLOWS (USED IN) OPERATING ACTIVITIES** | | | |
| Net loss for the year | (2,715,062) | (1,631,532) | (4,346,594) |
| Non-cash items: | | | |
| Foreign exchange loss (gain) | (1,384,034) | (21,208) | (1,405,242) |
| Depreciation (Note 10) | 113,234 | (210,888) | (97,654) |
| Depreciation in cost of sales (Note 14) | 6,788,650 | - | 6,788,650 |
| Interest and finance expense | 4,176,496 | - | 4,176,496 |
| Debt modification gain | (259,926) | - | (259,926) |
| Share-based payments | 471,182 | 113,537 | 584,719 |
| Changes in non-cash working capital items: | | | |
| Receivables | (1,772,110) | - | (1,772,110) |
| Prepaid expenses | (1,665,427) | - | (1,665,427) |
| Inventory | (9,721,355) | - | (9,721,355) |
| Accounts payable and accrued liabilities | 282,483 | - | 282,483 |
| Cash used in operating activities | (5,685,869) | (1,750,091) | (7,435,960) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of mineral property, plant and equipment | (16,893,998) | - | (16,893,998) |
| Exploration expenditures | (1,750,091) | 1,750,091 | - |
| Deposits | (118,979) | - | (118,979) |
| Cash used in investing activities | (18,763,068) | 1,750,091 | (17,012,977) |

(vi) $1,750,091, in costs for the year ended June 30, 2025 which were previously capitalized in exploration and evaluation assets and recognized as investing activities have been reflected in loss and comprehensive loss for the year and thereby recognized in operating activities.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

**New accounting standards issued but not yet effective**

*IFRS 18 Presentation and Disclosure in Financial Statements*

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information.

IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is in the process of assessing if the new accounting standards will have a significant effect on the Company's consolidated financial statements.

## 4. RECEIVABLES

| Accounts receivables | 2026 | 2025 |
|---|---|---|
| GST and VAT receivables | $ 13,256,331 | $ 8,429,148 |
| Trade receivables | 1,156,683 | 219,092 |
| Other receivables | 162,708 | 72,780 |
| Balance, end of the year | $ 14,575,722 | $ 8,721,020 |

The aging analysis of trade receivables is as follows:

| | Total | Neither past due nor impaired | <90 days | 90 - 180 days | >180 days |
|---|---|---|---|---|---|
| June 30, 2026 | $ 1,156,683 | 1,156,683 | - | - | - |
| June 30, 2025 | $ 219,092 | 219,092 | - | - | - |

## 5. MINERAL PROPERTY, PLANT AND EQUIPMENT

| | Property, plant and equipment | Construction in progress (CIP) | | | | | Exploration and evaluation assets | Total |
|---|---|---|---|---|---|---|---|---|
| | | Mill | Mine | Mill | Mine | Mineral property | | |
| **Acquisition costs** | | | | | | | | |
| Balance, June 30, 2024 *(Restated – note 3)* | $ - | $ - | $ - | $ - | $ - | $ 11,163,198 | $ 10,751,865 | $ 21,915,063 |
| Transfer to mineral property | - | - | - | - | - | - | - | - |
| Balance, June 30, 2025 *(Restated – note 3)* and June 30, 2026 | | | | | | 11,163,198 | 10,751,865 | 21,915,063 |
| **Costs** | | | | | | | | |
| Balance, June 30, 2024 (*Restated – note 3)* | $ 42,773,383 | $ 2,096,011 | $ 14,496,399 | $ 27,151,598 | $ - | $ 6,810,009 | $ - | $ 93,327,400 |
| Additions for the year | 7,787,731 | 265,212 | 9,909,528 | 2,968,864 | - | 4,108,697 | - | 25,040,032 |
| Reclass from Mill to PPE | 1,208,568 | (794,305) | - | (414,263) | - | - | - | - |
| Transfer from CIP Mill to Mill | - | (608,586) | - | 608,586 | - | - | - | - |
| Foreign currency translation | (51,757) | (13,677) | (256,417) | (66,034) | - | (106,206) | - | (494,091) |
| Balance, June 30, 2025 *(Restated – note 3)* | 51,717,925 | 944,655 | 24,149,510 | 30,248,751 | - | 10,812,500 | - | 117,873,341 |
| Additions for the year | 6,037,979 | 1,689,466 | 8,096,841 | 4,890,999 | 3,579,204 | 4,171,610 | - | 28,466,099 |
| Transfer from CIP Mill to Mill | - | (2,289,038) | - | 2,289,038 | - | - | - | - |
| Transfer from CIP Mine to Mine | - | | (30,583,916) | - | 30,583,916 | - | - | - |
| Foreign currency translation | 1,854,757 | (345,083) | (1,662,435) | 2,871,677 | 5,789,380 | 1,585,472 | - | 10,093,768 |
| Balance, June 30, 2026 | $ 59,610,661 | $ - | $ - | $ 40,300,465 | $ 39,952,500 | $ 16,569,582 | $ - | $ 156,433,208 |
| **Accumulated depreciation** | | | | | | | | |
| Balance, June 30, 2024 (*Restated – note 3)* | $ 9,327,061 | $ - | $ - | $ 2,313,326 | $ - | $ - | $ - | $ 11,640,387 |
| Additions for the year | 4,615,788 | - | 36,134 | 2,570,416 | - | 9,248 | - | 7,231,586 |
| Cumulative translation | (34,157) | - | - | - | - | - | - | (34,157) |
| Balance, June 30, 2025 *(Restated – note 3)* | 13,908,692 | - | 36,134 | 4,883,742 | - | 9,248 | - | 18,837,816 |
| Additions for the year | 6,239,867 | - | 18,215 | 3,042,700 | 2,061,612 | 1,479,714 | - | 12,842,108 |
| Cumulative translation | 618,596 | - | - | 472,050 | 96,510 | 69,440 | - | 1,256,596 |
| Disposal for the period | 11,325 | - | - | - | - | - | - | 11,325 |
| Transfer from CIP Mine to Mine | - | - | (54,349) | - | 54,349 | - | - | - |
| Balance, June 30, 2026 | $ 20,778,480 | $ - | $ - | $ 8,398,492 | $ 2,212,471 | $ 1,558,402 | $ - | $ 32,947,845 |
| **Net book value** | | | | | | | | |
| As at June 30, 2025 *(Restated – note 3)* | $ 37,809,233 | $ 944,655 | $ 24,113,376 | $ 25,365,009 | $ - | $ 21,966,450 | $ 10,751,865 | $ 120,950,588 |
| As at June 30, 2026 | $ 38,832,181 | $ - | $ - | $ 31,901,973 | $ 37,740,029 | $ 26,174,378 | $ 10,751,865 | $ 145,400,426 |

## 5. MINERAL PROPERTY, PLANT AND EQUIPMENT ( cont'd…)

### Tuvatu Gold Project

The Company's primary asset is the Tuvatu Gold Project located near Nadi on the island of Viti Levu, Fiji.

