



Consolidated Financial Statements

For the years ended December 31, 2025 and 2024
(Expressed in US Dollars)



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Steppe Gold Ltd.

Opinion

We have audited the consolidated financial statements of Steppe Gold Ltd. (the Entity), which comprise:

- the consolidated statement of financial position as of December 31, 2025
- the consolidated statement of income and comprehensive income for the year then ended
- the consolidated statement of changes in shareholders' equity for the year then ended
- the consolidated statement of cash flows for the year then ended and
- notes to the consolidated financial statements, including a summary of material accounting policy information.

(Hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as of December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in expressing our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.



Assessment of the provision for environmental remediation to the consolidated financial statements

Description of the matter

The Entity recognized a provision for asset retirement obligation related to environmental remediation, which represents a significant liability and requires the use of complex estimates and assumptions. Refer to Note 12 "Asset retirement obligation" to the financial statements.

As discussed in Note 12 to the consolidated financial statements, the provision for asset retirement obligations was \$17,070 thousands as of December 31, 2025. As described in Note 2, the Entity's accounting for environmental rehabilitation, decommissioning of plant or other site restoration work requires management to make estimates of the future costs the Entity will incur to complete the work required to comply with existing laws and regulations at each mining operation. Also, future changes to environmental laws and regulations could increase the extent of rehabilitation work required to be performed by the Entity. The provision represents management's best estimate of the present value of the future provision for environmental rehabilitation.

Why the matter is a key audit matter

The provision for environmental remediation was considered a key audit matter due to significant level of management judgment involved in estimating future remediation costs. This includes the use of discounted future cash flows, which incorporate assumptions related to the timing of mine closure or asset retirement, the scope of remediation activities, and future cost estimates affected by regulatory, operational and economic factors. In addition, the provision is sensitive to changes in key assumptions, which could have a material impact on the financial statements.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter included the following:

We evaluated the existence and accuracy of the disbursements made by the Company during the period in relation to the provision for environmental remediation. We tested, on a sample basis, the underlying data and assumptions used in the estimation, including expected closure dates and cost estimates. We evaluated the timing and updating of the remediation activities and their associated costs included in the provision. We engaged our financial specialists with specialized skills and knowledge, who assisted us in evaluating and reviewing the determination of the present value of the projected cash flows prepared by the Entity, including the appropriateness of the discount rate applied.

Other matters

The consolidated financial statements of the Entity as of and for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on March 31, 2025.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis.

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



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

We obtained the information included in Management's Discussion and Analysis as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report on in this regard.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units within the group as a basis for forming an opinion on the group consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated to those charged with governance, the matter that was the most significant in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in exceptionally rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/ Emmerich, Córdova y Asociados S. Civil de R.L.

The engagement partner on the audit resulting in this independent auditor's report is Juan Carlos Mejia C.

Lima, Peru.
March 31, 2026

STEPPE GOLD LTD.**Consolidated Statements of Financial Position**

(All dollar amounts expressed in thousands of United States Dollars)

	Notes	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash	4	68,295	47,132
Receivables and other assets	5	3,209	1,830
Due from Boroo Singapore	6	2,114	4,037
Prepayments	7	4,621	2,986
Inventories	8	35,202	62,761
Investment in bonds	9	103,781	97,050
Total current assets		217,222	215,796
Long-term assets			
Due from Boroo Singapore	6	-	1,899
Exploration and evaluation assets		1,643	1,599
Property, plant and equipment	10	138,486	131,639
Long term investments		225	317
Deferred tax asset	26	802	894
Total long-term assets		141,156	136,348
Total assets		358,378	352,144
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Amounts payable and other liabilities	11	10,762	15,163
Streaming arrangement in default	13	8,265	-
Current portion of streaming arrangement	13	2,170	4,443
Triple Flag Gold Prepay Loan	15	7,207	6,914
Short term loans payable	16	63,154	19,590
Current portion of lease liability	17	314	310
Current tax liability		13,720	17,974
Due to Boroo Singapore		945	-
Convertible debentures - derivative	14	3,349	380
Total current liabilities		109,886	64,774
Long-term liabilities			
Asset retirement obligation	12	17,070	16,970
Long term portion of streaming arrangement	13	29,797	-
Lease liability	17	319	306
Convertible debentures - loan liability	14	2,697	2,477
Long term loans payable	16	41,484	114,552
BORO bond	18	14,300	43,000
Total long-term liabilities		105,667	177,305
Total liabilities		215,553	242,079
Shareholders' equity			
Share capital	19	55,422	55,422
Translation reserve		(1,509)	(1,571)
Retained earnings		88,976	56,242
Total equity attributable to the owners of the Company		142,889	110,093
Non-controlling interest		(64)	(28)
Total shareholders' equity		142,825	110,065
Total liabilities and shareholders' equity		358,378	352,144

