



Management Discussion and Analysis

2024 Results

Year Ended December 31, 2024

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION.....	5
NON-IFRS MEASURES.....	7
TECHNICAL INFORMATION	7
ADDITIONAL INFORMATION	9
GROUP OVERVIEW.....	9
HEALTH AND SAFETY	11
FINANCIAL OVERVIEW	12
STATEMENT OF FINANCIAL POSITION	13
INCOME STATEMENT.....	22
CASH FLOW STATEMENT.....	25
FINANCING ACTIVITIES	25
STREAM AGREEMENT	25
DEBENTURE AGREEMENTS	26
BORO BOND	27
ATO PHASE 2 LOAN.....	27
OUTSTANDING COMMON SHARES.....	27
RELATED PARTY TRANSACTIONS	27
OPERATIONAL OVERVIEW	31
GOLD MINE OPERATIONAL SUMMARY.....	31
SUMMARY OF QUARTERLY RESULTS	32
EPC ARRANGEMENTS.....	33
BOROO GOLD TRANSACTION	34
EXPLORATION AND DEVELOPMENT.....	34
BOROO GOLD MINE.....	34
ATO GOLD MINE.....	34
UUDAM KHUNDII PROPERTY	35
BORNUUR EXPLORATION SITE.....	35
OUTLOOK	35
CRITICAL ACCOUNTING POLICIES, ESTIMATES AND ACCOUNTING CHANGES.....	35
CRITICAL ACCOUNTING POLICIES AND ESTIMATES.....	35
ACCOUNTING POLICIES	35
FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS.....	36
CREDIT RISK	36
LIQUIDITY RISK	36
MARKET RISK	37
COMMODITY PRICE RISK	38
EMBEDDED DERIVATIVES	38
STREAM AGREEMENT	38
CAPITAL RISK MANAGEMENT	39
NON-IFRS PERFORMANCE MEASURES.....	40
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES	40
EBITDA	40
KEY PERFORMANCE INDICATORS.....	41



CORPORATE GOVERNANCE.....	42
DISCLOSURE CONTROLS AND PROCEDURES.....	42
INTERNAL CONTROL OVER FINANCIAL REPORTING	42
LIMITATIONS OF CONTROLS AND PROCEDURES.....	43
CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING	43

Management Discussion and Analysis

Significant Transaction

Steppe Gold Ltd. (the "Company" or "Steppe Gold") was incorporated under the laws of the Ontario Business Corporations Act by Articles of Incorporation dated October 5, 2016. The Company is domiciled in Canada and its registered office is at 333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6.

The consolidated financial statements as at December 31, 2024, comprises the Company and its main operating subsidiaries, Steppe Gold LLC and Boroo Gold LLC (see below) (together referred to as the "Group").

On April 11, 2024, the Company entered into share exchange agreement with Centerra Netherlands BVBA ("Centerra") and Boroo Pte Ltd. ("Boroo Singapore") to purchase all of Boroo Gold LLC's ("Boroo Gold") shares in exchange for the number of the Company's shares equal to approximately 55.9% of the fully diluted Company shares immediately prior to the closing date of the proposed transaction (the "Boroo Gold Transaction"). At the time, Boroo Gold, based in Mongolia, was 100% owned by Centerra, which in turn, was and continues to be, owned 100% by Boroo Singapore.

On August 1, 2024, the Company announced the successful completion of the Boroo Gold Transaction, where the Company acquired all of Boroo Gold's shares in exchange for 143,796,574 common shares for the Company, representing 55.9% of the fully diluted Company shares immediately prior to the closing date, to Boroo Singapore.

Following completion of the Boroo Gold Transaction, it was determined that Boroo Singapore controlled the Company and therefore Boroo Gold, as 100% subsidiary of Boroo Singapore, would be considered for financial accounting purposes as the accounting acquirer and the Boroo Gold Transaction should be accounted for as a reverse acquisition as defined in International Financial Reporting Standards ("IFRS") 3 Business Combinations.

Under the reverse acquisition rules the entity that issues its shares to effect the transaction is determined for accounting purposes to be the acquiree (also called the accounting acquiree or legal acquirer), while the entity whose shares are acquired is, for accounting purposes, the acquirer (also called the accounting acquirer or legal acquiree). The accounting acquiree generally continues in existence as the legal entity whose shares represent the outstanding common shares of the combined company and continues to issue its own financial statements. However, the financial reporting reflects the accounting acquirer's financial information, except for its equity, which is retroactively adjusted to reflect the equity of the accounting acquiree.

Accordingly, as Boroo Gold is considered the accounting acquirer the financial information included in this management discussion and analysis principally represents the financial and operating information of the Group as set out below:

- Boroo Gold for the period from January 1, 2024, to December 31, 2024.
- For the period from January 1, 2024 to December 31, 2024 the consolidated income statement contains the financial and operating information for Boroo Gold for the entire period and Steppe Gold's financial and operating information from August 1, 2024, through December 31, 2024 i.e. from the date of the accounting acquisition.
- Boroo Gold's comparative income statement financial information for the period from January 1, 2023, to December 31, 2023. Under IFRS 3 Business Combinations there is no requirement for comparative information of Steppe Gold.
- Boroo Gold's comparative balance sheet as at December 31, 2023 has been prepared in accordance with IFRS. There is no requirement for a comparative balance sheet of Steppe Gold as at December 31, 2023.

Concurrently with the closing of the Boroo Gold Transaction, the Company sold its subsidiary, Aurifera Tres Cruces SA ("ATC") to Boroo Singapore for CAD\$11.7 million in cash, payable in four instalments. ATC owned the Tres Cruces Oxide Project, located in Peru, and was owned by 687211 British Columbia Ltd and T.C. Mining Inc which in turn were owned by Anacortes Mining Corp ("Anacortes") which the Company acquired on June 29, 2023.

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations represent Boroo Gold for the years ended December 31, 2023 and 2024, and Steppe Gold from August 1, 2024, through December 31, 2024.

The MD&A constitutes management's review of the factors that affected the Company and Group's financial and operating performance for the year ended December 31, 2024 and the year ended December 31, 2023. This discussion should be read in conjunction with the consolidated financial statements as at and for the year ended December 31, 2024, together with the notes thereto, which have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

This MD&A is dated as of March 31, 2025 unless otherwise indicated.

All monetary amounts, except per unit amounts, in this MD&A are expressed in thousands of United States dollars, unless otherwise noted. Unless otherwise noted or the context indicates otherwise "we", "us", "our", the "Group" or Boroo Gold refers to Boroo Gold LLC and its direct and indirect subsidiaries.

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws. You should carefully read "Cautionary Statement Regarding Forward-Looking Information" in this MD&A and should not place undue reliance on any such forward-looking statements.

Further information about the Company and its operations is available on the Company's website at www.steppegold.com.

Cautionary Statement Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and statements which may not be based on fact, including without limitation, statements regarding the Group's expectations in respect of: future financial position; the realization of the bonds entered into by the Group; the repayment of the Triple Flag Gold Prepay Loan; certain amendments to the EPC Contract; business strategy of the Group; future exploration and production; mineral resource potential; exploration drilling; permitting; access to capital; reagent supply chain operations; events or developments that the Group expects to take place in the future; the expected results of exploration activities; the estimation of mineral resources; the ability to identify new mineral resources and convert mineral resources into mineral reserves; ability to raise additional capital and complete future financings; capital expenditures and costs, including forecasted costs; use and repayment of loan proceeds; future loan agreements; the Group pledged of certain licenses, movable properties and immovable properties; the ability of the Group to comply with environmental, safety and other regulatory requirements; future prices of precious metals; and the production and construction schedule of, and the ability of the Group to obtain all necessary approvals and permits in connection with, the development of the Altan Tsagaan Ovoo ("ATO") Project (the "ATO Project") or the ATO gold mine (the "ATO Gold Mine") and development of the Boroo Mine and Ulaanbulag Mine ("Boroo Project"); the Group's future outlook and anticipated events, such as the Group's board and management team; the potential for value creation to the Group's shareholders; anticipated gold production of Boroo Gold and combined gold production of the Group; capital expenditures of the Group; the anticipated cash flow of the Group; and discussion of future plans, projections, objectives, estimates and forecasts and the timing related thereto; timing of repayment of

the Triple Flag Gold Prepay Facility by the Company; and the Company's intention of retaining the Aranjin common shares. All statements, other than statements of historical facts, are forward-looking information and statements.

The words "believe", "expected", "anticipated", "continue", "goal", "future", "focus", "forecasted", "estimate", "exploring", "intends", "opportunity", "potential", "proposed", "may", "will", "could", "would" and similar expressions identify forward-looking information and statements.

Such forward-looking information and statements are based upon a number of estimates and assumptions that, while considered reasonable by the Group as of the date of such information and statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions relate to, among other things: general economic and market conditions; gold prices; the ability of the Group to maintain normal operations during the Russia-Ukraine war and as a result of related sanctions; the Company's ability to continue to successfully satisfy all covenants under the Stream Agreement (as defined below) and the Group's ability to meet significant near-term liquidity and operation requirements; the accuracy of mineral resources and mineral reserve statements and the other estimates and assumptions contained in the ATO Technical Report and BG Technical Report (each as defined below); material adverse effects on the business, properties and assets of the Group; and discrepancies between actual and estimated production and test results, mineral reserves and resources and metallurgical recoveries.

Readers are cautioned that forward-looking information and statements are not guarantees of future performance. There can be no assurance that such information and statements will prove to be accurate and actual results and future events could differ materially from those presented in such information and statements. Forward-looking information and statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information and statements. Such risks include, but are not limited to: the integration of the Company and Boroo Gold and the benefits and progress thereof; the integration process may result in loss of key employees and the disruption of ongoing business, stakeholder, customer and employee relationships that may adversely affect the Company's performance; expected completion of the forward sales contract with TDB; the expected growth in reserves through exploration at current and nearby operations; potential acquisitions of the Group; the recoverability of the bonds issued by Boroo Singapore; the impact of any pending litigation; a significant portion of the Company's business is carried on through subsidiaries, including foreign subsidiaries, accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations and projects efficiently; Boroo Singapore beneficially owns approximately 55.9% of the Company's outstanding Common Shares and, governed by the Boroo Investor Rights Agreement, can influence the Company's governance and operations; the Company's compliance with evolving corporate governance and public disclosure regulations, imposed by various governmental and self-regulatory organizations, has increased compliance costs and risks, potentially adversely affecting its securities' price, while also diverting management's focus and increasing administrative expenses; the volatility of the price of gold; uncertainty of mineral resources; exploration potential; mineral grades and mineral recovery estimates; delays in exploration and development plans; insufficient capital to complete development and exploration plans; risks inherent with mineral acquisitions; delays in obtaining government approvals or permits; financing of additional capital requirements; commercial viability of mineral deposits; cost of exploration and development programs; risks associated with competition in the mining industry; risks associated with the ability to retain key executives and personnel; the impact of the Russia-Ukraine war and related sanctions; title disputes and other claims; the risk that insurance may not be available to the Group on reasonable terms or at all; changes in governmental and environmental regulation that results in increased costs; the Company's failure to adhere to representations, warranties, affirmative and negative covenants under the Stream Agreement, which could give rise to an event of default under the Stream Agreement; risk of increases in the anticipated total capital and operating costs relating to development and operation of the ATO Project and the Group's ability to meet such costs; and cost of environmental expenditures

and potential environmental liabilities; accidents and labour disputes. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information and statements.

Non-IFRS Measures

Certain non-IFRS measures are included in this MD&A, including earnings before interest, taxation, depreciation and amortization ("EBITDA") and all-in sustaining cost ("AISC"), which are non-IFRS performance measurements. Cash costs and AISC are included because these statistics are widely accepted as the standard of reporting cash costs of production in North America. These performance measurements do not have a meaning within IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. These performance measurements should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

Certain other key measures for ATO are included below:

1. Mineral Reserves estimates are set out in the ATO Technical Report and effective August 27, 2022, and are based on the Measured and Indicated Resource Estimate by R. Rankin, QP.
2. ATO and Mungu Mineral Reserves are set out in the ATO Technical Report and are effective as of August 27, 2022.
3. Mineral Reserves are included in Mineral Resources.
4. Mineral Reserves are reported in accordance with JORC and Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") guidelines.
5. Ore dilution is 3% and ore loss is 2%.
6. Contained metal estimates have not been adjusted for metallurgical recoveries.
7. The open pit mineral reserves are estimated using a cut-off grade of 0.40 g/t AuEq for oxide material and 0.43 g/t AuEq for transition and fresh material.
8. Mineral reserves are contained within an optimised pit shell based on a gold price of \$1,700 per ounce.
9. A conversion factor of 31.103477 grams per troy ounce and a conversion factor of 453.59237 grams per pound are used in the resource and reserves estimates.
10. AuEq has been calculated using the following metal prices: \$1,700/oz gold, \$20/oz silver, \$1,970/t lead, \$2,500/t zinc.
11. Oxide AuEq calculation: $AUEQ_{(g/t)} = Au_{(g/t)} + \frac{Ag_{(g/t)} \times 21 \times 0.4}{1,610 \times 0.7}$
12. Transition and fresh AuEq calculation: $AuEq_{(g/t)} = Au_{(g/t)} + \frac{Ag_{(g/t)} \times 21 \times 0.858}{1,610 \times 0.8} + \frac{Pb_{(g/t)} \times 1,970 \times 0.88}{1,610 \times 0.8} + \frac{Zn_{(g/t)} \times 2,500 \times 0.88}{1,610 \times 0.8}$.
13. Totals may not match due to rounding.
14. The mineral reserves are stated as dry tonnes processed at the crusher.