In January 2015, the Mineral Resources Department ("MRD") of Fiji granted Special Mining Lease 62 ("SML 62") on the Tuvatu project to the Company. SML 62 is a designated area within the original boundaries of the Company's Special Prospecting Licenses ("SPL's") 1283 and 1296. SML 62 provides exclusive rights for the potential development, construction, and operation of mining, processing, and waste management infrastructure at Tuvatu. The terms of the mining lease provide for certain performance and reporting requirements. The SML has been granted for a term of ten years provided the Company complies with the terms of the lease. Extensions to the term can be applied subject to the terms of the lease and the Mining Act. In August 2022, SML 62 was extended for an additional 10 year term renewable to February 28, 2035. A performance and environmental bond of FJD$2,634,795 ($1,657,592) (June 30, 2025 - FJD $2,634,795 ($1,598,304) has been placed on deposit with the MRD. The SML is subject to annual lease payments of FJD$73,697 ($46,364).

The Fiji properties are subject to a perpetual production royalty of 0.5% to 1.5% of net smelter returns. This NSR is payable to Laimes Global Inc., a company controlled by Walter Berukoff, director of the Company. In addition, SML 62 is subject to a step royalty payable to the government of Fiji starting at 0% in 2023, 0.5% in 2024, 1.1% in 2025, 2% in 2026, 3% in 2027 and 5% then onwards.

The application of the Company's accounting policy for mineral property development costs required judgement to determine when the Tuvatu Project Project's technical feasibility and commercial viability had been demonstrated. The Company considered the approval of the Company's Board of Directors to start the detailed engineering, procurement, and construction of the 500 tonne per day Tuvatu Project process plant, along with the substantial amount of work that had been completed on the 300 tonne per day pilot plant to date, and concluded that the technical feasibility and commercial viability had been achieved as at September 30, 2023.

During the year ended June 30, 2026, management determined that the Tuvatu Gold Project had achieved commercial production effective December 31, 2025.

*Surface Lease Agreement*

The Company holds a 21-year Surface Lease agreement with the iTaueki Land Trust Board ("TLTB") which governs the native land ownership rights in Fiji. The TLTB manages the lease agreements between native land owners and tenants. Under the terms of the Surface Lease, the Company must make a one-time payment of FJD$1,000,000 of which FJD$700,000 ($440,381) was paid upon acceptance of the Surface Lease agreement. In March 2019, the Company paid FJD$249,497 ($156,963) to the TLTB with FJD$50,503 ($31,772) remaining is due upon the first gold production from mining operations in Tuvatu. An additional lease payment of FJD$30,000 ($18,873) is payable per annum to the local communities for education and community development over the 21-year term of the Surface Lease agreement.

### Fiji Exploration Properties

The Company holds four exploration licenses (SPL's) for the Tuvatu properties as granted by the MRD. Under the terms of the SPL's, the Company is required to spend a minimum threshold of expenditures on each of the licenses.

| SPL | Issued | Expiry Date | Bond (Fijian $) | Bond (Canadian $) | Expenditure Requirement (Fijian $) | Expenditure Requirement (Canadian $) |
|---|---|---|---|---|---|---|
| 1283** | Aug. 24, 2020 | Aug. 23, 2025 | 158,180 | 99,514 | 1,400,000 | 880,762 |
| 1296** | Aug. 24, 2020 | Aug. 23, 2025 | 158,180 | 99,514 | 1,600,000 | 1,006,586 |
| 1465** | Mar. 5, 2022 | Mar. 4, 2025 | 67,979 | 42,767 | 679,789 | 427,666 |
| 1512 | Dec. 11, 2024 | Dec. 11, 2029 | 633,223 | 398,371 | 1,200,000 | 754,939 |

**The Company is in the process of renewing SPL 1283, SPL 1296 & SPL 1465.

## 5. MINERAL PROPERTY, PLANT AND EQUIPMENT ( cont'd…)

### Deposits

As at June 30, 2026, the Company paid $401,953 other deposits in Fiji (June 30, 2025 - $347,128).

### Bonds

The SPL's require the posting of bonds as security against future reclamation obligations. As at June 30, 2026, the Company has bonds of $2,297,756 (June 30, 2025 - $2,215,571) held with the MRD pursuant to SML62 and the SPL's and an environmental bond of $41,022 (June 30, 2025 – $39,554) held with the Ministry of Environment. These are recorded as Deposits on the statements of financial position.

### Impairment assessment

As at June 30, 2026, the Company determined there was an impairment indicator, being net assets exceeding the Company's market capitalization. The Company performed an impairment test of the carrying value of the Tuvatu Gold Project and no impairment loss was recognized.

The key assumptions used to determine value in use are as follows:

Pricing assumptions:

The project cash flows used in impairment testing are significantly affected by changes in gold pricing. Long term gold prices are determined by referend to external market forecasts. For the June 30, 2026 impairment assessment, the gold prices assumptions were as follows:

- Gold (per ounce): USD$ 4,107 to 4,861 (CAD$ 5,836 to 6,907)

Grade assumptions:

The project cash flows used in impairment testing are significantly affected by changes in mineral grade assumptions. For the June 30, 2026 impairment assessment, the average mineral grade assumptions were as follows:

- Gold (grams per tonne) 6.1

Exchange rate assumptions:

- US dollars 1.40 to 1 CAD
- FJD dollars 0.62 to 1 CAD

Operating costs and capital expenditures are based on internal management forecast. Cost assumptions incorporate management experience and expertise, and current operating costs. Future capital expenditure is based on management's best estimate of required future capital requirements. All committed and anticipated capital expenditures adjusted for future costs estimates have been included in project cash flows.

Discount rate:
- 19.2%

The assumptions used by the Company in the cash flow forecast discounting model are classified as Level 3 in the fair value hierarchy, signifying that they are not based on observable market data.

## 6. INVENTORY

The Company's inventory is comprised of the following:

| | 2026 | 2025 |
|---|---|---|
| Mineralized materials | $ 4,377,908 | $ 380,959 |
| Work-in-process | 10,272,366 | 4,184,377 |
| Finished goods | 827,299 | 841,059 |
| Materials and supplies | 20,432,300 | 11,181,146 |
| Total inventory | $ 35,909,873 | $ 16,587,541 |

The amount of write-down of inventories to net realizable value during year ended June 30, 2026 was nil (June 30, 2025 - nil).

## 7. LOAN FACILITY

Financing Facility

On January 19, 2023 the Company entered into a facility agreement with Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP (collectively, "Nebari"), with Nebari Collateral Agent, LLC as collateral agent and certain Lion One subsidiaries as guarantors, for a financing facility of up to US$37,000,000 (the "Financing Facility"). The Financing Facility consists of a US$35,000,000 senior secured first lien term loan (the "Loan Facility") and a US$2,000,000 ($2,687,800) equity investment ("the Equity Investment") in common shares of the Company.