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

Approved on behalf of the Board:

(Signed) "Tserenbadam Dugeree" _____, Director

(Signed) "Batjargal Zamba" _____, Director

STEPPE GOLD LTD.**Consolidated Statements of Income and Comprehensive Income**

(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts)

	Notes	Year ended	
		December 31, 2025	December 31, 2024
Revenue	20	254,130	178,133
Cost of sales	21	(115,899)	(82,068)
Gross profit		138,231	96,065
Exploration and evaluation expenditures		(132)	(32)
Corporate administration	22	(11,723)	(9,222)
Impairment loss	10	(10,641)	-
Operating profit		115,735	86,811
Finance cost	23	(48,342)	(7,203)
Foreign exchange gain		879	526
Net profit before tax		68,272	80,134
Income tax	26	(35,574)	(18,811)
Profit for the year		32,698	61,323
Other comprehensive income/(loss) for the year			
Items that may be reclassified subsequently to profit or loss:			
Cumulative translation adjustment		62	(1,571)
Net profit and comprehensive income for the year		32,760	59,752
Net profit attributable to shareholders of the Company		32,734	61,351
Net loss attributable to non-controlling interest		(36)	(28)
		32,698	61,323
Basic net earnings per share		0.129	0.324
Diluted net earnings per share		0.127	0.321
Weighted average number of common shares outstanding - basic	19,25	252,827,187	189,225,996
Weighted average number of common shares outstanding - diluted	19,25	257,238,952	191,064,232

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

STEPPE GOLD LTD.**Consolidated Statements of Cash Flows**

(All dollar amounts expressed in thousands of United States Dollars)

		Year ended	
	Notes	December 31, 2025	December 31, 2024
Operating activities			
Net profit for the year		32,698	61,323
<u>Adjustments for non-cash items:</u>			
Change in fair value of convertible debentures derivative	14	2,969	(193)
Change in fair value of Triple Flag Gold Prepay loan	15	3,200	409
Change in fair value of long term investments	23	81	149
Reversal of Bond impairment loss	23	-	(2,153)
Accretion and financing costs	23	1,508	1,759
Loss on inventory write off	8	(247)	1,232
Loss on heap leach pad and gold in circuit write off	21	31,402	-
Other income		(1,590)	(804)
Depreciation	10	16,295	15,731
Unrealised foreign exchange		294	(1,251)
Change in fair value of stream liability	13	35,789	(1,254)
Change in fair value of ATC consideration	6	(253)	(505)
Interest expense	23	14,376	11,928
Impairment loss	10	10,641	-
Bad debts/(recovery)	23	(590)	69
Loss on disposal of property, plant and equipment		76	-
Deferred tax benefit		(2,201)	(3,782)
Bond interest income	9,23	(6,731)	(3,455)
Operating cash flows before changes in non-cash working capital items		137,717	79,203
<u>Changes in non-cash working capital items:</u>			
Inventories		(3,595)	3,136
Receivables and other assets		(834)	18,784
Amounts payable and other liabilities		43,693	(2,889)
Cash generated from operations		176,981	98,234
Interest paid	16	(20,625)	(15,116)
Income tax paid		(42,028)	(16,423)
Net cash generated from operating activities		114,328	66,695
Investing activities			
Acquisition of property, plant and equipment		(29,741)	(11,616)
Deposit on property, plant and equipment		-	(2,549)
Steppe Gold cash at acquisition	3	-	2,103
Proceeds from ATC sales	6	4,233	-
Net cash used in investing activities		(25,508)	(12,062)
Financing activities			
Proceeds from loans		-	25,924
Proceed from BORO bond	18	-	43,000
Cost of share issuance		-	(14)
Repayment of loans	16	(29,312)	(27,529)
Interest paid on convertible debentures	14	(400)	(194)
Repayment of Triple Flag Gold Prepay loan	15	(2,907)	-
Repayment of BORO bond	18	(28,700)	-
Lease payments	17	(4,443)	(48)
Repayment of Stream arrangement		-	(3,043)

Dividend paid	24	(1,895)	(60,500)
Net cash used in financing activities		(67,657)	(22,404)
Net increase in cash		21,163	32,229
Cash at the beginning of the year		47,132	14,903
Cash at the end of the year		68,295	47,132

Supplemental disclosure of non-cash flow information:

Asset retirement obligation movement	12	673	(444)
Asset retirement obligation cost	10	(673)	444
Right of use assets	10	304	702
Lease liability	17	(304)	(702)
Disposal of property, plant and equipment	10	76	-

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

STEPPE GOLD LTD.**Consolidated Statements of Changes in Shareholders' Equity****For the years ended December 31, 2025 and December 31, 2024**

(All dollar amounts expressed in thousands of United States Dollars, other than share amounts)