ATO Technical Information

Following the release of the "Altan Tsagaan Ovoo Project (ATO) 2022 Mineral Resources & Reserves Report (NI 43-101)" on March 13, 2023 (the "ATO Technical Report"), the technical information contained herein relating to mineral reserve estimates of the ATO Project is based on, and fairly represents, information compiled by Grant Walker, Be (Mining) MAusIMM CP(Mining). Mr. Walker is independent within the meaning of NI 43-101, as a full-time employee of Xenith Consulting Pty Ltd. Mr. Walker has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity for which he is undertaking to qualify as a "Qualified Person" under NI 43-101.

The technical information contained herein relating to the ATO Project mineral resource estimates is based on, and fairly represents, information compiled by Robin Rankin, MSc DIC MAusIMM CP(Geo). Mr. Rankin is independent within the meaning of NI 43-101, as a full-time employee of Geores. Mr. Rankin has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Qualified Person" under NI 43-101. The technical and geoscientific content of this MD&A has been approved by Enkhtuvshin Khishigsuren, exploration consultant of the Company and a "Qualified Person" as defined in NI 43-101. The effective date of the current mineral resource estimate is August 27, 2022.

All mineral reserve and resources have been estimated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 43-101.

The Qualified Persons were not aware of any other factors, including environmental, title, economic, market or political, which could generally influence the resources and reserves reported herein for the ATO Project. Factors that could alter the resources and reserves (but in all cases relatively insignificantly in the Qualified Persons' view) were changes in grade cut-off; bulk density; gold equivalent (through variations in world metals prices); geological model; JORC classification; and mining method with depth (possibly a factor at the deeper Mungu deposits where underground mining would be considered, and which would have a higher-grade cut-off).

Boroo and Ulaanbulag Technical Report

On June 21, 2024, the Company filed an amended technical report for the Boroo and Ulaanbulag Gold Project (the "BG Technical Report"). The BG Technical Report was prepared for Boroo Gold by Game Mine in accordance with NI 43-101. The technical information contained therein relating to mineral reserve estimates of the Boroo Project and Ulaanbulag Project are based on, and fairly represents, information compiled by Tuvshinbayar Batbayar /MAusIMM (CP). Mr. Tuvshinbayar is an independent consultant within the meaning of NI43-101, as a consultant for Game Mine. Mr. Tuvshinbayar has sufficient experience which is relevant to the style of mineralization, types of deposits, technical and geoscientific content under consideration and to the activity for which he is undertaking to qualify as a "Qualified Person" under NI 43-101.

The Company completed a technical report compliant with the National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) titled "Boroo and Ulaanbulag Gold Project 2024 Mineral Resources & Reserves Report (NI 43-101)" on February 21, 2024 (the "Technical Report"). The technical information contained herein relating to mineral reserve estimates of the Boroo and Ulaanbulag projects are based on, and fairly represents, information compiled by T.Tuvshinbayar /MAusIMM (CP). Mr. Tuvshinbayar is an independent consultant within the meaning of NI 43-101, as a consultant for Game Mine LLC. Mr. Tuvshinbayar has sufficient experience which is relevant to the style of mineralization, types of deposits, technical and geoscientific content under consideration and to the activity for which he is undertaking to qualify as a "Qualified Person" under NI 43-101. The effective date of the current mineral resource estimate is February 1, 2024. All mineral reserve and resources have been estimated in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and NI 43-101. Proven and Probable Mineral Reserves at Boroo gold deposit are estimated to contain 24.3 million tonnes (Mt) grading 0.72 g/t Au for a total of 567 thousand ounces (Koz) of contained Au metal. Proven and Probable Mineral Reserves at Ulaanbulag gold deposit are estimated to contain 6.2 million tonnes (Mt) grading 0.66 g/t Au for a total of 130 thousand ounces (Koz) of contained Au metal.

Certain other key measures for Boroo Gold Mine and Ulaanbulag Mine are included below:

1. Mineral Reserves estimates are set out in the Boroo Technical Report and effective February 01, 2024, and are based on the Measured and Indicated Resource Estimate by Tuvshinbayar Batbayar.
2. Boroo and Ulaanbulag Mineral Reserves are set out in the Boroo Technical Report and are effective as of February 1, 2024.

3. Mineral Resources that are not Mineral Reserves have no demonstrated economic viability.
4. Mineral Reserves are reported in accordance with JORC and Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") guidelines.
5. No mining Dilution Factor was applied.
6. The cut-off grade used to report the reserves has been chosen by Game Mine at greater than 0.1 g/t gold for heap leach ore and greater than 0.43, 0.46 and 0.52 g/t gold for milling depends on mill recovery domain.
7. Reporting cut-off grade for Ulaanbulag Mineral Resources is 0.1 g/t Au (include both heap leach and milling ore).
8. Mineral reserves are contained within an optimized pit shell based on a gold price of \$1,750 per ounce.
9. A conversion factor of 31.103477 grams per troy ounce and a conversion factor of 453.59237 grams per pound are used in the resource and reserves estimates.
10. Au has been calculated using the following metal prices: \$1,750/oz gold.
11. Totals may not match due to rounding.
12. The Mineral Reserves are stated as dry tonnes processed at the crusher.

Additional Information

Additional information regarding the Company, including the Company's annual information form for the year ended December 31, 2024, and the Company's management information circular dated May 8, 2024, can be found on SEDAR+ at www.sedarplus.ca and www.steppegold.com.

Group Overview

The Group is a precious metals exploration, development, and production organization focused on opportunities in Mongolia. As at December 31, 2024, the Group has three principal assets – an operating open pit mine, the ATO Gold Mine, located in the Dornod province of Eastern Mongolia and the Boroo Gold Mine, an open pit mine and mineral processing operation located in the Selenge province of Northern Mongolia, and the Ulaanbulag Gold Mine, an open-pit mine located approximately 21 km away from the Boroo Gold Mine. Boroo Gold also owns the Bor Nuur mineral exploration property in Mongolia.

The Tres Cruces Project located in La Libertad, Peru was divested on July 30, 2024, pursuant to the amended and restated share purchase agreements (the "A&R Share Purchase Agreements").

Steppe Gold was incorporated under the *Business Corporations Act* (Ontario) on October 5, 2016. The head office of the Company is located in Shangri-La office Suite 1201, Olympic Street 19A, Sukhbaatar District 1, Ulaanbaatar 14241, Mongolia. The Company is domiciled in Canada and the address of its registered office is 333 Bay Street, Suite 2400 Toronto, Ontario M5H 2T6, Canada.

Boroo Gold was incorporated as a Limited Liability Company in accordance with the Resolution No. A-98 issued by the founder dated on May 5, 1997, under the Laws of Mongolia. Boroo Gold was granted the State Registration Certificate No. 9019011029 (Registration No. 2094533) on July 4, 2006.

Fourth quarter and year ended December 31, 2024 Highlights

(all figures in US\$000's unless stated otherwise, except per unit figures which are in US\$)

- Total Group revenue for the three months and year ended December 31, 2024, amounted to \$46,220 and \$178,133, on combined sales of 17,567 oz and 78,450 oz of gold, respectively.
- On a combined mine full year 2024 basis, Boroo Gold and Steppe Gold mines produced 88,347 ounces of gold and 93,837 ounces of silver.

- Revenue for Boroo Gold for the three months and year ended December 31, 2024 amounted to \$35,999 and \$157,978 on sales of 13,728 and 70,842 gold ounces, respectively.
- Revenue for Steppe Gold for the three months ended December 31, 2024 and the period from August 1, 2024, to December 31, 2024, amounted to \$10,221 on sales of 3,839 gold ounces and \$20,155 on sales of 7,608 gold ounces.
- Average realized prices for Boroo Gold for the three months and year ended December 31, 2024, were \$2,618 and \$2,225 per gold ounce, respectively.
- Average realized prices for Steppe Gold for the three months ended December 31, 2024 and the period from August 1, 2024, to December 31, 2024, were \$2,676 and \$2,589 per gold ounce.
- Adjusted EBITDA after stream payments and maintenance capital expenditures for the Group for the three months ended and year ended December 31, 2024, were \$24,817 and \$105,417, respectively.
- All in Sustaining Costs for the Group were \$1,347 and \$1,078 for the three months and year ended December 31, 2024.
- The Group reported positive working capital of \$151,022 as at December 31, 2024. Payables were elevated at year end but working capital included in this are bond investments of \$97,050 which accrue interest at between 8% to 13.4% and mature on December 31, 2025. This will be applied to debt reduction and working capital needs.
- As at December 31, 2024, Group net debt was \$150,086. Following the Boroo Gold transaction, the Group has been actively working with its principal lenders at TDB to restructure debt facilities and repay higher rate loans.
- After cash taxes, capital expenditures, dividends and before cash received from the BORO bond, the Group recorded \$10,674 in cash outflow in 2024.
- The Phase 2 Expansion of the ATO Mine is proceeding according to the updated projected timelines and budgets, and the Group is reviewing increases in annual capacity and metallurgical improvements with its EPC and engineering partners. The Group is working on a revised feasibility study in 2025 which will reflect the impact of higher current gold prices.
- With higher gold prices and expected strong cash flow in 2025 the Group is also actively reviewing its financing options for the Phase 2 Expansion, including the impact of the stream arrangements, debt availability and other factors.
- At the Boroo Gold and ATO mine sites, there were 3,937,161 tonnes of ore mined and 1,742,211 tonnes of ore were processed, with an average gold grade of 1.35 g/t and 1,376,657 tonnes of ore with an average grade of 0.35 g/t underwent primary leaching during the year ended December 31, 2024.
- At ATO, during the period from August 1, 2024 to December 31, 2024, 129,128 tonnes of ore were mined and 244,027 tonnes of ore were stacked on the leach pad, with an average gold grade of 0.54 g/t.
- The Phase 2 Expansion of the ATO Mine (as defined below) is proceeding according to the updated projected timelines and budgets, with commissioning planned for the second half of 2026.
- On August 1, 2024, Steppe Gold successfully completed the proposed transaction between the Company and Boroo Singapore and its affiliates. Pursuant to the Boroo Gold Transaction, Boroo

Singapore was issued 143,796,574 common shares of the Company at a price of \$0.64 per common share. Prior to the Boroo Gold Transaction, Boroo Singapore did not hold any securities of the Company and upon completion of the Boroo Gold Transaction, Boroo Singapore holds approximately 55.9% of the fully diluted common shares of the Company.

- Pursuant to the Tres Cruces Transaction, the Company sold the Tres Cruces Project to Boroo Singapore for CAD\$11.7 million in cash, payable in four instalments in 18 months from August 1, 2024. On September 17, 2024, the Company received the first instalment of C\$2.7 million in cash and second instalment of C\$4.3 million has been received subsequent to the reporting period and applied it to partial repayment of the Triple Flag Gold Prepay loan on February 17, 2025.

Health and Safety

The Group prioritises the health and safety of its employees above all, implementing stringent measures and continuous training to uphold the highest standards of safety across its operations. The Group's commitment extends through all operations.

In the year ended December 31, 2024, our operations recorded one minor injury case, resulting in zero lost-time injuries (LTIs) and zero recordable injuries (FIs). The Group successfully maintained an accident frequency rate of 0.00 LTIs per 200,000 man-hours worked, consistent with the previous year. This accomplishment highlights our operations teams' dedication to stringent safety protocols and continuous training efforts, reflecting our ongoing commitment to maintaining a safe workplace environment. The Group is committed to continuous improvement in its safety protocols, embracing new technologies, and fostering a safety-first culture to strive towards a zero-incident workplace. A proactive and comprehensive approach to health and safety is integral to the Group's operational excellence and sustainability. The achievements in the year so far underscore our commitment to not only maintaining but also continually enhancing the safety and health standards within our operations. In the year ended December 31, 2024, a total recordable injury frequency rate of zero per million hours worked was reported. The operations team is commended for managing to maintain a clean safety record through the year.

Preventative measures are in place to ensure the well-being of employees and contractors.

Geopolitical Risks

Mongolia is land-locked between China and Russia and on February 24, 2022, Russia invaded Ukraine. The war between the two countries continues to evolve as military activity proceeds and sanctions on Russia remain in place. The war has affected economic and global financial markets and exacerbated ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption.

Mongolia, and thus the Company, is currently largely reliant on Russia for its fuel and while there have been minor disruptions in supply, the Government of Mongolia has signed a deal with Russia to cap imported fuel prices.

Management of the Company closely monitors the events in Ukraine, however the degree to which it may be affected by them are largely out of management's control and depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

Management actively monitors developments in the geopolitical landscape to minimise any exposure that may negatively impact operations.