The total amount of the Loan Facility was funded in three tranches, with the US$23,000,000 funded on February 9, 2023 ("Tranche 1"), US$6,000,000 funded on December 29, 2023 and US$2,000,000 funded on January 3, 2024 ("Tranche 2") net of 2% closing fee, US$4,000,000 funded on December 2, 2024 ("Tranche 3") net of 2% closing fee. Tranche 1 was subject to interest of 8% plus the three-month secured overnight financing rate, as administered by Federal Reserve Bank of New York ("SOFR"), with no scheduled principal repayments until maturity on August 8, 2026. Tranche 2 was subject to an 8% Original Issue Discount ("OID") and interest is 10% plus SOFR, with progressive amortization over 42 months from the funding date. Tranche 2 principal repayments are to be made in seven equal installments starting on December 31, 2025 to June 30, 2027. Tranche 3 was subject to an 8% OID and interest is 10% plus SOFR, with progressive amortization over 6 months from June 30, 2025. Tranche 3 principal repayments are in three equal installments starting on June 30, 2025, September 30, 2025 and December 31, 2025, and the final installment was paid in October 2025. Asat October 2024, in Nebari's opinion under the market disruption terms in the loan agreement, the Term SOFR rate did not accurately reflect the cost of funding the Loan, and 4.61% which was the SOFR rate as at September 30, 2024 better reflects the cost of funding and was used to calculate the interest rate from October 1, 2024 to June 30, 2025. Following the first month in which the Tuvatu Project produces at least 2,000 ounces of gold, the Company shall pay to Nebari a royalty equal to 0.5% of the net smelter returns on the first 400,000 ounces of gold produced and sold from the Tuvatu Project.

On February 9, 2023, the Company received total proceeds of US$25,000,000 from its Financing Facility, which was comprised of US$23,000,000 ($30,452,000) from Tranche 1 and completion of the US$2,000,000 ($2,687,800) Equity Investment, with Nebari purchasing 3,125,348 common shares of the Company at a price of $0.86 per share. The Tranche 1 interest accrued from February 9, 2023 to June 30, 2024 was capitalized and added to the principal amount outstanding of the Loan Facility.

The Company received US$7,840,000 net of 2% closing fee for Tranche 2 which was comprised of US$6,000,000 ($7,935,600) received on December 29, 2023 and US$2,000,000 ($2,671,200) received on January 3, 2024. The Company recorded an OID fee of $944,000 to the principal. The interest with respect to Tranche 2 was to be expensed and added to the principal amount outstanding of the Loan Facility from December 29, 2023 to September 30, 2024, with monthly interest payments beginning on September 30, 2024.

**7. LOAN FACILITY (cont'd…)**

The Company received US$4,000,000 ($5,622,400) net of 2% closing fee from Tranche 3. The Company recorded an OID fee of $488,904 to the principal. The interest with respect to Tranche 3 will be expensed and with monthly interest payments beginning on December 31, 2024. The Company issued 3,920,000 common shares of the Company to Nebari. These common shares were valued at $980,000 and netted with the proceeds from Tranche 3 as debt issue costs.

In September 2024, the Company entered into an agreement to defer interest payments related to Tranche 1 and 2, due on September 30, 2024 to November 22, 2024. During the year ended June 30, 2026, the Company paid interest payments of $7,386,692 (June 30, 2025 - $7,236,808) to Nebari for Tranche 1, 2 and 3. As at June 30, 2026, interest accrued was $4,594,836 (June 30, 2025- $4,813,567).

On September 9, 2025, the Company announced that it has entered into a forbearance agreement with Nebari pursuant to which Nebari has agreed to waive the application of the working capital covenant under the Financing Facility. In August 2025, Tranche 1 was reclassified as a current liability. The forbearance agreement extends to December 31, 2025 and is subject to ongoing compliance covenants, including the raising of capital to ensure the timely principal and accrued interest repayments, which the Company satisfied by closing non brokered private placement offerings in September and October 2025, with a total of 105,100,016 common shares issued at a price of $0.32 each for gross proceeds of $33,632,005 (Note 17).

On February 20, 2026, the Nebari provided formal notice that an Event of Default has occurred, effective as of January 31, 2026, and therefore, the Margin component of the rate of interest under the Facility Agreement will increase on Tranche 1 SOFR plus 8% to SOFR plus 16% and on Tranche 2 SOFR plus 10% to SOFR plus 16%. Following the delivery of the monthly report for March 2026 to Nebari as required under the Facility, Nebari provided further notification that the Company is in breach of the working capital covenant in the Facility which requires the Company to maintain at least $7,000,000 in working capital (Note 1). On June 29, 2026, the Company closed the first tranche of a non-brokered private placement of 12,500 convertible debenture units for gross proceeds of $12,500,000 and its non-brokered private placement of units ("Units") for gross proceeds of $2,788,185 (the "Private Placement"). As at June 30,2026, the Company has working capital of $13,831,654, (Note 22), which is above the $7,000,000 working capital covenant as required under the Facility.

On July 22, 2026, the Company entered into a new forbearance agreement with Nebari pursuant to which Nebari has agreed to extend the final repayment date for Tranche 1 of the Company's loan facility to December 31, 2026. The Company also announces that it has cured the financial and non-financial default events that occurred under the terms of the loan facility. Forbearance requires the Company to remain in compliance with its obligations under the loan facility going forward including the requirement to make interest payments from quarterly to monthly basis. As consideration for the extension of the repayment date for Tranche 1 of the Facility, the Company has agreed to pay a restructuring fee to Nebari of US$2,000,000, which may be reduced to US$1,000,000 if the Company fully repays and satisfies all obligations owing under the Facility on or before September 30, 2026.

Debt Issue Costs

As part of the Tranche 1 loan facility with Nebari, the Company issued 15,333,087 warrants ("Tranche 1 Warrants") of the Company to Nebari, exercisable into common shares of the Company at a price of $1.49 for a period of 42 months from issuance (Note 17 (d)).

The Tranche 1 Warrants were valued at $5,194,865 using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.99%, expected life of 3.5 years, annualized volatility 75% and dividend rate at nil.

The Company also incurred deferred debt costs for professional and legal fees of $850,804. Of the total debt issue costs incurred, the Company recorded $559,100 as transaction costs which are netted against Tranche 1 with the debt and amortized over the term of the Loan Facility on an effective interest basis, and $194,469 was recorded as transaction costs for Tranche 2, recognized during the year ended June 30, 2024. The remainder of $97,235 was recorded as transaction costs for Tranche 3, recognized during the year ended June 30, 2025. All transaction costs are netted with the proceeds and amortized over the term of each respective Tranche on an effective interest rate basis.

As part of Tranche 2, the Company amended the facility agreement to re-price the 15,333,087 Tranche 1 Warrants issued from $1.49 to $1.15 with expiry date extended from August 9, 2026 to February 9, 2027. The Company also incurred deferred debt costs for professional and legal fees of $186,132, a closing fee of $213,696 and an OID fee of $944,000.

## 7. LOAN FACILITY (cont'd…)

As part of Tranche 3, the Company issued 3,920,000 common shares of the Company to Nebari, the common shares were valued at $980,000. The Company also incurred deferred debt costs for professional and legal fees of $577,379, a closing fee of $112,448 and an OID fee of $488,904. The Company recognized a $259,926 debt modification gain.

During the year ended June 30, 2026, the Company recorded $3,512,901 (June 30, 2025 - $4,051,371) of accretion and $7,386,692 (June 30, 2025 - $7,236,808) to interest and finance expenses.

All debts under the Loan Facility are guaranteed by the Company and its subsidiaries: American Eagle Resources, Inc., Laimes International Inc., Auksas Inc., and Lion One Pte Limited, and secured by the assets of the Company and pledges of the securities of the aforementioned Company's subsidiaries. The Loan Facility includes certain covenants that are calculated on the last day of each calendar month. As at June 30, 2026, the Company was in compliance with all covenants.