Financial Overview

On August 1, 2024, Steppe Gold announced the successful completion of the Boroo Gold Transaction, where the Company acquired all of Boroo Gold shares in exchange for 143,796,574 common shares of the Company, representing the 55.9% of the fully diluted Company shares immediately prior to the closing date, to Boroo Singapore. Following completion of the Boroo Gold Transaction it was determined that Boroo Singapore controlled the Company and therefore Boroo Gold was still controlled by Boroo Singapore and accordingly, would be considered as the accounting acquirer and the Boroo Gold Transaction should be accounted for as a reverse acquisition as defined in IFRS 3 Business Combinations. The purchase price allocation was calculated by the external consultants and the difference of \$6,552 between purchase consideration of \$52,436 and the Fair value of Steppe Gold as of transaction date (August 1, 2024) of \$45,884 was allocated to mining assets.

The Group reported total debt balances of \$197,218 and \$87,924 and cash balances of \$47,132 and \$14,903 as of December 31, 2024 and 2023, respectively. The Group has net debts of \$150,086 and \$73,021 as at years ended December 31, 2024 and 2023, respectively. The increase in net debt amount in 2024 was mainly due to adding Steppe Gold's ATO Phase 2 loan of \$49,600 and the new issuance of BORO bond of \$43,000. During the year ended December 31, 2024, the Group made loan repayments of \$30,315 and Boroo Gold made a dividend cash payment of \$60,500 to its former immediate parent company, Centerra.

The major current asset relates to the investments in bond of \$97,050. The Group currently holds 4 bonds which are issued by Boroo Singapore. The realisation of these bonds, which are due for redemption on December 31, 2025, is reliant on operations of Minera Boroo Misquichilca SA ("MBM") a gold mining company located in Peru and a 100% owned subsidiary of Boroo Singapore.

On December 5, 2024, Boroo Gold issued 43,000 corporate bonds in a closed non-exchange market for \$43,000 with coupon rate of 12.3% per annum for 27 months for the purposes of working capital financing and equipment improvement.

The Group entered into an equipment loan of \$5,915 (MNT 20 billion) from TDB and a credit agreement with TDB, which consists of up to \$20,000 and up to \$30,000 equivalent MNT. As at December 31, 2024, \$20,000 of USD credit loan and \$1,982 of the MNT credit loan had been drawdown.

In the year ended December 31, 2024, the Group produced a total of 77,758 ounces of gold compared to Boroo Gold's gold production of 53,525 ounces of gold the same period in 2023.

The Group's inventory as at December 31, 2024 amounted to \$62,761 and as at December 31, 2023 amounted to \$20,852. Increase in inventory is mainly due to the fair value of Steppe Gold's inventories at the acquisition date of \$45,045. Inventories include warehouse consumables, ore stockpiles, gold in circuit and finished gold included in finished goods.

Stockpiles of ore included 33,433 ounces valued at \$21,813 at December 31, 2024, compared to 27,247 ounces valued at \$6,905 as at year ended December 31, 2023. Gold in circuit included 23,106 ounces valued at \$32,502 as at December 31, 2024, compared to 6,715 ounces valued at \$3,434 at the year ended December 31, 2023.

The Group reported property, plant and equipment of \$131,639 as at December 31, 2024, compared to \$49,922 as at year ended December 31, 2023.

The increase is attributed to the fair value addition of Steppe Gold's property, plant and equipment acquired on August 1, 2024 of \$80,635, which include the first and second milestone payments of \$40,000 made to Hexagon related to the EPC Arrangement for the Phase 2 Expansion, recorded under

"equipment under construction", deposit payments related Phase II assets of \$53,805, plant and equipment of \$14,325, mining asset of \$5,251, mining assets added in a result of reverse takeover transaction purchase price allocation of \$6,552 and right of use asset of \$702.

Total liabilities for the Group as at December 31, 2024, amounted to \$242,079. The Group reported a net increase in total liabilities of \$97,966 as at December 31, 2024 compared to the year ended December 31, 2023. An increase of \$86,801 was related to the inclusion of Steppe Gold's total liabilities at August 1, 2024. An increase of \$43,000 resulted from the BORO bond issuance, partially offset by the \$27,528 in loan repayments.

The major components of total liabilities as at December 31, 2024, are the ATO Phase 2 expansion loan of \$49,600, asset retirement obligation of \$16,970, BORO bond of \$43,000 and other loans from of 134,142.

The overall net cash inflow for the year ended December 31, 2024 was \$32,229, driven by \$81,829 generated from operating activities, \$11,986 used in investing activities and \$37,614 used in financing activities, mainly related to dividend payment of \$60,500, proceeds from bond issuance of \$43,000 and loan and interest payments of \$42,645 and proceeds from TDB new loans of \$25,924.

Statement of Financial Position

(US\$ 000's)	Year ended 31-Dec-24	Year ended 31-Dec-23	Year ended 31-Dec-22
Cash	47,132	14,903	1,991
Inventories	62,761	20,852	16,453
Other Current Assets	8,854	4,881	4,749
Investments in bonds	97,050	156,442	139,926
Non-Current Assets	136,348	50,217	58,465
Total Assets	352,144	247,295	221,584
Current portion of long-term borrowings	19,590	82,603	28,094
Other current liabilities	45,184	43,995	11,313
Non-Current Liabilities	177,305	17,516	105,223
Total Liabilities	242,079	144,113	144,630
Total Shareholders Equity	110,065	103,181	76,954

Cash and Equivalents

The Group recorded cash of \$47,132 as at December 31, 2024 of which \$1,326 related to Steppe Gold and \$45,806 related to Boroo Gold compared to cash of \$14,903 of Boroo Gold as at the year ended December 31, 2023.

The Group's net debt position for the reporting period are as follows:

(US\$ 000's)	Group 31-Dec-24	Boroo Gold 31-Dec-23
Payables & Other Liabilities*	13,162	2,506
Triple Flag Gold Prepay Loan	6,914	-
Short term loan	19,590	82,603
BORO bond	43,000	-
Long term loan	114,552	2,815

Total debt	197,218	87,924
Cash	47,132	14,903
Total liquid assets	47,132	14,903
Net debt	150,086	73,021

* Dividend payable to parent company, Stream Agreement, convertible debenture, asset retirement obligation, tax payables and lease liabilities are excluded from the net debt calculation.

The increase in net debt as at December 31, 2024 was mainly due to \$52,465 of Steppe Gold's loan balances and \$6,914 of Triple Flag Gold Prepay loan balance and payables and other liabilities of \$11,092 as at August 1, 2024, at the reverse takeover transaction date, and \$43,000 BORO bond issuance offset with repayments of short and long term loans and interest of \$42,645.

The below table shows the principal loan balances of the Group as at December 31, 2024:

Purpose of loan	Bank	Interest rate per annum	Maturity date	Principal balance Dec 31, 2024
ATO Phase 2 loan	TDB	13.40%	2025-08-30 – 2027-08-30	49,577,000
Gold II Loan	TDB	18.00%	2025-08-30	2,152,000
Investment	MIK*	14.80%	2026-12-31	48,734,236
New Fleet	TDB	18.00%	2027-01-15	5,068,274
Green loan	TDB	12.00%	2027-03-04	454,844
USD Line of credit	TDB	15.00%	2029-01-29	20,000,000
MNT Line of credit	TDB	18.00%	2029-01-29	1,982,123
Blue sky property	TDB	14.40%	2034-07-26	2,045,006
Jarden property	TDB	14.40%	2035-11-25	364,956
TOTAL				130,378,439

*Mongolian Mortgage Corporation HFC ("MIK")

Inventories

The Group's inventories balance as at reporting periods are as follows:

(US\$ 000's)	Year ended December 31, 2024	Year ended December 31, 2023
Ore Stockpiles	21,813	6,905
Gold-in-Circuit	32,502	3,434
Finished Goods	51	-
Warehouse Consumables & Supplies	8,395	10,513
Total Inventory	62,761	20,852

The Group's inventory as at December 31, 2024 amounted to \$62,761 and as at December 31, 2023 amounted to \$20,852. Increase in inventory is mainly due to the fair value of Steppe Gold's inventories at the acquisition date of \$45,045. Inventories include warehouse consumables, ore stockpiles, gold in circuit and finished gold included in finished goods.

Stockpiles of ore included 33,433 ounces valued at \$21,813 at December 31, 2024, compared to 27,247 ounces valued at \$6,905 as at year ended December 31, 2023. Gold in circuit included 23,106 ounces valued at \$32,502 as at December 31, 2024, compared to 6,715 ounces valued at \$3,434 at the year ended December 31, 2023. Finished goods inventory represents gold ounces located at the mine and gold bars placed under assay at the MASM and gold inventory extracted from silver bars. Silver is considered a by-product and is not valued, accordingly finished goods inventory excludes silver.

As at December 31, 2024, the Group's carrying balance of consumables was \$8,395 compared to \$10,513 as at December 31, 2023.

Current Assets

As at December 31, 2024, the Group's other current assets amounted to \$8,854 and primarily related to current portion of receivables for sale of ATC of \$4,037 and deposit and other receivables of \$4,816. As at year ended December 31, 2023, Boroo Gold's other current assets amounted to \$4,881 related to prepayments and other receivables.

Included in the receivables analysis is an intercompany receivable amounting to \$48,390 from Centerra Gold Mongolia LLC ("CGM"), a subsidiary of Centerra, relating to funds provided to CGM for its Gatsurt project in Mongolia. On December 9, 2019, the Supreme Court of Mongolia upheld the decision of the Administrative Court of Appeal of Mongolia to revoke CGM's mineral licenses in relation to the Gatsurt project and although CGM filed a complaint with the Chief Justice of the Supreme Court of Mongolia, the Chief Justice refused to accept the complaint. Accordingly, Centerra is preparing to take the case to the International Court of Arbitration, while Boroo Gold has made an impairment provision of \$48,390 against the receivable for CGM.

The Group currently holds 4 bonds which are issued by Boroo Singapore. The realisation of these bonds, which are due for redemption on December 31, 2025, is reliant on operations of Minera Boroo Misquichilca SA ("MBM") a gold mining company located in Peru and a 100% owned subsidiary of Boroo Singapore.

IFRS 9 – Financial Instruments requires a company to reassess impairment of financial instruments based on expected credit loss model and adjust the impairment allowances where necessary. As at December 31, 2024, the Company concluded to reverse the previous year expected credit loss of \$2,153 as a result of assessment made on the financial position of Boroo Singapore and MBM and strong gold prices.

An assessment has been performed as at December 31, 2024 and there are no material factors that require and adjustment to the bonds as they have been assessed as recoverable.

The below is the continuity table of the investments in bond:

	Year ended Dec 31, 2024	Year ended Dec 31, 2023
Balance, beginning of the year	156,442	142,079
Additions	-	2,800
Accrued interest income	3,455	13,716
Offset with Dividends declared	(65,000)	-
Total	94,897	158,595
Credit loss allowance	-	(2,153)
Reversal of credit loss allowance	2,153	-
Total investment in bonds	97,050	156,442

At December 31, 2023, Boroo Gold held four bonds issued by Boroo Singapore as follows:

Bond	Initial Investment	Additional Investment	Interest Rate	Original Maturity	Amended Maturity	Principal Balance
1	\$40,000	-	8%	Oct 31, 2024	Dec 31, 2025	\$16,750
2	\$100,000	-	12.5%	June 1, 2024	Dec 31, 2025	\$86,787
3	\$8,000	\$1,500	10%	Oct 31, 2024	Dec 31, 2025	\$9,500
4	\$5,000	\$1,300	13.4%	Oct 6, 2024	Dec 31, 2025	\$6,300
Principal balance						\$119,337

Interest receivable balance	\$39,258
Total balance as at December 31, 2023	\$158,595

At December 31, 2024, Boroo Gold held four bonds issued by Boroo Singapore as follows:

Bond	Initial Investment	Additional Investment	Interest Rate	Original Maturity	Amended Maturity	Principal Balance
1	\$40,000	-	8%	Oct 31, 2024	Dec 31, 2025	\$1,000
2	\$100,000	-	12.5%	June 1, 2024	Dec 31, 2025	\$51,337
3	\$8,000	\$1,500	10%	Oct 31, 2024	Dec 31, 2025	\$1,000
4	\$5,000	\$1,300	13.4%	Oct 6, 2024	Dec 31, 2025	\$1,000
Principal balance						\$54,337
Interest receivable balance						\$42,713
Total balance as at December 31, 2024						\$97,050

Reverse acquisition of Steppe Gold

On April 11, 2024, Steppe Gold entered into share exchange agreement with Centerra and Boroo Singapore to purchase all of Boroo Gold's shares in exchange for the number of the Company's shares equal to approximately 55.9% of the fully diluted Company shares immediately prior to the closing date of the Boroo Gold Transaction. At the time, Boroo Gold, based in Mongolia, was 100% owned by Centerra, which in turn, was and continues to be, owned 100% by Boroo Singapore.

On August 1, 2024, the Company announced the successful completion of the Boroo Gold Transaction, where the Company acquired all of Boroo Gold's shares in exchange for 143,796,574 common shares of the Company, representing the 55.9% of the fully diluted Company shares immediately prior to the closing date, to Boroo Singapore.

Following completion of the Boroo Gold Transaction it was determined that Boroo Singapore controlled the Company and therefore Boroo Gold, as 100% subsidiary of Boroo Singapore, would be considered for financial accounting purposes as the accounting acquirer and the Boroo Gold Transaction should be accounted for as a reverse acquisition as defined in IFRS 3 Business Combinations.

In a reverse acquisition, the accounting acquiree (legal acquirer) usually issues shares to the owners of the accounting acquirer (legal acquiree). When applying acquisition accounting, the accounting acquirer (legal acquiree) must calculate a hypothetical amount of consideration it would have transferred to acquire the accounting acquiree (legal acquirer), resulting in the same ownership percentage in the combined entity. The fair value of this consideration is based on the equity interests the accounting acquirer (legal acquiree) would issue to the accounting acquiree's (legal acquirer's) owners to achieve the same ownership ratio. Because the transaction involves a listed company as the legal acquirer but the accounting acquiree, the listed company's share value is generally more reliable than the private company's share value in determining fair value.

The amounts recognized in respect of the fair value of identifiable assets acquired, liabilities assumed and measurement of consideration transferred are as set out in the table below.



Purchase Consideration	Fair Value
Share consideration (i)	52,436

Allocation of Purchase Consideration

Net Assets excluding Mining Assets

Cash	2,103
Receivables and other assets	2,218
Inventories	45,045
Exploration	1,599
Receivables for ATC sales (Current Portion)	5,881
Property, plant and equipment	74,083
Long term investments	170
Receivables for ATC sales (Long term Portion)	1,778
Accounts payable and other liabilities	(11,093)
Streaming arrangement liability (Current Portion)	(5,741)
Lease liabilities (Current Portion)	(289)
Current tax liability	(1,405)
Convertible debentures - derivative	(573)
Gold Prepay loan -Triple Flag	(6,504)
Short -term loan - TDB	(2,888)
Streaming arrangement liability (Long term Portion)	(2,999)
Assets retirement obligation	(2,923)
Lease liabilities (Long term Portion)	(409)
Convertible debentures - loan liability	(2,400)
Deferred tax liability	(190)
Long term loan	(49,577)
Total net assets	45,884

Mining Assets (ATO and UK Projects)	6,552
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(i) Valuation of Steppe Gold consideration

Total number of Steppe common shares issued to Boroo Gold	143,796,574
Total number of Steppe fully diluted shares as at Acquisition date	113,442,378
Total number of fully diluted shares in the new combined entity	257,238,952
Steppe's ownership in the new combined entity	44.1%
The number of shares owned by Steppe of the new combined entity	113,442,378
Close share price of Steppe as at August 1, 2024 (\$CAD)	0.64
Foreign exchange rate (\$USD/\$CAD)	0.7222
Close share price of Steppe as at August 1, 2024 (\$USD)	0.46
Share Consideration	52,436

Non-Current Assets

At December 31, 2024, non-current assets of \$136,348 comprised of property plant and equipment of \$131,639, primarily related to the plant and equipment at the mine sites of ATO and Boroo Projects of \$57,482, equipment under construction for the ATO Phase 2 development of \$57,515, Mineral Property of \$16,005, Exploration and Evaluation assets of \$1,599 relating to the Company's 80% interest in the

Uudam Khundii project through Corundum Geo LLC ("Corundum"). The remaining balance relates to the shares in TDB and Aranjin, ATC sales receivables and a deferred tax asset.

The Group reported property, plant and equipment of \$131,639 as at December 31, 2024, compared to \$49,922 as at year ended December 31, 2023. The increase is mostly attributed to the fair value addition of Steppe Gold's property, plant and equipment acquired on August 1, 2024 of \$80,635 which include the first and second milestone payments of \$40,000 made to Hexagon related to the EPC Arrangement for the Phase 2 Expansion, recorded under "equipment under construction", deposit payments related Phase II assets of \$53,805, plant and equipment of \$14,325, mining assets of \$5,251, mining assets added in a result of reverse takeover transaction purchase price allocation of \$6,552 and right of use asset of \$702.

At December 31, 2024, the Group had the following investment holdings:

Boroo Gold holds 30,000 common shares in TDB, acquired in 2023 and Steppe Gold holds 1,071,806 common shares in Aranjin Resources Ltd (the "Aranjin"). As of December 31, 2024, the attributable amounts to the investment in shares was \$316 (December 31, 2023: \$295 TDB common shares only).

Liabilities

Total liabilities for the Group amounted to \$242,079 as at December 31, 2024, compared to \$144,113 as at December 31, 2023. Increase in total liabilities mostly related to Steppe Gold liabilities acquired on August 1, 2024 of \$58,308, BORO bond issuance of \$43,000 (see below), increase in asset retirement obligation of \$14,047 offset with dividend payment of \$30,000 which was declared in 2023 to the former immediate parent, Centerra.

The tables below show the breakdown of the liabilities:

(US\$ 000's)	31-Dec-24	31-Dec-23
	\$	\$
Amounts payable and other liabilities	13,162	2,506
Dividend payable	2,001	30,000
Lease liability	616	-
Gold Prepay loan - Triple Flag	6,914	-
Loans and borrowings	134,142	85,418
BORO Bond	43,000	-
Asset retirement obligation	16,970	12,134
Streaming arrangement	4,443	-
Convertible debenture - derivative and liability	2,858	-
Tax liability	17,973	11,357
Deferred tax liability	-	2,698
Balance end of period	242,079	144,113

Short Term Loans

Triple Flag International Gold Prepay Loan

On March 15, 2024, Steppe Gold entered into the Triple Flag Gold Prepay Loan agreement with Triple Flag for an additional advance of \$5,000. The loan term requires repayment by the Company over five months, beginning on August 15, 2024, through five equal monthly deliveries of 530 ounces of gold, totalling 2,650 ounces of gold. Subsequent to the reporting period, on February 11, 2025, the Company received a further \$3,032 from the ATC sales receivable amount and the proceed has been applied to 1,000 ounces of gold repayment related to Triple Flag Gold Prepay Loan.

	December 31, 2024
	\$
Steppe Gold loan at acquisition	6,505
Repayment	-
Fair value revaluation	409
Balance at December 31, 2024	6,914

The Triple Flag Gold Prepay loans were revalued using the London Bullion Market Association gold price and an increase in fair value revaluation of \$410 has been recognized in the consolidated statements of income and comprehensive income as of December 31, 2024.

On March 31, 2025, the Company was served with a Statement of Claim filed in the Ontario Superior Court of Justice in connection with a contractual dispute by Triple Flag Precious Metals Corp. ("Triple Flag"), naming the Company as the defendant. In the Statement of Claim, Triple Flag seeks delivery of 1,650 troy ounces of refined gold or contractual damages of approximately \$5,000. The outcome of the proceeding is not determinable at this time.

Short-term Loans

Total loans outstanding with TDB and MIK at December 31, 2024 was \$134,141, split between short-term loans of \$19,590 and long-term loans totaling \$114,552.

The balance of short-term loans for the Group as at December 31, 2024 was \$19,590 compared to \$82,603 as at December 31, 2023 for Boroo Gold.

On January 25, 2024, Boroo Gold extended the TDB Leasing loan of \$48,734 to December 31, 2026 and it has been classified to the long-term loan. The TDB Leasing loan has been transferred to MIK during the year ended December 31, 2024.

Additionally, Boroo Gold has secured an equipment loan of \$5,915 (MNT 20 billion) from TDB and entered into a credit agreement with TDB, which consists of up to \$20,000 and up to \$30,000 equivalent MNT of which \$20,000 of USD credit loan and \$1,982 of the MNT credit loan had been drawdown as at December 31, 2024.

Steppe Gold loan balance was related to the 2021 Gold 2 Loan remaining amount of \$2,152 (MNT 7.5 billion) which will be paid in the next twelve months. In addition, \$10,000 of ATO Phase 2 loan has been reclassified to the short-term loan in accordance with its repayment schedule.

The continuity table of the short-term loans is as follows:

	December 31, 2024	December 31, 2023
	\$	\$
Balance at beginning of the year	82,603	28,094
Additions	4,073	-
Steppe Gold Loan at acquisition	2,888	-
Reclassified to short term	10,000	55,000
Reclassified to long term loan	(47,734)	-
Repayments	(33,766)	(34,146)
Accrued interest	9,757	11,106
Interest paid	(9,022)	(11,866)
Foreign exchange	791	2,609
Balance end of the year	19,590	82,603

Long Term Loans

The balance of long-term loans for the Group as at December 31, 2024 was \$114,552 compared to \$2,815 as at December 31, 2023 for Boroo Gold.

On April 13, 2021, Boroo Gold entered into a loan agreement with TDB Leasing LLC for \$55,000 at an interest of 12.3% per annum for a period of 33 months and for investment purposes. There was a short-term payable balance of \$55,000 as at December 31, 2023. The loan agreement has been transferred to MIK and extended for a further 36 months on January 25, 2024 with the interest rate of 14.8% per annum. As at December 31, 2024, there was a long term loan balance of \$47,734.

As at December 31, 2024, there were \$20,000 of USD credit loan and \$1,982 of MNT credit loan and long term portion of equipment loan of \$5,915 (MNT 20 billion) from TDB.

On July 11, 2023, Steppe Gold announced it had signed a binding term sheet with TDB, and affiliated entities, for \$150,000 in financing ("ATO Phase 2 Loan") to fund the construction and completion of the ATO Phase 2 Expansion. The terms of the financing comprise three tranches of \$50,000 each for a total of \$150,000, expected to be funded in line with the planned construction of the ATO Phase 2 Expansion. On August 30, 2023, Steppe Gold signed a loan agreement for the first tranche of \$50,000 with interest rate of 13.40% per annum for the term of 48 months, in five equal instalments, repaid in every six months from August 30, 2025, to August 30, 2027.

Drawdowns commenced on October 9, 2023, with a first draw down of \$9,600 after meeting the requirements of the loan agreement. The second draw down of \$40,000 was received on March 20, 2024, with a total of \$49,577 now drawn down. As of December 31, 2024, \$10,000 has been reclassified to short term loan in accordance with the repayment schedule.

The continuity table of long-term loans is as follows:

	December 31, 2024	December 31, 2023
	\$	\$
Balance beginning of the year	2,815	89,621
Steppe Gold ATO Phase 2 loan	39,577	-
Additions	24,711	-
Reclassified from Short term loan	47,734	(55,000)
Repayments	(285)	(31,806)
Balance end of the year	114,552	2,815

BORO Bond

On December 5, 2024, Boroo Gold issued a 27-month "BORO" bond offering in the Mongolian domestic over-the-counter market with a third party Mongolian mortgage provider totaling \$43,000 with 12.3% interest rate per to finance working capital and improvements in equipment for operations (the "Bond Agreement"). Boroo Gold received cash of \$43,000 on December 5, 2024. The interest will be paid on semi-annual basis and the maturity date of the bond is as of March 5, 2027.

Within the framework of the Bond Agreement, Boroo Gold's real estate for office use, mineral exploitation licenses, and income from current and savings accounts (current and future) in commercial banks have been pledged.

Boroo Gold guaranteed that funds will be used for the purposes outlined in the Securities Prospectus (as defined in the Bond Agreement).

Stream Arrangement

Steppe Gold entered into a stream arrangement (see "Stream Agreement") with Triple Flag in 2017 and amended the arrangement in 2019 to sell gold and silver produced from ATO Project. Under the terms of the Stream Agreement, Triple Flag advanced \$28,000 to Steppe Gold and Steppe BVI is obligated to sell annually to Triple Flag 25% of the gold and 50% of the silver produced, subject to an annual cap of 7,125 ounces of gold and 59,315 of silver from the ATO Project until such time as Steppe BVI has sold an aggregate of 46,000 ounces of gold and 375,000 ounces of silver, respectively.

The Stream Agreement is recorded at fair value at each reporting date as the Company has determined the obligation is a derivative liability to be carried at FVTPL. The fair value is determined by an independent valuation consultant and amounted to \$4,443 as at December 31, 2024.

Convertible Debenture

On January 27, 2022, the CEO of the Company, Mr. Bataa Tumur-Ochir, acquired \$3,000 convertible debentures of Steppe Gold from Mongolian National Investment Fund PIF SPV ("MNIF"). The debentures had a maturity date of January 30, 2022, which was extended to January 27, 2024, and has now been extended to January 27, 2027. The debentures carry an interest rate of 13.5%. The debentures are convertible at the option of the holder into common shares of Steppe Gold at a conversion price of US\$0.68 per common share.

The balance of convertible debentures loan liability was \$2,477 and fair value of derivative portion was \$380 as at December 31, 2024.