Repayment of current and long-term debt:

The undiscounted principal and interest amounts due under the term of the loan is as follows:

| | |
|---|---|
| Less than one year | $46,477,648 |

| **Loan Facility** | 2026 | 2025 |
|---|---|---|
| Balance, beginning of the year | $ 43,000,099 | $ 37,634,301 |
| Drawdown | - | 6,223,752 |
| Deferred debt costs incurred | - | (2,255,966) |
| Loan repayment | (9,290,352) | (1,981,884) |
| Debt modification (gain) loss | - | (259,926) |
| Deferred debt costs amortized | 3,512,901 | 4,051,371 |
| Foreign exchange (gain) loss | 2,084,025 | (411,549) |
| **Total debt, net of deferred debt costs** | 39,306,673 | 43,000,099 |
| Loan facility (current) | 39,306,673 | 7,615,910 |
| Loan facility (long-term) | - | 35,384,189 |
| Current accrued interest | 4,594,836 | 402,072 |
| Non-current accrued interest | - | 4,411,495 |
| | $ 43,901,509 | $ 47,813,666 |

| **Deferred Debt Cost** | 2026 | 2025 |
|---|---|---|
| Balance, beginning of the year | $ (3,950,099) | $ (5,745,504) |
| Deferred debt costs incurred | - | (2,255,966) |
| Deferred debt costs amortized | 3,512,901 | 4,051,371 |
| **Total deferred debt costs** | $ (437,198) | $ (3,950,099) |

## 8. OTHER ASSETS

### Mining Equipment Deposit

In July 2018, the Company paid an AUD$1,097,280 ($1,075,334) deposit to an Australian mining contractor towards the refurbishment and purchase of certain mining equipment. In May 2021, the Company requested the delivery of the mining equipment to Fiji and to date it has not been delivered. During the year ended June 30, 2021, the Company wrote down the deposit by $632,147 to its estimated carrying value. As at June 30, 2026, the estimated carrying value is $445,427 (June 30, 2025 - $445,427).

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| Accounts payable and accrued liabilities | 2026 | 2025 |
|---|---|---|
| Trade payables | $ 6,985,522 | $ 5,192,967 |
| Accrued liabilities | 2,987,087 | 1,734,800 |
| Payroll related liabilities | 730,309 | 440,800 |
| Balance, end of the year | $ 10,702,918 | $ 7,368,567 |

## 10. RIGHT-OF-USE ASSET AND LEASE LIABILITY

On April 1, 2023, the Company recognized $566,168 for a right-of-use-asset for the office space lease and $566,168 for the lease liability equal to the present value of office space lease payments over a 60-month period ending March 31, 2028, discounted by using the Company's estimated incremental borrowing rate of 20.0%.

Right-of-use asset

| | 2026 | 2025 |
|---|---|---|
| Opening balance | $ 311,392 | $ 424,626 |
| Depreciation | (113,234) | (113,234) |
| | $ 198,158 | $ 311,392 |

Lease liability

| | 2026 | 2025 |
|---|---|---|
| Opening balance | $ (378,386) | $ (472,234) |
| Payments | 180,000 | 180,000 |
| Accreted interest | (65,563) | (86,152) |
| | $ (263,949) | $ (378,386) |
| Lease liability (current) | (139,544) | (114,437) |
| Lease liability (non-current) | (124,405) | (263,949) |
| | $ (263,949) | $ (378,386) |

The annual commitment over the term of the lease is as follows:

| | |
|---|---|
| Less than one year | $180,000 |
| One to two years | $135,000 |

## 11. RECLAMATION AND CLOSURE PROVISION

The Company has recorded a reclamation provision of $1,301,726 (June 30, 2025 - $1,170,333) for future reclamation costs associated with the Tuvatu pilot plant and gold mine project currently in construction in Fiji. The reclamation costs has been calculated to reflect the amount of expected future net cash outflows discounted to present value for the future reclamation of disturbances incurred as at June 30, 2026. The reclamation provision has been recorded using a discount rate of 2.8% and an inflation factor of approximately 4.0%. As at June 30, 2026, total undiscounted estimated reclamation costs are approximately $1,093,000 (June 30, 2025 - $981,000).

| | 2026 | 2025 |
|---|---|---|
| Balance, beginning of the year | $ 1,170,333 | $ 1,132,300 |
| Increase in estimated cash flows resulting from current activities | 47,872 | - |
| Accretion | 39,041 | 38,973 |
| Effect of changes in foreign exchange rates | 44,480 | (940) |
| Balance, end of the year | $ 1,301,726 | $ 1,170,333 |

## 12. CONVERTIBLE DEBENTURES

On June 29, 2026, the Company closed the first tranche of a non-brokered private placement of 12,500 the Convertible Debentures units for gross proceeds of $12,500,000. Each debenture unit consists of (i) one 10% subordinated secured convertible debenture having a face value of $1,000, which is convertible into common shares of the Company at a conversion price of $0.13 per common share and matures four years from the closing date at the option of the Convertible Debentures holder; and (ii) 7,692.3 common share purchase warrants of the Company (the “Warrants”). Interest is payable annually.

Each Warrant entitles the holder thereof to purchase one common share at $0.175 per share for a period of four years from the date of issuance. In aggregate, 12,500 Convertible Debentures and 96,153,821 Warrants were issued.

The Convertible Debenture units comprise a liability component, an equity component relating to the conversion feature and an equity component relating to the warrants. The liability component was measured at fair value with the residual amount allocated to the equity components. The equity components were initially recognized based on their respective fair values at the date of issuance, and that the allocation of the residual amongst the equity components are based on the relative fair value of the individual equity components.

The Company may, at its option, convert all, but not less than all, of the principal amount of the then outstanding Convertible Debentures into common shares at the conversion price of $0.13 per common share if at any time following the issuance of the Convertible Debentures, the closing price of the Company's common shares on the TSX Venture Exchange exceeds $1.00 per common share for 20 consecutive trading days. The Company is required to provide at least 90 days' prior written notice to the holders of the Convertible Debentures in connection with such forced conversion. Any accrued interest outstanding at the time of conversion will be payable in accordance with the terms of the Convertible Debentures.

The Company determined that the Convertible Debentures are a compound financial instrument consisting of (i) a liability component, which is presented within debt; (ii) an equity component relating to the conversion feature, which is presented within equity; and (iii) an equity warrant component, which is presented within equity reserves.

The following tables summarize the Company’s Convertible Debentures:

| Issuance date | June 29, 2026 |
|---|---|
| Liability component | $ 9,089,416 |
| Equity component – conversion feature | 1,598,857 |
| Equity component – offering warrants | 1,811,727 |
| Total | $ 12,500,000 |

## 12. CONVERTIBLE DEBENTURES (cont'd…)

Repayment of current and long-term convertible debentures:
The undiscounted principal and interest amounts due under the term of the Convertible Debentures is as follows:

| | |
|---|---|
| Less than one year | $1,250,000 |
| One to two years | $1,250,000 |
| Two to three years | $1,250,000 |
| Three to four years | $13,750,000 |

**Liability Component**

The liability component of the debentures was initially recognized at the fair value of a similar liability which does not contain an equity conversion option. The fair value represents the cash-only component of the Convertible Debentures and was determined using as estimated market discount rate and applicable credit spread.

Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method. For the year ended June 30, 2026, the Company recognized $3,425 of accrued contractual interest and $1,915 of accretion expense, representing the difference between the effective interest expense and the contractual interest accrued during the period. The accretion expense is recognized as an increase in the carrying amount of the liability over the term of the Convertible Debentures.

The fair value of the liability component at the issuance dates, was determined using the following assumptions:

| Issuance date | June 29, 2026 |
|---|---|
| Risk-free Rates | 2.95% |
| Credit spread | 15.83% |

**Equity Component – conversion feature**

The difference between the fair value of the financial liability and the convertible debentures transaction price is allocated between equity-classified warrants and equity component relating to the conversion features based on their relative fair values on initial recognition. The equity component relating to the conversion feature was initially recognized at $1,598,857.

**Equity Warrant**

The equity component relating to the equity-classified warrants was initially recognized at $1,811,727. The assumptions used in valuing these warrants using the Black-Scholes options pricing model are as follows: risk free interest rate 2.96%, expected life of 4 years, annualized volatility 75.71% and dividend rate at nil.

## 13. REVENUE

The Company had revenue of $76,526,267 (2025 - $57,968,173) from sale of 13,291 (2025 – 14,746) gold ounces and 4,569 (2025 – 3,694) silver ounces to one customer.

A summary of revenue for the year ended June 30:

| Revenue | 2026 | 2025 |
|---|---|---|
| Gold | $ 76,185,034 | $ 57,804,302 |
| Silver | 341,233 | 163,871 |
| Total revenue | $ 76,526,267 | $ 57,968,173 |

## 14. COST OF SALES

A summary of cost of sales for the year ended June 30:

| Cost of sales | 2026 | 2025 |
|---|---|---|
| Production costs | $ 35,717,621 | $ 35,970,494 |
| Depreciation | 8,536,313 | 6,788,650 |
| Refining and transportation | 381,163 | 126,365 |
| Royalties | 2,435,590 | 1,327,931 |
| Total cost of sales | $ 47,070,687 | $ 44,213,440 |

Production costs by nature of expense were:

| | 2026 | 2025 |
|---|---|---|
| Salaries and benefits | $ 8,742,989 | $ 8,271,937 |
| Consultants and contractors | 1,936,707 | 3,429,888 |
| Utilities and fuel | 4,631,661 | 3,548,581 |
| Supplies and consumables | 16,061,469 | 14,918,428 |
| Maintenance and mechanical | 1,106,715 | 1,367,953 |
| Equipment and rentals | 1,099,043 | 1,602,119 |
| Transportation, accommodations and travel | 1,876,157 | 2,605,711 |
| Office and other | 262,880 | 225,877 |
| Total production costs | $ 35,717,621 | $ 35,970,494 |

During the year ended June 30, 2026, the amount of inventory charged to cost of sales is $43,826,299 (2025 - $43,024,217).

## 15. GENERAL AND ADMINISTRATIVE

A summary of general and administrative expenses for the year ended June 30:

| General and administrative | 2026 | 2025 |
|---|---|---|
| Professional fees | $ 2,926,505 | $ 1,597,468 |
| Office expenses | 1,467,229 | 1,053,208 |
| Investor relations | 650,202 | 698,795 |
| Management fees | 1,153,759 | 494,441 |
| Shareholder communications and filings | 189,206 | 282,338 |
| Travel | 263,321 | 270,763 |
| Licenses, dues, and insurance | 727,717 | 583,838 |
| Consulting fees | 532,010 | 406,633 |
| Directors' fees | 220,899 | 15,947 |
| Total general and administrative expenses | $ 8,130,848 | $ 5,403,431 |

## 16. INTEREST AND FINANCE EXPENSE

A summary of interest and finance expense for the year ended June 30:

| Interest and finance | 2026 | 2025 |
|---|---|---|
| Accretion expense – Lease liability (Note 10) | $ 65,563 | $ 86,152 |
| Interest expense – Financing facility (Note 7) | 7,386,692 | 7,236,808 |
| Accretion expense – Deferred debt costs (Note 7) | 3,512,901 | 4,051,371 |
| Interest expense - Convertible debenture (Note 12) | 3,425 | - |
| Accretion expense-Convertible debenture(Note 12) | 1,915 | - |
| Accretion expense - Reclamation and closure provision (Note 11) | 39,041 | 38,973 |
| Total interest and finance expense | $ 11,009,537 | $ 11,413,304 |

## 17. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued

On June 29, 2026, the Company first tranche non-brokered private placement of, of 21,447,575 units at a price of $0.13 per unit for gross proceeds of $2,788,185. Each unit consists of a common share of the Company and one common share purchase warrant. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.175 until June 29, 2029. In connection to the private placement, the Company incurred broker, filing and legal fees of $87,345 and recognized of share issuance costs.

On October 23, 2025, the Company closed the brokered sidecar private placement of, of 25,969,517 units at a price of $0.32 per unit for gross proceeds of $8,310,245. Each unit consists of a common share of the Company and one common share purchase warrant. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.42 until October 23, 2028. The Company recognized $1,618,501 residual value relating to the share purchase warrants from the offering. In connection to the sidecar private placement, the Company incurred broker, filing and legal fees of $157,616 and recognized $174,218 of share issuance costs related to the issuance of 1,987,200 non-transferable compensation options (“CO”) (Note 17(e)), each CO is exercisable to purchase a common share at a price of $0.32 until October 23, 2027.

The fair value of the CO’s of $174,218 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.46%, expected life of 2 years, annualized volatility 71.2% and dividend rate at nil. In lieu of receiving $321,760 of cash finders fee, one finder received 1,005,500 offered units at the issue price of $0.32. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.42 until October 23, 2028.

On October 17, 2025, the Company closed the second tranche a market public offering, of 18,557,334 units at a price of $0.32 per unit for gross proceeds of $5,938,347. Each unit consists of a common share of the Company and one common share purchase warrant. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.42 until October 17, 2028. The Company recognized $1,026,067 residual value relating to the share purchase warrants from the offering.

## 17. SHARE CAPITAL AND RESERVES (cont'd…)

b) Issued (cont'd…)

In connection to the offering, the Company incurred broker, filing and legal fees of $664,379 and recognized $112,837 of share issuance costs related to the issuance of 1,202,403 non-transferable compensation options ("CO") (Note 17(e)), each CO is exercisable to purchase a common share at a price of $0.32 until October 17, 2027. The fair value of the CO's of $112,837 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.46%, expected life of 2 years, annualized volatility 71.03% and dividend rate at nil. In lieu of receiving $31,500 of cash finders fee, one finder received 98,437 offered units at the issue price of $0.32. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.42 until October 17, 2028.

On September 23 & 24, 2025, the Company closed a market public offering, of 58,484,853 units at a price of $0.32 per unit for gross proceeds of $18,715,153. Each unit consists of a common share of the Company and one common share purchase warrant. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.42 until September 23 & 24, 2028. The Company recognized $3,400,564 residual value relating to the share purchase warrants from the offering.
In connection to the offering, the Company incurred broker, filing and legal fees of $861,601 and recognized $290,483 of share issuance costs related to the issuance of 3,306,087 non-transferable compensation options ("CO") (Note 17(e)), each CO is exercisable to purchase a common share at a price of $0.32 until September 24, 2027. The fair value of the CO's of $290,483 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.65%, expected life of 2 years, annualized volatility 69.5% and dividend rate at nil. In lieu of receiving $315,000 of cash finders fee, one finder received 984,375 offered units at the issue price of $0.32. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.42 until September 24, 2028.