The maturity analysis of financial liabilities as at December 31, 2024 is as follows:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Accounts payable and other	13,162	-	-	-	13,162
Dividend payable	2,001	-	-	-	2,001
Lease liability	310	306	-	-	616
Streaming arrangement	4,443	-	-	-	4,443
Convertible debentures – derivative	380	-	-	-	380
Convertible debentures – loan	-	2,477	-	-	2,477
Short-term loan TDB	19,590	-	-	-	19,590
Gold Prepay loan – Triple Flag	6,914	-	-	-	6,914
BORO Bond	-	43,000	-	-	43,000
Long term loan TDB	-	90,634	22,402	1,516	114,552
Total	46,800	136,417	22,402	1,516	207,135

Shareholders' Equity

Common shares issued:

	Number of common shares	\$
Balance at January 1, 2023	3,000,000	3,000
Balance at December 31, 2023	3,000,000	3,000
Cancellation of Boroo Gold common shares at the acquisition date	(3,000,000)	-
Shares issued to Boroo Singapore from Steppe Gold (i)	143,796,574	-
Fully diluted common shares of Steppe Gold (ii)	113,442,378	52,422
Dilutive shares of Steppe Gold (iii)	(4,411,765)	-

Balance at December 31, 2024	252,827,187	55,422
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- (i) On August 1, 2024, the Company announced the successful completion of the Boroo Gold Transaction.
- (ii) As of August 1, 2024, the reverse acquisition date, Steppe Gold had a total of fully diluted common shares of 113,442,378 with fair value of \$52,436. There was a cost of issuance of \$14 incurred during 2024.
- (iii) Steppe Gold has a convertible debenture of \$3,000 which can be convertible to 4,411,765 common shares.

As noted in Reverse Acquisition of Steppe Gold, under the reverse acquisition rules the entity that issues its shares to effect the transaction (Steppe Gold) is determined for accounting purposes to be the acquiree (also called the accounting acquiree or legal acquirer), while the entity whose shares are acquired (Boroo Gold) is for accounting purposes the acquirer (also called the accounting acquirer or legal acquiree). The accounting acquiree generally continues in existence as the legal entity whose shares represent the outstanding common shares of the combined company and continues to issue its own financial statements. However, the financial reporting reflects the accounting acquirer's financial information, except for its equity, which is retroactively adjusted to reflect the equity of the accounting acquiree.

Off Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements.

Income Statement

(US\$ 000's)	Q4	Q4	YTD	YTD
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Revenue	46,220	35,240	178,133	132,055
Cash Cost of Sales	(20,618)	(17,062)	(64,383)	(45,377)
Operating income from mine operations before depreciation and depletion	25,602	18,178	113,750	86,678
Depletion and Depreciation	(4,564)	(4,667)	(17,474)	(15,855)
Profit from Mine Operations	21,038	13,511	96,276	70,824
Corporate Administration	(3,879)	(1,307)	(9,222)	(2,545)
Exploration & Evaluation	(86)	(211)	(242)	(211)
Operating Profit	17,073	11,993	86,811	68,068
Finance (Costs)/Income	2,724	2,272	(7,204)	4,706
Foreign Exchange Gain (Loss)	809	(181)	526	(519)
Profit/(Loss) Before Tax	20,606	14,804	80,133	72,254
Income Tax	(2,206)	(8,130)	(18,811)	(15,917)
Profit/(Loss) After Tax	18,400	5,953	61,323	56,338
Cumulative translation adjustment	-	-	(1,571)	-
Profit/(Loss) for the period	18,400	5,953	59,752	56,338
Basic Net earnings/(loss) and Comprehensive Loss per Common Share	0.125	0.041	0.324	0.392



Diluted Net earnings/(loss) and Comprehensive Loss per Common Share	0.124	0.041	0.321	0.392
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Weighted average number of common shares outstanding - basic	147,206,797	143,796,574	189,344,661	143,796,574
Weighted average number of common shares outstanding - diluted	148,309,738	143,796,574	191,182,897	143,796,574

Revenue

For the year ended December 31, 2024, the Group sold 78,450 ounces of gold and 35,848 ounces of silver for total gross cash revenue of \$178,133 compared to the revenue generated for the year ended December 31, 2023, of \$132,055 where Boroo Gold sold 67,315 ounces of gold and 13,800 ounces of silver.

Period	Boroo Gold			Steppe Gold*		
	Gold sold oz	Average price per oz	Revenue \$	Gold sold oz	Average price per oz	Revenue \$
Q1 2024	22,648	2,076	47,014	N/A	N/A	N/A
Q2 2024	21,859	2,166	47,349	N/A	N/A	N/A
Q3 2024	12,607	2,167	27,319	3,769	2,506	9,446
Q4 2024	13,728	2,618	35,935	3,839	2,659	10,207
Total	70,842		157,617	7,608		19,653
Period	Silver sold oz	Average price per oz	Revenue \$	Silver sold oz	Average price per oz	Revenue \$
Q1 2024	4,591	22	100	N/A	N/A	N/A
Q2 2024	4,409	27	119	N/A	N/A	N/A
Q3 2024	2,833	28	78	20,078	24	488
Q4 2024	3,419	19	64	518	26	14
Total	15,252		361	20,596		502

*Steppe Gold revenue relates to the period August 1, 2024, to December 31, 2024.

The first quarter of 2024, Boroo Gold's revenue included the sale of 22,648 gold ounces with average realized prices of \$2,076/oz for total revenue of \$47,014.

The second quarter of 2024, Boroo Gold's revenue included the sale of 21,859 ounces of gold at average prices of \$2,166/oz for total revenue of \$47,349.

For the third quarter of 2024, the Group sold 16,376 ounces of gold at average prices of \$2,245/oz for total gross cash revenue of \$36,765.

For the fourth quarter of 2024, the Group sold 17,567 ounces of gold at average prices of \$2,620/oz for total gross cash revenue of \$46,142.

Depreciation and Amortization

Depreciation and depletion totalled \$4,564 for the fourth quarter of 2024 compared to \$4,667 for the same period in 2023.

For the year ended December 31, 2024, depreciation and depletion was \$17,474 compared to \$15,854 for the year ended December 31, 2023.

Corporate Administration Costs

Corporate administration costs were \$3,879 for the fourth quarter ended December 31, 2024, compared to \$1,307 for the same period in 2023.

For the year ended December 31, 2024, corporate administration costs of \$9,222 compared to \$2,545 for the same period in 2023. The higher cost in 2024, resulted from the Boroo Gold transaction from combining the two entities as well as professional fees related to reverse takeover transaction.

Finance Costs

Net finance income of \$2,724 were reported for the fourth quarter of 2024, compared to finance income of \$2,272 reported for the same period in 2023. The finance income in 2024 resulted from interest income from bond of \$1,725, gain on stream liability fair valuation of \$1,973 and reversal of credit allowance on bond receivable of \$2,153, which partially offset with interest expense of \$3,745.

For the year ended December 31, 2024, the Group reported net finance cost of \$7,204 compared to finance income of \$4,706 (Boroo Gold) for the same period in 2023. The finance cost in 2024 resulted from the interest expense of \$11,928, accretion expenses related to asset retirement obligation of \$1,759, which partially offset with interest income of \$3,709, gain on stream liability fair valuation of \$1,254 and reversal of credit allowance on bond receivable of \$2,153.

Foreign Exchange Gain (Loss)

Foreign exchange gain was \$809 for the fourth quarter ended December 31, 2024, compared to loss of \$181 for the same period in 2023. The CAD rate weakened towards USD, during the fourth quarter of 2024, compared to the same period in 2023. The USD to CAD average rate was 1.3990, compared to the same period in 2023 where the rate was 1.3431.

For the year ended December 31, 2024, the Group reported a foreign exchange gain of \$526 compared to a loss of \$519 for the year ended December 31, 2023.

Taxation

The Group's main operating subsidiaries in Mongolia generated taxable income and an income tax charge of \$18,811 is reported in the consolidated statements of income and comprehensive income for the year ended December 31, 2024. There was a deferred tax asset of \$894 recorded as at year ended December 31, 2024, compared to a deferred tax asset of \$Nil recorded for the year ended December 31, 2023.

Cash Flow Statement

(US\$ 000's)	Q4 Dec 31, 2024	Q4 Dec 31, 2023	YTD Dec 31, 2024	YTD Dec 31, 2023
Cash Flows from Operating Activities	16,797	35,381	81,829	72,032
Cash (used in) Investing Activities	(1,492)	(4,245)	(11,986)	(13,109)
Cash Flows from (used in) Financing Activities	28,201	(24,395)	(37,614)	(46,012)
Net Increase/(Decrease) in Cash	43,506	6,741	32,229	12,911

Cash generated by the operating activities for the three months ended December 31, 2024, amounted to \$16,797 compared to \$35,381 for the same period in 2023.

Cash generated by the operating activities for the year ended December 31, 2024, amounted to \$81,829 compared to \$72,032 cash generated by operating activities in the same period in 2023.

Cash used in investing activities during the three months ended December 31, 2024, was \$1,492 compared to \$4,245 for the three months ended December 31, 2023.

Cash used in investing activities during the year ended December 31, 2024, was \$11,986 compared to cash used of \$13,109 for the year ended December 31, 2023. The increase was due to the addition in acquisition of property, plant and equipment.

Cash inflow from financing activities was \$28,201 for the three months ended December 31, 2024, compared to \$24,395 cash used in financing activities in the same period in 2023. Cash inflow from financing activities in the fourth quarter is primarily related to issuance of BORO bond of \$43,000 and loan repayments.

Cash used in financing activities was \$37,614 for the year ended December 31, 2024, compared to \$46,012 cash used in financing activities for the same period in 2023. Cashflow used in financing activities in 2024 primarily related to the payment of dividends amounting to \$60,500, loan repayment and interest payments of \$42,645 and stream repayment of \$3,043, which partially offset with proceeds from loan of \$25,924 and BORO bond issuance of \$43,000.

Stream Agreement

In connection with the ATO acquisition and in order to fund the exploration and development of the ATO Project, the Company's subsidiaries, Steppe Mongolia and Steppe Investments LLC ("Steppe BVI") entered into a metals purchase and sale agreement dated August 11, 2017, which was subsequently amended on December 31, 2019, with Triple Flag Mining Finance Bermuda Ltd. ("Triple Flag") to sell gold and silver produced from the ATO Project (the "Stream Agreement"). Under the terms of the Stream Agreement, Triple Flag advanced \$28,000 to Steppe Gold and Steppe BVI is obligated to sell annually to Triple Flag 25% of the gold and 50% of the silver produced, subject to an annual cap of 7,125 ounces of gold and 59,315 of silver from the ATO Project until such time as Steppe BVI has sold an aggregate of 46,000 ounces of gold and 375,000 ounces of silver, respectively.

The obligation of Steppe BVI to sell gold and silver to Triple Flag continues for the life of mine and includes any gold or silver produced by Steppe Mongolia within the stream area, which is the area within 20km from the boundary of the original mineral licenses comprising the ATO Project.

Under the terms of the Stream Agreement the parties agreed the variable gold and silver price payable by Triple Flag on delivery of gold and silver should be 17% of the relevant market price. As additional

consideration, Steppe West LLC granted a 3% net smelter returns royalty to a subsidiary of Triple Flag on minerals derived from the Uudam Khundii property owned by Corundum.

As long as the upfront deposit of \$28,000 (the "Upfront Deposit") remains outstanding, the purchase price for the gold and silver required to be sold to Triple Flag under the Stream Agreement is based on the product of 0.99 and spot prices as of the delivery date. The purchase price is to be satisfied as to 83% against the uncredited balance of the Upfront Deposit and 17% is payable in cash by Triple Flag.

Once the uncredited balance of the Upfront Deposit has been reduced to nil, the purchase price paid by Triple Flag for the gold and silver shall be 17% of the price determined with reference to the product of 0.99 and spot prices of the delivery date, payable in cash.

Pursuant to the Stream Agreement, Steppe BVI has an option to buy gold and silver from the open market and resell such gold and silver to Triple Flag.

The obligations of Steppe BVI under the Stream Agreement were guaranteed by the Company and Steppe Mongolia and secured by all of the assets of Steppe Mongolia, including a pledge of the ATO Project mining license and the exploration licenses owned by Steppe Mongolia.

The obligations are also secured by all of the assets of Steppe BVI and through the pledge by the Company of all of the shares of both Steppe BVI and Steppe Mongolia. The Stream Agreement is subject to various financial covenants in the form of ratios. These covenants include the indebtedness of the Company, excluding all amounts owing from time to time under the Company's promissory note on completion of the ATO acquisition ("Centerra Deferred Purchase Price Amount") less any cash and liquid securities that is greater than the Centerra Deferred Purchase Price Amount and EBITDA.

The Stream Agreement is recorded at fair value at each statement of financial position date as the Company has determined the obligation is a derivative liability to be carried at FVTPL. The fair value of the Stream Agreement was valued using a discounted cash flow approach with consideration for the contractual terms of the Stream Agreement and using input assumptions, including mine production plans, expected production, taking into consideration technical feasibility reports, expected forward prices of gold and silver using the COMEX forward contract price and discount rate related to the risk of the forecasted cash flows.

The valuation was prepared by an independent valuation specialist and the life of mine production schedule and expectations including expansion plans are based on the information compiled by Qualified Persons.

Debenture Agreements

On January 27, 2022, the Mongolian National Investment Fund PIF SPV ("MNIF") and the CEO of the Company, Mr. Bataa Tumor-Ochir, entered into a form of transfer (the "Transfer Agreement"). Pursuant to the Transfer Agreement, MNIF agreed to transfer to Mr. Tumor-Ochir the 12% two-year secured \$3,000 convertible debentures of the Company held by MNIF. Subsequently, the maturity date of the debentures was extended to January 27, 2024, and the interest payment term was changed to a quarterly basis. All securities were released, and the debentures are now unsecured obligations of the Company. On January 27, 2024, the debentures were extended for a further three years, to January 27, 2027 with an updated interest rate of 13.5% per annum.

The debentures are convertible at the option of the holder into common shares of the Company at any time four months after the closing date and prior to the close of business on the maturity date at a conversion price of US\$0.68 per common share.

The conversion feature of the debentures meets the definition of a derivative liability instrument as the conversion feature is denominated in a currency other than the Company's functional currency and, as such, does not meet the definition for fixed criteria.

BORO Bond

On December 5, 2024, Boroo Gold issued a 27-month "BORO" bond offering in the Mongolian domestic over-the-counter market with a third-party Mongolian mortgage provider totaling \$43,000 with 12.3% interest rate per to finance working capital and improvements in equipment for operations (the "Bond Agreement"). Boroo Gold received cash of \$43,000 on December 5, 2024. The interest will be paid on semi-annual basis and the maturity date of the bond is as of March 5, 2027.

Within the framework of the Bond Agreement, Boroo Gold's real estate for office use, mineral exploitation licenses, and income from current and savings accounts (current and future) in commercial banks have been pledged.

Boroo Gold guaranteed that funds will be used for the purposes outlined in the Securities Prospectus (as defined in the Bond Agreement).

ATO Phase 2 Loan

On July 11, 2023, Steppe Gold announced it had signed a binding term sheet with TDB, and affiliated entities, for \$150,000 in financing ("ATO Phase 2 Loan") to fund the construction and completion of the ATO Phase 2 Expansion. The terms of the financing comprise three tranches of \$50,000 each for a total of \$150,000, expected to be funded in line with the planned construction of the ATO Phase 2 Expansion.

On August 30, 2023, Steppe Gold signed a loan agreement for the first tranche of \$50,000 with interest rate of 13.40% per annum for the term of 48 months, in five equal instalments, repaid in every six months from August 30, 2025, to August 30, 2027.

Drawdowns commenced on October 9, 2023, with a first draw down of \$9,600 after meeting the requirements of the loan agreement. The second draw down of \$40,000 was received on March 20, 2024, with a total of \$49,577 now drawn down.

Outstanding Common Shares

As at December 31, 2024, there were 252,827,187 common shares of the Group issued and outstanding and there were convertible debentures held by Mr. Tumur-Ochir with the extended term expiring on January 27, 2027 with 13.5% per annum interest rate, convertible to 4,411,765 common shares of the Company at a conversion price of US\$0.68 per common share.

The common shares are subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation, and such further restrictions as apply under foreign securities laws.

Related Party Transactions

The Company's related parties include its subsidiaries, controlling entities and key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

As a result of the Boroo Gold Transaction, Boroo Gold LLC is 100% owned by Steppe Gold Ltd, whose majority shareholder is now Boroo Singapore through its acquisition of 55.9% of the shares of Steppe Gold Ltd. Boroo Singapore is 70% owned by Eminent Stride Limited BVI and 10% owned by Mr. Dulguun Erdenebaatar, a director of the Group. Eminent Stride Limited BVI is 100% owned by TDB Capital Singapore Ltd. ("TDB Capital").

TDB Capital is a privately held investment holding company. The ultimate controlling party of the Group is Mr. Tulga Erdenbileg, a citizen of Mongolia.

Neither Boroo Singapore's parent company nor TDB Capital, produces consolidated financial statements available for public use.

The following are details of major related party transactions during the year ended December 31, 2024:

Related Party	Relationship	Nature of transaction	Dec 31, 2024	Dec 31, 2023
			\$	\$
Boroo Singapore	Immediate holding company	Bonds purchased (i)	(65,000)	2,800
Boroo Singapore	Immediate holding company	Interest receivable (i)	3,454	13,716
TDB Leasing LLC	Associated company of ultimate holding company	Project financing (ii)	-	(434)
Trade and Development Bank ("TDB")	Associated company of ultimate holding company	Project financing (iii)	(46,609)	2,387
TDB	Associated company of ultimate holding company	Forward contract sales (iv)	43,894	-
Centerra Gold Mongolia LLC	Subsidiary of Boroo Singapore	CGM financing (v)	292	519
Bataa Tumur-Ochir	Chairman and CEO	Convertible debenture (vi)	(115)	-

(i) Bonds purchased and interest receivable

As at December 31, 2024, the Group held investment bonds issued by Boroo Singapore in the total amount of \$97,050 including accumulated interest receivable of \$42,713 with the maturity date at December 31, 2025. During the year ended December 31, 2024, Group offset the bond receivable of \$65,000 with the dividends declared to Boroo Gold's former immediate parent company Centerra.

The realization of these bonds, which are due for redemption on December 31, 2025, is reliant on cash flows from operations of Minera Boroo Misquichilca SA ("MBM") a gold mining company located in Peru and a 100% owned subsidiary of Boroo Singapore.

(ii) TDB leasing

During 2020 to 2021, Boroo Gold has entered into four finance lease agreements for the purposes of purchasing equipment and investment. As at December 31, 2023, the balance of finance lease agreements was \$56,190 and as at December 31, 2024, Boroo Gold has fully repaid all finance lease balances for the purpose of purchasing equipment and there was a balance of \$48,734 from the loan for investment purposes. The amounts owed to TDB Leasing were transferred to MIK during the year ended December 31, 2024.

(iii) TDB project financing

As at December 31, 2024, Boroo Gold and Steppe Gold had several loans with TDB totalling \$82,265, with interest rates from 12% to 18%. On December 31, 2023, Boroo Gold and Steppe Gold had loans with TDB totalling \$85,418, with interest rates ranging from 8% to 17%.

Although not a related party at the time, on July 11, 2023, Steppe Gold signed a binding term sheet with TDB and TDB Capital to collectively provide up to \$150,000 in project financing to fully fund the construction and completion of the ATO Phase 2 Expansion.

The ATO Phase 2 Loan disbursement began on October 9, 2023, with an initial drawdown of \$9,600. A second drawdown of \$40,400 on March 20, 2024, brought the total to \$50,000.

The movement on the loans with TDB and TDB Leasing (transferred to MIK during 2024) for the period is shown in the table below:

	31-Dec-24	31-Dec-23
	\$	\$
Balance at beginning of the year	85,418	117,715
Steppe Gold Loan at acquisition	52,465	-
Additions	28,784	-
Transferred to MIK	(51,876)	-
Repayments	(34,051)	(34,146)
Accrued interest	9,757	11,106
Interest paid	(9,022)	(11,866)
Foreign exchange	790	2,609
Balance end of the period	82,265	85,418

(iv) TDB forward sales contract

On March 14, 2024, Boroo Gold signed a forward sales contract with TDB, to sell its gold production to TDB at \$2,000 per ounce. The forward sales contract runs from March 14, 2024, to December 31, 2024, with monthly deliveries of 4,500 ounces up to a total contract amount of 50,000 ounces; shortfalls of monthly deliveries should be made good in the following month. The forward sales contract was extended on May 28, 2024, first until March 31, 2025, and subsequently until June 30, 2025, to allow Boroo Gold more headroom in planning its delivery schedule. Boroo Gold expects to complete the forward sales contract in June 2025. Boroo Gold has applied the 'own use' exemption under IFRS 9 in accounting for the forward sales contract with TDB.

(v) CGM financing

In a period from 2018 to 2023, Boroo Gold financed the CGM operations with \$48,042 and the balance has been increased in the year ended December 31, 2024 to \$48,333. Boroo Gold assessed the credit risk of CGM financing and resulted the accumulative impairment loss of \$48,042 as at December 31, 2023 and accumulated impairment loss of \$48,197 as at December 31, 2024.

(vi) Convertible debentures

On January 27, 2022, the CEO of the Company, Mr. Bataa Tumur-Ochir, acquired \$3,000 convertible debentures of Steppe Gold from Mongolian National Investment Fund PIF SPV ("MNIF"). The debentures had a maturity date of January 30, 2022, which was extended to January 27, 2024, and has now been extended to January 27, 2027. The debentures carry an interest rate of 13.5%. The debentures are convertible at the option of the holder into common shares of Steppe Gold at a conversion price of US\$0.68 per common share.

The balance of convertible debentures loan liability was \$2,477 and fair value of derivative portion was \$380 as at December 31, 2024.

Balances due to related parties:

Related Party	Relationship	31-Dec-24	31-Dec-23
		\$	\$
TDB Bank	Associated company of ultimate holding company	82,265	26,279
TDB Leasing	Associated company of ultimate holding company	-	59,139
Bataa Tumur-Ochir	Chairman and CEO	2,858	-



Balances due from related parties:

Related Party	Relationship	31-Dec-24	31-Dec-23
		\$	\$
Centerra Gold Mongolia LLC	Subsidiary of Boroo Singapore	48,333	48,042
Boroo Singapore	Immediate holding company	97,050	156,442

Other related party transactions with related parties are in the normal course of operations and are measured at the amount of consideration established and agreed to by the related parties.

Identifying related parties

Directors

Bataa Tumur-Ochir	Chairman and Chief Executive Officer
Byambatseren Tsogbadrakh	President and Director
Matthew Wood	Director until March 15, 2024
Aneel Waraich	Director until March 29, 2024
Patrick Michaels	Non Executive Director until August 1, 2024
Batjargal Zamba	Non Executive Director
Sereenen Jargalan	Non Executive Director
Steve Haggarty	Non Executive Director until August 1, 2024
Marina Lerner	Non Executive Director
Dulguun Erdenebaatar	Non-Executive Director effective August 1, 2024
Tserenbadam Dugeree	Director effective August 1, 2024

As at December 31, 2024, non-executive directors were owed \$30.

Key management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

Key Management

Bataa Tumur-Ochir	Chairman and Chief Executive Officer
Aneel Waraich	Former Executive Vice President
Jeremy South	Senior Vice President and Chief Financial Officer
Byambatseren Tsogbadrakh	President, VP Finance
Greg Wood	Former Chief Operating Officer
Enkhtuvshin Khishigsuren	Vice President Exploration
Tserenbadam Dugeree	Chief Operating Officer

During the year ended December 31, 2024, and 2023, management fees paid, or otherwise accrued, to key management personnel (defined as officers and directors of the Company) are shown below:

	Year ended December 31	
	2024	2023
	\$	\$
Management fees paid to key personnel	703	212
Non-executive Directors fees	48	-
Total	751	212

As at December 31, 2024, key management personnel were owed \$274 of accrued bonuses and management fees for previous periods (December 31, 2023: \$Nil).

Operational Overview

The Group's gold sales for the year ended December 31, 2024, and 2023 were 78,450 ounces and 67,315 ounces, respectively.

The Group produced 77,758 ounces of gold and 35,951 ounces of silver during the year ended December 31, 2024, compared to 67,315 ounces of gold and 13,800 ounces of silver for the same period in 2023.

For the three months ended December 31, 2024, the Group mined 1,403,338 tonnes of ore and processed 536,960 tonnes of ore compared to the same period in 2023, when the Group mined 603,136 tonnes of ore and processed 414,281 tonnes of ore.

For the year ended December 31, 2024, the Group mined 4,066,289 tonnes of ore and processed 1,986,238 tonnes of ore compared to the same period in 2023, when the Company mined 2,072,976 tonnes of ore and processed 1,675,330 tonnes of ore.

In the year ended December 31, 2024, capital expenditures (growth and sustaining) were \$15,449 compared to \$10,241 for the same period in 2023. The higher amount in 2024 is related to Steppe Gold's \$1,375 of equipment under construction and Boroo Gold's higher general sustaining costs.

(US\$ 000's)	Q4 Dec 31, 2024	Q4 Dec 31, 2023	YTD Dec 31, 2024	YTD Dec 31, 2023
General Sustaining	2,560	1,577	14,074	10,215
Growth and Expansion	-	26	1,375	26
Total	2,560	1,603	15,449	10,241

Gold Mine Operational Summary

The below table shows the Group's operational summary:

Period (USD)	<i>unit</i>	Q4 Dec 31, 2024	Q4 Dec 31, 2023	YTD Dec 31, 2024	YTD Dec 31, 2023
Waste Mined	<i>bcm</i>	1,674,563	1,679,666	5,061,083	10,685,567
Ore Mined	<i>ton</i>	1,403,338	603,136	4,066,289	2,072,976
Stacked	<i>ton</i>	536,960	414,281	1,986,238	1,675,330
Grade_Mill (1)	<i>g/t</i>	1.25	1.18	1.35	1.56
Grade_Leach (2)	<i>g/t</i>	0.4	0.26	0.35	0.3
Gold Recovery_Mill(3)	<i>%</i>	82%	83%	81%	78%
Gold Recovery_Leach(4)	<i>%</i>	57%	30%	42%	29%
Gold Produced	<i>oz</i>	16,912	13,789	77,758	67,315
Gold Sold	<i>oz</i>	17,567	17,413	78,450	67,315
Silver Produced	<i>oz</i>	9,702	NA	35,951	NA
Silver Sold	<i>oz</i>	3,937	3,966	35,848	13,800
Revenue	<i>000's</i>	46,220	35,240	178,133	132,055
Cash Cost	<i>000's</i>	21,044	14,902	64,239	45,377
Gross Profit	<i>000's</i>	21,038	13,511	96,276	70,824

Sustaining Capital expenditure	000's	2,560	1,577	14,074	10,215
UNIT COST:					
Mining Unit Cost	US\$/t	4.68	11.52	5.38	11.55
Processing Unit Cost	US\$/t	14.8	13.38	12.23	12.96
Site G&A Unit Cost	US\$/t	5.35	3.87	3.71	3.71
Cash Cost		1,198	778	819	866
Site All-in-Sustaining Cost		1,366	889	1,017	1,111
Total All-in-Sustaining Cost		1,347	979	1,078	1,140

(1) Grade is in respect of the gold grade of ore fed through the heap leach pad.