On February 14, 2025, the Company closed a market public offering, of 31,798,761 units at a price of $0.34 per unit for gross proceeds of $10,811,579. Each unit consists of a common share of the Company and one common share purchase warrant. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.41 until February 14, 2028. The Company recognized $1,593,118 residual value relating to the share purchase warrants from the offering.

In connection to the offering, the Company incurred broker, filing and legal fees of $1,203,426 and recognized $238,144 of share issuance costs related to the issuance of 2,000,375 non-transferable compensation options ("CO") (Note 17(e)), each CO is exercisable to purchase a common share at a price of $0.34 until February 14, 2028. The fair value of the CO's of $238,144 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.51%, expected life of 3 years, annualized volatility 66.33% and dividend rate at nil.

## 17. SHARE CAPITAL AND RESERVES (cont'd…)

c) Stock options

The TSX-V accepted the Company's Stock Option Plan, which was approved by the Company's shareholders at the Annual General Meeting ("AGM") held on December 12, 2025. A rolling stock option plan has been implemented whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan. Options can be granted for a term not to exceed ten years. Shareholder approval must also be obtained yearly at the Company's AGM and in addition, submitted for review and acceptance by the TSX-V each year. Stock option transactions are summarized as follows:

| | Number of Stock Options | Weighted Average Exercise Price |
|---|---|---|
| Balance, June 30, 2024 | 14,131,666 | $ 1.17 |
| Forfeited and expired | (2,611,666) | 1.35 |
| Balance, June 30, 2025 | 11,520,000 | 1.13 |
| Forfeited and expired | (5,828,334) | 1.17 |
| Balance, June 30, 2026 | 5,691,666 | $ 1.09 |

The following stock options are outstanding and exercisable as at June 30, 2026:

| | Number of Options Outstanding | Exercise price | Number of Options Exercisable | Expiry date |
|---|---|---|---|---|
| Stock Options | 1,961,666 | $1.25 | 1,961,666 | September 3, 2027 |
| | 3,730,000 | 1.00 | 3,730,000 | December 13, 2028 |
| | 5,691,666 | | 5,691,666 | |

During the year ended June 30, 2026, the Company granted Nil (2025 – Nil) stock options. The weighted average fair value of options granted during the year was $Nil per share (2025 - $Nil). Total share-based payments recognized for the year ended June 30, 2026 was $177,914 (2025 - $693,082) for incentive options granted and vested. Share-based payments expense of $93,677 (2025 - $584,719) was recognized in profit or loss, and shared-based payment expense restricted share units (RSUs) $54,167 was recognized in profit or loss with the balance $30,070 (2025 - $108,363) was recognized in mineral property, plant and equipment, which relates to employees and consultants working on the Tuvatu property.

## 17. SHARE CAPITAL AND RESERVES (cont'd…)

d) Warrants

The warrants were issued from May 2023, Feb. 2024, July 2024, Feb. 2025, Sep. 2025, Oct. 2025 and Jun.2026 private placements and Convertible Debentures.

Warrant transactions are summarized as follows:

| | Number of Warrants | Weighted Average Exercise Price | Expiry Date |
|---|---|---|---|
| Balance, June 30, 2024 | 62,832,087 | $ 0.78 | |
| Warrants issued – Note 17(b) | 31,485,379 | 0.50 | July 26, 2027 |
| Warrants issued – Note 17(b) | 31,798,761 | 0.41 | February 14, 2028 |
| Balance, June 30, 2025 | 126,116,227 | $ 0.62 | |
| Warrants issued – Note 17(b) | 19,884,000 | 0.42 | September 23,2028 |
| Warrants issued – Note 17(b) | 38,600,853 | 0.42 | September 24,2028 |
| Warrants issued – Note 17(b) | 18,557,334 | 0.42 | October 17,2028 |
| Warrants issued – Note 17(b) | 25,969,517 | 0.42 | October 23,2028 |
| Warrants issued – Note 17(b) | 21,447,575 | 0.175 | June 29,2029 |
| Warrants issued – Note 12 | 96,153,821 | 0.175 | June 29,2030 |
| Warrants expired | (8,674,000) | 1.05 | September 29,2025 |
| Warrants expired | (14,675,000) | 1.25 | November 11,2025 |
| Balance, June 30, 2026 | 323,380,327 | $ 0.35 | |

Compensation Warrants are summarized as follows:

| | Number of Warrants | Weighted Average Exercise Price | Expiry Date |
|---|---|---|---|
| Balance, June 30, 2025 and 2024 | - | $ - | |
| Warrants issued – Note 17(b) | 984,375 | 0.42 | September 24,2028 |
| Warrants issued – Note 17(b) | 98,437 | 0.42 | October 17,2028 |
| Warrants issued – Note 17(b) | 1,005,500 | 0.42 | October 23,2028 |
| Balance, June 30, 2026 | 2,088,312 | $ 0.42 | |

e) Compensation Options

The compensation options were issued from May 2023, Feb. 2024, July 2024, Feb. 2025, Sep. 2025 and Oct. 2025 private placements.

Compensation Options are summarized as follows:

| | Number of Options | Weighted Average Exercise Price | Expiry Date |
|---|---|---|---|
| Balance, June 30, 2024 | 4,244,880 | $ 0.79 | |
| Issued – Note 17(b) | 1,996,891 | 0.37 | July 26, 2026 |
| Issued – Note 17(b) | 2,000,375 | 0.34 | February 14, 2028 |
| Balance outstanding and exercisable, June 30, 2025 | 8,242,146 | $ 0.58 | |
| Issued – Note 17(b) | 1,173,130 | 0.32 | September 23, 2027 |
| Issued – Note 17(b) | 2,132,957 | 0.32 | September 24, 2027 |
| Issued – Note 17(b) | 1,202,403 | 0.32 | October 17, 2027 |
| Issued – Note 17(b) | 1,987,200 | 0.32 | October 23, 2027 |
| Expired | (1,040,880) | 0.77 | September 29,2025 |
| Expired | (1,755,000) | 0.92 | November 11,2025 |
| Balance outstanding and exercisable, June 30, 2026 | 11,941,956 | $ 0.37 | |

## 18. RELATED PARTY TRANSACTIONS

### Management Compensation

Key management personnel comprise of the: Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Corporate Secretary of the Company, President, members of the Board of Directors and related companies. The remuneration of the key management personnel is as follows for the year ended June 30:

| | 2026 | 2025 |
|---|---|---|
| Payments to key management personnel: | | |
| Cash compensation expensed to management fees, retirement compensation, royalty, professional fees, directors fees and consulting fees | $ 3,311,989 | $ 1,793,152 |
| Cash compensation capitalized to mineral property, plant and equipment and exploration and evaluation assets | 268,077 | 407,149 |
| Share-based payments | (7,759) | 231,379 |

During the year ended June 30, 2026, the Company paid $180,000 (2025 - $180,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by Walter Berukoff, a former director of the Company. As at June 30, 2026, the Company had a lease liability of $263,949 (June 30, 2025 – $378,386) due to Cabrera equal to the present value of office space lease payments over the term of the lease. As at June 30, 2026, the Company has a payable of $245,854 (June 30, 2025 – $234,706).