In the fourth quarter of 2024, the Group's mining unit cost amounted to \$4.68 per tonne compared to \$11.52 per tonne for the same period in 2023.

For the year ended December 31, 2024, the Group's mining unit cost amounted to \$5.38 per tonne compared to \$11.55 per tonne for the same period in 2023. The decrease was mostly related to significant decrease in stripping ratio in 2024.

In the fourth quarter of 2024, the Group's processing unit costs amounted to \$14.80 per tonne compared to \$13.38 per tonne for the same period in 2023.

For the year ended December 31, 2024, the Group's processing unit costs amounted to \$12.23 per tonne compared to \$12.96 per tonne for the same period in 2023. The decrease resulted from higher amount ore were processed in 2024.

In the fourth quarter of 2024, Group's site G&A unit cost amounted to \$5.35 per tonne compared to \$3.87 per tonne for the same period in 2023. For the year ended December 31, 2024, site G&A unit cost amounted to \$3.71 per tonne compared to \$3.71 per tonne for the same period in 2023.

Cash costs were higher in the fourth quarter mainly resulted from an increase in mining and processing cost. In the fourth quarter, the winter routine maintenance led to an increase in sustaining CAPEX, which in turn raised SAISC.

Corporate administration costs were higher in the fourth quarter due to higher professional fees, including audit and tax consulting fees and reverse takeover transaction related fees.

Summary of Quarterly Results

(US\$ 000's)	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1
Revenue (Metal Sales)	46,220	37,331	47,467	47,014	35,240	39,398	24,583	32,834
Net Earnings/(Loss)	18,427	8,249	15,930	18,744	1,949	16,562	14,192	18,913
Basic net earnings/(loss) and Comprehensive earnings/(loss) per common share*	0.125	0.065	0.111	0.130	0.014	0.115	0.099	0.131
Net Cash (Used in) Generated from Operating Activities	16,797	8,517	(489)	(2,270)	6,741	6,998	(2,925)	2,097

* - In accordance with IFRS 3 the basic earnings per share for each comparative period before the acquisition date presented in the consolidated financial statements following a reverse acquisition is calculated by dividing: (a) the profit or loss of the legal acquiree attributable to ordinary shareholders

in each of those periods by (b) the legal acquiree's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement. Accordingly, the weighted average number of ordinary shares outstanding for the periods above through Q2 2024, was 3,000,000 multiplied by the exchange ratio of 48 provides 143,796,574 common shares for the purpose of calculating basic net earnings per common share. There were no dilutive shares in issue for any of the above periods through Q2 2024.

In the first quarter of 2024, Boroo Gold generated revenue of \$47,114 on sales of 22,648 gold ounces and 4,591 silver ounces compared to the same period of 2023, having revenues of \$32,834 on sales of 17,299 gold ounces and 4,143 silver ounces.

In the second quarter of 2024, Boroo Gold generated revenue of \$47,467 on sales of 21,859 gold ounces and 4,409 silver ounces compared to same period in 2023, \$24,583 of revenue on sales of 12,350 gold ounces and 2,388 silver ounces.

In the third quarter of 2024, the Group (Boroo Gold Mine and Steppe Gold Mine) generated revenue of \$37,331 on sales of 16,376 gold ounces and 22,911 silver ounces compared to same period in 2023, \$39,398 of revenue on sales of 20,253 gold ounces and 3,303 silver ounces.

In the fourth quarter of 2024, the Group generated revenue of \$46,220 on sales of 17,567 gold ounces and 3,936 silver ounces compared to same period in 2023, \$35,240 of revenue on sales of 17,413 gold ounces and 3,966 silver ounces.

Cash used in the operating activities for the first quarter of 2024, amounted to \$2,270 compared to cash inflow of \$2,097 for the same period in 2023.

In the second quarter of 2024, net cash used in operating activities amounted to \$489 compared to \$2,925 for the same period in 2023.

In the third quarter of 2024, net cash generated by operating activities amounted to \$8,517 compared to \$6,998 for the same period in 2023.

In the fourth quarter of 2024, net cash generated by operating activities amounted to \$16,797 compared to \$6,741 for the same period in 2023.

EPC Arrangements

On January 9, 2024, Steppe Gold announced that it had entered into a turnkey engineering, procurement and construction contract (the "EPC Contract"), with Hexagon Build Engineering LLC ("Hexagon") for the Phase 2 Expansion. Hexagon is an experienced construction group active in Mongolia and internationally.

As at the date of execution of the EPC Contract, the contract amount payable to Hexagon for the full performance of the work under the EPC Contract is approximately \$148,400 ("Contract Amount"). The Contract Amount is fully funded by a project finance package (as described below) that has been made available to the Company and its affiliates by the TDB Group.

Further details of the EPC Contract are as follows:

- The second draw down of \$40,000 from the project finance package, was received on March 20, 2024, making a total of \$49,600 drawn down from the first tranche of \$50,000 of the \$150,000 project finance package agreed in 2023.
- Steppe Gold made milestone payments of \$40,000 to the contractor of the Phase 2 Expansion for procurement of major long lead items, mobilization costs, early construction works and foundational work.
- Hexagon completed the works related to early construction such as discipline design criteria,

geotechnical evaluation, trade-off for cell and grinding circuit optimization by end of September 2024.

- The review process is underway for the procurement orders selection plan that has been prepared for the major long lead items including flotations cells, grinding mills, cluster cyclones, thickener units, filters and pumping systems.
- The Phase 2 project is proceeding according to updated projected timelines and budgets, with commissioning planned for the third quarter of 2026.
- Steppe Gold and Hexagon are in discussions regarding certain amendments to the EPC Contract, to accommodate potential metallurgical improvements and increased annual capacity.

Boroo Gold Transaction

On August 1, 2024, the Company announced the successful completion of Boroo Gold transaction. Boroo Gold was acquired on a zero net debt basis. Concurrently, the Company closed the Tres Cruces transaction where the Company sold the Tres Cruces Project to Boroo Singapore for CAD\$11.7 million in cash, payable over a period of 18 months commencing August 1, 2024.

The management of the Company assessed the accounting for the Boroo Gold Transaction with advice from professional parties and it was decided that the Boroo Gold Transaction would be accounted for as a reverse takeover, with Boroo Gold being the accounting acquirer/legal acquiree and the Company being the legal acquirer/accounting acquiree. For more information on the Boroo Gold Transaction, a copy of the Share Exchange Agreement, the A&R Share Purchase Agreements and the information circular in respect of the Meeting are available on Steppe Gold's SEDAR+ profile and are available for viewing at www.sedarplus.ca.

Exploration and Development

Boroo Gold Mine

The Boroo gold mine holds 6 mining licenses MV-000198, MV-000238, MV-001960, MV-001970, MV-011761 and MV-012039 covering an area of 3,602.07 ha in total. The Ulaanbulag gold mine site covers 1,204.47 ha area under mining license MV-015285.

No exploration or drilling activities were conducted at the Boroo and Ulaanbulag gold mines during the year ended December 31, 2024. Planned mining exploration and fieldwork for 2024 was deferred due to Parliamentary and local election-related activities and circumstances, resulting in the postponement of exploration programs such as drilling and trenching.

ATO Gold Mine

The ATO Gold Mine is comprised of one mining license (MV-017111) over an area of 5,492.63 hectares. The ATO Project is located in the territory of Tsagaan Ovoo soum, Dornod province of Eastern Mongolia. It is 660 km east of Ulaanbaatar, the capital of Mongolia, 120 km northwest of Choibalsan, the provincial capital of Dornod Province and 38 km west of Tsagaan Ovoo soum.

There was no exploration and drilling programmes performed in the year ended December 31, 2024 at the ATO project.

The RC (Reverse Circulation) drilling program being carried out at the ATO Project includes a metallurgical drilling program for ATO & Mungu deposits, Zn extension drilling at ATO-4 & ATO-2 deposits and geotechnical drilling at all ATO deposits. The purpose of the drilling program is to identify epithermal gold and base metal mineralization particularly oxide ore inside the existing mining license.

Uudam Khundii Property

The Uudam Khundii gold project is comprised of one exploration license covering 14,400 hectares in Bayankhongor province, Mongolia. The land package represents one of the largest exploration licenses in the Bayankhongor Gold Belt. The license is in a highly prospective location between and adjoining the Bayan Khundii gold deposit and Altan Nar gold deposit owned by Erdene Resource Development Corporation (ERD – TSX). Exploration at the Uudam Khundii property has been on hold during the current year due to management priorities around Boroo Gold Transaction.

Bornuur Exploration site

On September 20, 2021, the Company obtained the Bornuur exploration license XV-021931, located in Bornuur and Jargalant soums of Tuv aimag, Bayangol soum of Selenge aimag encompassing an area of 2,039.82 ha. On April 1, 2022, a portion of the exploration license area, specifically 252.43 hectares, was relinquished back to the state, leaving the current exploration license area at 1,787.39 hectares. In 2022, the Company carried out trenching, drilling, and sampling activities in the exploration area and no additional field exploration was conducted in the exploration area in 2023 and 2024.

Geochemical sampling pattern density was increased and sampling was conducted in 2024 in areas where attractive dispersion halos were identified as a result of previous exploration activities at the exploration license areas.

Outlook

The acquisition of Boroo Gold was a transformational step for Steppe Gold. It accelerates the path to a multi-asset Mongolia-focused mining group and, importantly, is providing strong cash flow to support growth plans, further improved with the recent strong gold prices.

The near-term focus for the Group is on maximizing production and cash flows at both producing mines and, progressing the Phase 2 Expansion and related financing options. The Group also continues to consider growth in reserves through exploration at current and nearby operations as well as potential acquisitions.

Critical Accounting Policies, Estimates and Accounting Changes

Critical Accounting Policies and Estimates

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes.

The critical estimates, assumptions and judgments applied in the preparation of the Group's financial statements are disclosed in note 2 of the Company's consolidated financial statements for the year ended December 31, 2024.

Accounting Policies

The accounting policies applied in the preparation of the condensed interim consolidated financial statements as of December 31, 2024, are consistent with those used in the Company's annual audited consolidated financial statements for the year ended December 31, 2023, with an exception of Boroo Gold's measurement of property, plant and equipment, capitalisation of exploration and evaluation assets and functional currency of Steppe Gold's subsidiaries from Mongolian Tugriks to USD.

Upon completion of the Boroo Gold Transaction an exercise was undertaken to align the Group's accounting policies. In conjunction with preparation of the Company's financial statements for the year ended December 31, 2024, and as a result of the assessment performed on property, plant and equipment and exploration and evaluation assets, the Group concluded to change Boroo Gold's accounting policy on property, plant and equipment measurement from a revaluation model to the cost model and exploration and evaluation asset capitalization into expense to bring them in line with that Steppe Gold.

Financial Instruments and Other Instruments

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and commodity price risk).

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Group's credit risk is primarily attributable to cash, short term investments, receivables and other assets. Cash is held with a Canadian chartered bank and financial institutions in Mongolia, from which management believes the risk of loss to be minimal.

The Group's cash is currently invested in bonds issued by Boroo Singapore. The bonds which are due for redemption on December 31, 2025 are reliant on cash flows from dividends payments from its subsidiary entities and results of operations of Minera Boroo Misquichilca SA ('MBM') a gold mining company located in Peru and a 100% owned subsidiary of Boroo Singapore. While the financial outlook of MBM and Boroo Singapore is positive, the recoverability of the bonds is largely dependent on the commercial success of the MGM operation which is still in its early stages. The recoverability of the bonds is reliant on continued performance of the MBM mining operations and strong gold prices. As at December 31 2024, there were no indicators of default on the bond repayment and the Group will periodically review the factors affecting the bonds to ensure that they are adequately assessed and adjusted should the need arise.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure it will have sufficient liquidity to meet liabilities when due. To the extent the Group does not believe it has sufficient liquidity to meet its obligations, it will consider securing additional equity or debt funding.

The Group's cash is currently invested in bonds issued by Boroo Singapore and business accounts with high-credit quality financial institutions. The bonds issued by Boroo Singapore which are due for redemption on December 31, 2025 are reliant on cash flows from dividend payments from Boroo Gold and results of operations of MBM a gold mining company located in Peru and a 100% owned subsidiary of Boroo Singapore. While the financial outlook of MBM and Boroo Singapore is positive, the recoverability of the bonds is largely dependent on the commercial success of the MBM operation which is still in its early stages.

The Group's financial obligations consist of accounts payable and other liabilities, purchase price payable, dividend payable, lease liability, streaming arrangement, long term loan as well as the loan liability and derivative components of the convertible debentures.

The maturity analysis of financial liabilities as at December 31, 2024 is as follows:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Accounts payable and other	13,162	-	-	-	13,162
Dividend payable	2,001	-	-	-	2,001
Lease liability	310	306	-	-	616
Streaming arrangement	4,443	-	-	-	4,443
Convertible debentures –	380	-	-	-	380
Convertible debentures – loan	-	2,477	-	-	2,477
Short term loans	19,590	-	-	-	19,590
Long term loans	-	90,634	22,402	1,516	114,552
BORO Bond	-	43,000	-	-	43,000
Triple Flag Gold Prepay Loan	6,914	-	-	-	6,914
Total	46,800	136,417	22,402	1,516	207,135

The maturity analysis of financial liabilities as at December 31, 2023 is as follows:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
Accounts payable and other	32,506	-	-	-	32,506
Short term loans	82,603	-	-	-	82,603
Long term loans	-	2,815	-	-	2,815
Total	115,109	2,815	-	-	117,924

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Group's interest rate risk includes potential decreases on the interest rate offered on cash held with chartered Canadian and Mongolian financial institutions. The Group considers the interest rate risk on cash held with chartered Canadian and Mongolian financial institutions to be immaterial. There is no interest rate risk on the debentures as the rate is fixed.

Foreign Currency Risk

The Group's functional currency is the Canadian dollar and presentation currency is the US dollar and major purchases and payables are transacted in US dollars.

The Group has significant balances in US dollars that are subject to foreign currency risk. The Group is exposed to foreign currency risk on fluctuations related to cash, streaming arrangement, purchase price payable and convertible debentures that are denominated in US dollars. Sensitivity to a plus or minus 5% change in the foreign exchange rate of the US dollars compared to the Canadian dollar would affect net profit by \$370 (gain) and \$370 (loss) with all other variables held constant.

Commodity Price Risk

The profitability of the Company's operations and mineral resource properties relates primarily to the market price and outlook of gold and silver. Adverse changes in the price of certain raw materials can also significantly affect the Group's cash flows. Gold and silver prices historically have fluctuated widely and are affected by numerous factors outside of the Group's control, including, but not limited to, industrial, residential and retail demand, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand due to speculative or hedging activities, macro-economic variables, geopolitical events and certain other factors related specifically to gold (including central bank reserves management).

To the extent that the price of gold and silver increase over time, the fair value of the Group's mineral assets increases, and cash flows will improve; conversely, declines in the price of gold will reduce the fair value of mineral assets and cash flows. A protracted period of depressed prices could impair the Group's operations and development opportunities and significantly erode shareholder value. The Group conducts analyses on certain factors that impact the gold price and regularly informs management about potential future impacts.

To the extent that the price of gold and silver increases over time, the fair value of the Group's mineral assets increases and cash flows will improve; conversely, declines in the price of gold will reduce the fair value of mineral assets and cash flows. A protracted period of depressed prices could impair the Group's operations and development opportunities, and significantly erode shareholder value. To the extent there are adverse changes to the price of certain raw materials (e.g. diesel fuel), the Group's profitability and cash flows may be impacted. As the Group has commenced its production, it is monitoring gold and silver prices to identify measures that may be required to mitigate commodity price risk. Diesel fuel purchases are currently at spot price and are not considered material enough to require hedging to mitigate the price risk.

Embedded Derivatives

The Group has debentures, which contain an embedded derivative component, issued at the beginning of 2022.

The following table is a sensitivity analysis of the impact on the consolidated statement of loss and comprehensive loss of an increase or a decrease in the assumptions that are used to value the derivative liability:

Input	Sensitivity Rate	Impact of Increase US\$ 000's	Impact of Decrease US\$ 000's
Stock Price	10%	95	(85)
Exercise Price	10%	(48)	57
Volatility Rate	10%	62	(62)
Discount Rate	0.5%	2	(2)

Stream Agreement

In connection with the ATO Acquisition, the Company's subsidiaries have entered into a metals purchase and sale agreement (the "Stream Agreement") with Triple Flag to sell gold and silver produced from the ATO Project. The Stream Agreement is recorded at fair value at each statement of financial position date as the Company has determined the obligation is a derivative liability to be carried at FVTPL. The fair value of the Stream Agreement was valued using the income approach with consideration for the contractual terms of the Stream Agreement and use of various input assumptions.

Input	Sensitivity rate	Impact of increase	Impact of Decrease
		\$	\$
Forward price	10%	444	(444)
Discount rate	10%	(200)	228

Capital Risk Management

The Group's objectives in the managing of the liquidity and capital are to safeguard the Group's ability to continue as a going concern and provide financial capacity to meet its strategic objectives. The capital structure of the Group consists of debt instruments and equity attributable to common shareholders, comprising of issued share capital, shares to be issued, warrants, contributed surplus, accumulated other comprehensive loss and deficit. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may attempt to issue new shares, issue new debt, acquire or dispose of assets to facilitate the management of its capital requirements.

The Group defines capital as total debt less cash and equivalents and it is managed by management subject to approved policies and limits by the Board. The Group is not subject to any externally imposed capital requirements.

Evolving Corporate Governance

The Company's business is subject to evolving corporate governance and public disclosure regulations that have increased both compliance costs and the risk of noncompliance, which could have an adverse effect on the price of the Company's securities. The Company is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSX and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity making compliance more difficult and uncertain. Further, the Company's efforts to comply with these and other new and existing rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. In addition, the Company may be subject to growth related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. If the Company is unable to deal with this growth, it may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Further, a significant portion of the Company's business is carried on through subsidiaries, including foreign subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations and projects efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and stock price.

Interests of the Controlling Shareholder

As of the date hereof, Boroo Singapore beneficially owns approximately 55.9% of the issued and outstanding Common Shares. Boroo Singapore's ability to elect directors of the Company and otherwise exercise its rights as a shareholder of the Company are governed by the Boroo Investor Rights

Agreement. For as long as Boroo Singapore holds at least 10% interest in the Company, it may be in a position to affect the Company's governance and operations, pursuant to the terms and conditions of the Boroo Investor Rights Agreement. As a result of Boroo Singapore's shareholdings of the Company, third parties could be discouraged from making an offer or take-over bid to acquire the Company at a price per share that is above the then-current market price.

Other Risks and Uncertainties

An investment in the securities of the Group is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment.

Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Group and its financial position. Please refer to the section entitled "Risk Factors" in the Company's annual information form for the year ended December 31, 2024 (available on SEDAR+ at www.sedarplus.ca).

Non-IFRS Performance Measures

Reconciliation of Non-GAAP Financial Measures

The Group has included certain non-GAAP financial measures in this document. These measures are not defined under IFRS and should not be considered in isolation. The Group believes that these measures, together with measures determined in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Group. The inclusion of these measures is meant to provide additional information and should not be used as a substitute for performance measures prepared in accordance with IFRS. These measures are not necessarily standard and therefore may not be comparable to other issuers.

EBITDA

EBITDA is earnings before interest, taxes, depreciation and amortization.

In the fourth quarter of 2024, the Group reported an adjusted EBITDA of \$25,639 compared to \$16,659 in the same period of 2023. The increase in adjusted EBITDA was due to the lower revenue was recorded in the fourth quarter of 2024, compared to the same period in 2023.

Adjusted EBITDA removes non-cash items, finance costs and exploration costs. Adjusted EBITDA after stream payment is \$24,817 for the fourth quarter of 2024, compared to \$16,659 in the same period of 2023.

Adjusted EBITDA

(US\$ 000's)	Q4 Dec 31, 2024	Q4 Dec 31, 2023	YTD Dec 31, 2024	YTD Dec 31, 2023
Net Profit Before Tax	20,606	14,083	80,133	72,255
Depreciation And Depletion	4,564	4,667	17,474	15,854
Foreign Exchange	(809)	181	(526)	(519)
Non-recurring - Professional fees*	3,916	-	3,933	-
Finance Costs/(Income)	(2,724)	(2,272)	7,203	(4,706)
Exploration And Evaluation Expenditures	86	-	243	-
Adjusted EBITDA	25,639	16,659	108,460	82,884
Stream Agreement payments	(822)	-	(3,043)	-



Adjusted EBITDA after Stream payments	24,817	16,659	105,417	82,884
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*Non-recurring costs related to professional fees related to Hong Kong stock exchange listing and Boroo Gold Transaction.

Key Performance Indicators

Key performance indicators for the business are non-IFRS metrics but provide the ability to evaluate the underlying performance of the Company. These include cash cost per ounce of gold sold, and AISC per ounce of gold sold.

Unit costs is a performance metric used at site to provide an efficiency view and trend of operating performance using total direct cost per tonne of relevant material mined ore.

All-in Sustaining Costs ("AISC") is calculated using cash costs in addition to general and administration, asset retirement costs, and sustaining capital, less certain non-recurring costs (notably exploration costs at the Mungu deposit) to provide an overall company outlook on the total cost required to sell an ounce of gold. Management uses AISC to assess direct operating costs and capital costs required in generating revenue in the reporting period and maintaining normal operations of the mine.

(US\$ 000's)		Q4 Dec 31, 2024	Q4 Dec 31, 2023	YTD Dec 31, 2024	YTD Dec 31, 2023
Cash Cost of Sales:					
Mining Cost	000's	6,567	5,296	21,862	18,500
Processing Cost	000's	7,949	4,819	24,283	17,977
Site G&A Cost	000's	2,873	1,325	7,379	4,710
Change in Inventory – Cash	000's	912	356	1,326	(4,856)
Royalty	000's	2,530	1,762	9,730	6,603
Corporate Social Responsibility	000's	290	74	520	226
By-Product Credits	000's	(77)	(91)	(862)	(310)
Net Cash Costs	000's	21,044	13,541	64,238	42,850
Sustaining Capital Expenditure	000's	2,560	1,603	14,074	10,241
Corporate Administration	000's	3,589	1,572	8,702	2,605
Non-recurring professional fees	000's	(3,916)	-	(3,933)	-
Other	000's	392	330	1,448	1,306
All-in-Sustaining Costs	000's	23,669	17,046	84,529	57,002
Gold Sales	oz	17,567	17,413	78,450	67,315
Cash Cost	US\$/oz	1,198	778	819	637
Site All-in-Sustaining Cost	US\$/oz	1,366	889	1,017	808
Total All-in-Sustaining Cost	US\$/oz	1,347	979	1,078	847

(1) AISC excludes non-recurring exploration expenditures, share based compensation and certain non-recurring items

Cash cost per ounce is a measurement of the site cash cost required to sell an ounce of gold. This is an indication and trend of the cash operating margin of producing an ounce of gold.

Cash costs for the Group for the fourth quarter of 2024 were \$1,198 per ounce compared to \$778 per ounce for the same period of 2023. The increase in cash cost per ounce is mostly related to lower gold sales despite the low net cash costs.

In the year ended December 31, 2024, the Group's cash costs were \$819 per ounce and \$637 per ounce in the same period in 2023. The higher cash cost for the year ended December 31, 2024, was primarily due to increased net cash costs, despite the higher gold sales. This rise was mainly driven by higher cost of sales, resulting from increased mining result and processed ore tonnes.

Site AISC for the Group in the three months ended December 31, 2024, was \$1,366 per ounce on gold sales of 17,567 ounces of gold and \$1,017 per ounce on gold sales of 78,450 ounces in the year ended December 31, 2024. Site AISC in the fourth quarter of 2023 and year ended December 31, 2023 were \$889 and \$808, respectively. Higher site AISC for the year 2024 reflects higher sustaining capital expenditures despite lower ounces in 2023.

Total AISC for the Group in the three months ended December 31, 2024, was \$1,347 per ounce compared to \$979 per ounce for the same period of 2023. The increase in AISC per ounce is mostly related to lower gold sales despite the costs.

The AISC for the Group in the year ended December 31, 2024, was \$1,078 per ounce compared to \$847 per ounce in the same period of 2023. The increase in AISC per ounce is due to the higher sustaining capital expenditure and corporate administration expenses.

Corporate Governance

Disclosure Controls and Procedures

Disclosure controls and procedures are defined to provide reasonable assurance that the information required to be disclosed by the Group in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the President and Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

The Group's management, with the participation of its President and Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") as such term is defined in the rules of the Canadian Securities Administrators and the Securities and Exchange Commission. Under the supervision of the President and Chief Executive Officer and Chief Financial Officer, the Group's internal control over financial reporting is a process designed to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Group's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Group;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with IFRS and that the Group's receipts and expenditures are made only in accordance with authorizations of management and the Group's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized

acquisition, use, or disposition of the Group's assets that could have a material effect on the Group's consolidated financial statements.

The Group's internal control over financial reporting may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changes in conditions or deterioration in the degree of compliance with the Group's policies and procedures.

Limitations of Controls and Procedures

The Company's management, including the President and Chief Executive Officer and Chief Financial Officer, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake.

Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Changes in Internal Control over Financial Reporting

There were no changes in ICFR during the last fiscal year that materially affected, or are reasonably likely to materially affect, ICFR.