During the year ended June 30, 2026, the Company recognized share-based payment expense of $54,167 (2025 – $Nil) in respect of 5,000,000 restricted stock units (RSUs) granted to Walter Berukoff, a former director of the Company, as part of his retirement compensation arrangement following his resignation on June 3, 2026. The expense was recognized over the 12-month vesting period. As at June 30, 2026, the Company has a payable of $350,000 (June 30, 2025 – $Nil) owing to Walter Berukoff in respect of management fees.

The Company had a management and corporate services agreement with Cabrera pursuant to which Cabrera provides a fully furnished and equipped business premises as well as management and administration services to the Company. With the exception of rent expense, Cabrera charges the Company on a cost-recovery basis. On April 1, 2023, the Cabrera management and corporate services agreement was renewed for an additional 5-year term.

During the year ended June 30, 2026, the Company paid $234,660 (2025 - $228,997) in rent to Lions Den (Fiji) Pte Limited, a company controlled by Walter Berukoff, the former director of the Company, for short-term and long-term accommodations including utilities in Fiji, and as of June 30, 2026, has a receivable of $12,823 (June 30, 2025 – receivable $37,382).

During the year ended June 30, 2026, the Company paid $1,134,754 (2025 – $854,121) in royalty to Laimes Global, Inc, a company controlled by Walter Berukoff, the former director of the Company (included as cash compensation to key management personnel above). As at June 30, 2026, the Company has a payable of $329,054 (June 30, 2025 – $249,961).

During the year ended June 30, 2026, the Company paid professional fees of $11,259 (2025 - $22,584) to a management services company owned by David McArthur, a director of the Company's subsidiary, Lion One Australia Pty Ltd. As at June 30, 2026, the Company had a payable of $1,080 (June 30, 2025 - $984).

During the year ended June 30, 2026, the Company paid professional fees of $240,000 (2025 - $60,000) to Richard Meli, a director of the Company, for consulting services. As at June 30, 2026, the Company had a payable of $Nil (June 30, 2025 - $Nil).

During the year ended June 30, 2026, the Company recorded $572,132 (2025 – $Nil) in consulting fees to Arete Capital Advisory Pty a company controlled by Campbell Olsen, the former CEO of the Company. As at June 30, 2026, the Company has a payable of $572,132 (June 30, 2025 – $Nil).

## 19. SEGMENTED INFORMATION

Operating segments are components of an entity that engage in business activities from which they incur expenses and whose operating results are regularly reviewed by a chief operating decision maker to make resource allocation decisions and to assess performance. The Chief Executive Officer is responsible for allocating resources and reviewing operating results of each operating segment on a periodic basis.

The Company's primary business activity is the Tuvatu operating mine in Fiji where all revenues originate. All capital expenditures and depreciation and depletion were incurred in Fiji.

Geographical segmented information of the Company's non-current assets and performance measures for the year is presented as follows

| June 30, 2026 | Fiji | Corporate | Australia | Total |
|---|---|---|---|---|
| Exploration and evaluation assets | 10,751,865 | - | - | 10,751,865 |
| Mineral property, plant and equipment | 134,648,561 | - | - | 134,648,561 |
| Right-of-use asset | - | 198,159 | - | 198,159 |
| Deposits | 2,740,730 | - | - | 2,740,730 |
| Other assets | - | 445,427 | - | 445,427 |
| For the year ended June 30, 2026 | | | | |
| Revenue | 76,526,267 | - | - | 76,526,267 |
| Cost of Sales | (47,070,687) | - | - | (47,070,687) |
| Income from mining operations | 29,455,580 | - | - | 29,455,580 |

| June 30, 2025 | Fiji | Corporate | Australia | Total |
|---|---|---|---|---|
| Exploration and evaluation assets | 10,751,865 | - | - | 10,751,865 |
| Mineral property, plant and equipment | 110,198,723 | - | - | 110,198,723 |
| Right-of-use asset | - | 311,392 | - | 311,392 |
| Deposits | 2,602,253 | - | - | 2,602,253 |
| Other assets | - | 445,427 | - | 445,427 |
| For the year ended June 30, 2025 | | | | |
| Revenue | 57,968,173 | - | - | 57,968,173 |
| Cost of Sales | (44,213,440) | - | - | (44,213,440) |
| Income from mining operations | 13,754,733 | - | - | 13,754,733 |

The Company generated 100% of its revenue from one major customer domiciled in the UK during the years ended June 30, 2026 and 2025.

## 20. SUPPLEMENTARY CASH FLOW INFORMAITON

The Company's significant financial transactions are as follows:

| | June 30, 2025 | New Loans (Repayment) | Deferred debt costs amortized | Foreign exchange movement | Other | Equity components | June 30, 2026 |
|---|---|---|---|---|---|---|---|
| Loan facility | $43,000,099 | (9,290,352) | $3,512,901 | 2,084,025 | - | - | 39,306,673 |
| Convertible debentures | - | 12,500,000 | - | - | (137,452) | (3,410,584) | 8,951,964 |
| Total | $43,000,099 | $3,209,648 | $3,512,901 | $2,084,025 | (137,452) | (3,410,584) | $48,258,637 |

| | June 30, 2024 | New Loans (Repayment) | Deferred debt costs amortized | Debt modification | Share issued | Foreign exchange movement | June 30, 2025 |
|---|---|---|---|---|---|---|---|
| Short term loans | $37,634,301 | $2,965,902 | $4,051,371 | $(259,926) | $(980,000) | $(411,549) | $43,000,099 |
| Total | $37,634,301 | $2,965,902 | $4,051,371 | $(259,926) | $(980,000) | $(411,549) | $43,000,099 |

## 21. INCOME TAXES

A reconciliation between expense (recovery) and the product of accounting loss multiplied by the Company's domestic tax rate for the years ended June 30, 2026 and 2025 is as follows:

| | 2026 | 2025 |
|---|---|---|
| Net income (loss) before income tax | $ 5,957,022 | $ (4,346,594) |
| Income tax rate | 27.0% | 27.0% |
| Expected tax recovery at statutory income tax rate | 1,608,000 | (1,174,000) |
| Increase (decrease) due to: | | |
| Permanent differences | (1,944,000) | (7,973,000) |
| Share issuance costs | - | (1,003,000) |
| True up and other adjustments | (5,009,000) | (27,943,000) |
| Tax effect of tax losses and temporary differences not recognized | 5,345,000 | 38,093,000 |
| | $ - | $ - |

The significant components of the Company's deferred tax assets and liabilities are as follows:

| | 2026 | 2025 |
|---|---|---|
| Recognized deferred tax assets | | |
| Share issuance costs and financing fees | $ 958,000 | $ - |
| Non-capital losses | 993,000 | - |
| | 1,951,000 | , |

| | 2026 | 2025 |
|---|---|---|
| Recognized deferred tax liabilities | | |
| Convertible debenture | $ (958,000) | $ - |
| Inventory | (993,000) | - |
| | (1,951,000) | , |

## 21. INCOME TAXES (cont'd…)

No deferred tax assets have been recognized on the consolidated statements of financial position as the Company has concluded that it is not probable that the benefits of deferred income tax assets will be realized prior to their expiry. As such, the Company has the following unrecognized deductible temporary differences:

| | 2026 | 2025 |
|---|---|---|
| Non-capital losses | $ 122,428,000 | $ 117,654,000 |
| Share issue costs | 2,846,000 | 5,758,000 |
| Exploration and evaluation assets (no expiry date) | 11,673,000 | 5,683,000 |
| Property and equipment (no expiry date) | 103,267,000 | 96,603,000 |

As at June 30, 2026, the Company has non-capital losses, for Canadian income tax purposes, of approximately $77,809,000 to reduce future taxable income in Canada. These losses, if unused, will expire between 2027 to 2045.

## 22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### Financial instruments

Cash, receivables, deposits, accounts payable and accrued liabilities, lease liability, loan facility and convertible debentures and accrued interest are carried at amortized cost. The Company considers the carrying amount of the current financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. The fair value of long-term liabilities are initially recorded at fair value and subsequently carried at amortized cost using rates comparable to market interest rates.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

### Financial risk factors

*Credit risk*

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash, with high-credit quality financial institutions.

Receivables mainly consist of Goods and Services Tax ("GST") receivable from the Government of Canada and Value Added Tax ("VAT") receivable from the Government of Fiji. The Company has not had issues with respect to collectability of these amounts and believes that the credit risk concentration with respect to receivables is minimal.

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company will raise funds for future use from equity financings and other methods as contemplated by management to satisfy its capital requirements and will continue to depend heavily upon these financing activities. All of the Company's current financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. As at June 30, 2026, the Company had a working capital of $13,831,654.

On July 22, 2026, the Company entered into a forbearance agreement with Nebari, pursuant to which Nebari has agreed to extend the final repayment date for Tranche 1 of the Company's loan facility to December 31, 2026.

## 22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

**Financial risk factors (cont'd…)**

The following tables summarize the contractual maturities of the Company's financial liabilities on an undiscounted basis:

| | Less than 1 year | Between 1 - 3 years | Between 4 - 5 years | After 5 years | Total |
|---|---|---|---|---|---|
| Accounts payable and accrued liabilities | $10,702,918 | $ - | $ - | $ - | $10,702,918 |
| Lease liabilities | 180,000 | 135,000 | - | - | $315,000 |
| Loan facility | 46,477,648 | - | - | - | $46,477,648 |
| Convertible debentures | 1,250,000 | 1,250,000 | 1,250,000 | 13,750,000 | $17,500,000 |
| Reclamation and closure provision[(1)] | - | - | - | 1,093,000 | $1,093,000 |
| | $58,610,566 | $1,385,000 | $ 1,250,000 | $14,843,000 | $ 76,088,566 |

(1) Represents undiscounted uninflated future payments for the expected cost of mine reclamation and closure. Recast amounts previously reported as undiscounted inflated payments as undiscounted uninflated payments.

*Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company has cash balances issued by its banking institution and its debt under the loan facility and Convertible Debentures. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Advances under the loan facility and Convertible Debentures will bear interest at the 3 month SOFR +8% for Tranche 1 and +10% for Tranche 2/3 and fixed interest rate of 10% per annum respectively.

b) Foreign currency risk

The Company's revenue is generated in US dollars and has Fijian mine operations expenditures that are conducted in Fijian dollars, US dollars, Canadian dollars, Australian dollars and New Zealand dollars. A portion of the Company's financial assets (liabilities) and other assets are denominated in US dollars and Australian dollars. As such, the Company is exposed to foreign currency risk in fluctuations. The Company manages this risk by entering into short term forward exchange contracts with durations of one to two months on an intermittent basis to minimize foreign exchange fluctuations.

As at June 30, 2026, the Company's net foreign denominated financial assets (liabilities) are as follows:

| | Foreign currency | Canadian dollar equivalent |
|---|---|---|
| Australian Dollar | (1,009,734) | (991,256) |
| Fijian Dollar | 14,645,045 | 9,213,433 |
| USD Dollar | (29,276,114) | (41,601,358) |
| NZ Dollar | (474,484) | (382,481) |

## 22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

**Financial risk factors (cont'd…)**

The sensitivity of the Company's comprehensive income (loss) due to changes in the carrying values of monetary assets and liabilities denominated in foreign currencies is as follows.

| Increase / decrease in foreign exchange rate | 2026 | 2025 |
|---|---|---|
| + 5% | $ 1,688,084 | $ 2,186,860 |
| - 5% | (1,688,084) | (2,186,860) |

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices to determine the appropriate strategic action to be taken by the Company. The Company sells gold production in the world market. The market prices of gold are the primary drivers of the Company's profitability and ability to generate cash flow.

## 23. CAPITAL MANAGEMENT

The Company's capital management policy has the objective of maintaining a strong, but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. The Company's capital structure includes shareholders' equity of $152,234,876 (June 30, 2025 - $100,281,102). In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares, seek debt financing and adjust its capital spending to manage current and working capital requirements.

There were no changes to the Company's approach to capital management during the year ended June 30, 2026. As outlined in Note 7, subsequent to June 30, 2026, the Company entered into the Forbearance Agreement with Nebari. Pursuant to the Forbearance Agreement, Nebari has agreed to extend the final repayment date for Tranche 1 of the Company's loan facility to December 31, 2026. Management continues to monitor liquidity and capital resources and has implemented measures to maintain compliance with financing obligations and support ongoing operations.

## 24. SUBSEQUENT EVENTS

*Private placement:*

On July 10, 2026, the Company closed second tranche non-brokered private placement of, of 5,475,505 units at a price of $0.13 per unit for gross proceeds of $711,816. Each unit consists of a common share of the Company and one common share purchase warrant. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.175 for a period of 36 months following the closing date of the offering

In connection to the offering, the Company incurred broker, filing and legal fees of $62,882 and recognized of share issuance costs.

*Convertible Debenture:*

On July 10, 2026, the Company closed the second tranche of a non-brokered private placement of 1,500 convertible debenture units for gross proceeds of $1,500,000. Each debenture unit consists of (i) one 10% subordinated secured convertible debenture having a face value of $1,000, which is convertible into common shares of the Company at a conversion price of $0.13 per common share and matures four years from the closing date; and (ii) 7,692.3 common share purchase warrants of the Company (the "Warrants"). Each Warrant entitles the holder thereof to purchase one common share at $0.175 per share for a period of four years from the date of issuance. In aggregate, 1,500 convertible debentures and 11,538,459 Warrants were issued.

*Stock Option:*

On July 10, 2026, the Company granted stock options to various employees, officers and directors of the Company to purchase up to an aggregate of 18,900,000 common shares of the Company. The stock options are exercisable at $0.16 per share and expire 5 years from the date of grant.

On September 24, 2026, the Company granted stock options to various employees, officers and directors of the Company to purchase up to an aggregate of 1,750,000 common shares of the Company. The stock options are exercisable at $0.24 per share and expire 5 years from the date of grant.

*Nebari Loan:*

On July 22, 2026, as consideration for the extension of the repayment date for Tranche 1 of the Facility, the Company has agreed to pay a restructuring fee to Nebari of US$2,000,000, which may be reduced to US$1,000,000 if the Company fully repays and satisfies all obligations owing under the Facility on or before September 30, 2026.