	Notes	Number of shares	Share capital	Translation Reserve	Retained Earnings	Sub-total	Non-controlling interest Corundum	Total equity
			\$	\$	\$	\$	\$	\$
Balance as at January 1, 2024	19	3,000,000	3,000	-	100,180	103,180	-	103,180
Profit for the year	25	-	-	-	61,351	61,351	(28)	61,323
Other comprehensive income/(loss)		-	-	(1,571)	-	(1,571)	-	(1,571)
Consideration transferred	3	249,827,187	52,422	-	-	52,422	-	52,422
Dividend declared	24	-	-	-	(105,289)	(105,289)	-	(105,289)
Balance as at December 31, 2024		252,827,187	55,422	(1,571)	56,242	110,093	(28)	110,065
Balance as at January 1, 2025		252,827,187	55,422	(1,571)	56,242	110,093	(28)	110,065
Profit for the year	25	-	-	-	32,734	32,734	(36)	32,698
Other comprehensive income		-	-	62	-	62	-	62
Balance as at December 31, 2025		252,827,187	55,422	(1,509)	88,976	142,889	(64)	142,825

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

STEPPE GOLD LTD.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and December 31, 2024

(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

1. Nature of operations

Steppe Gold Ltd. (the "Company" or "Steppe Gold") was incorporated under the laws of the Business Corporations Act (Ontario) by Articles of Incorporation dated October 5, 2016. The head office of the Company is located at Blue Sky Tower, 7th floor, Peace Avenue 17, Sukhbaatar District 1, Ulaanbaatar 14241, Mongolia and the mailing address of the Company is located at 342-6110 Currents Drive NW, Edmonton, Alberta, T6W 0L7. The consolidated financial statements as at December 31, 2025, comprises the Company and its subsidiaries including Boroo Gold LLC ("Boroo Gold") (together referred to as the "Group").

Reverse Acquisition

On August 1, 2024, the Company acquired all of the shares of Boroo Gold in exchange for 143,796,574 common shares of the Company, representing 56.88% of the common shares immediately prior to the closing date. The acquisition was completed pursuant to a share exchange agreement with Centerra Netherlands BVBA ("Centerra") and Boroo Pte Ltd. ("Boroo Singapore") (the "Boroo Gold Transaction"). At the time, Boroo Gold, based in Mongolia, was 100% owned by Centerra, which in turn, was indirectly owned 100% by Boroo Singapore.

Following completion of the Boroo Gold Transaction it was determined that Boroo Singapore controlled the Company and therefore Boroo Gold, as a 100% indirect 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 ("IFRS 3").

Under the reverse acquisition rules of IFRS 3, the entity that issues its shares to affect 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.

Group ownership

As a result of the Boroo Gold Transaction, Boroo Gold is 100% owned by Steppe Gold Ltd., whose parent company is Boroo Singapore through its acquisition of 56.88% of the shares of Steppe Gold Ltd.

Operations

The Group is focused on operating, developing, exploring and acquiring precious metal projects in Mongolia. The Company's producing mines are the Altan Tsagaan Ovoo Property (the "ATO Project" or "ATO"), located in Eastern Mongolia, Boroo and Ulaanbulag (together the "Boroo Project") located in Selenge Aimag and Tuv Aimag, Mongolia.

Customer concentration

The Group's precious metals production is ultimately sold to the Bank of Mongolia at market rates through an intermediary Mongolian bank, generally the Trade Development Bank of Mongolia ("TDB"), a related party.

Basis of Preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). They comprise of:

- (a) International Financial Reporting Standards;
- (b) International Accounting Standards;
- (c) IFRIC Interpretations; and
- (d) SIC Interpretations.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 31, 2026.

STEPPE GOLD LTD.

Notes to Consolidated Financial Statements

For the years ended December 31, 2025 and December 31, 2024

(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

These consolidated financial statements have been prepared in US dollars ("USD"), which is the Group's presentation currency. As of December 31, 2025, the functional currency was determined to be USD for its Mongolian wholly-owned subsidiaries and Steppe BVI, and to be the Canadian dollar ("CAD") for Steppe Gold Ltd., and all Canadian subsidiaries.

Going Concern

The directors have at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Material accounting policies

The accounting policies and significant judgements applied by the Group in these consolidated financial statements are consistent with those applied by the Group in its consolidated annual financial statements for the year ended December 31, 2024.

Adoption of new and revised Standards

The Group has adopted the following amendments and interpretations issued by the IASB that are relevant to its operations and effective for accounting periods that begin on or after January 1, 2025:

Amendments

IAS 21	Lack of Exchangeability – The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments were adopted effective January 1, 2025 and did not have a material impact on the Group's consolidated financial statements.
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New and revised IFRS Accounting Standards issued but not yet effective

The following Standards and Amendments that are relevant to the Group are effective for annual periods beginning after January 1, 2026. The Group has not yet adopted any of these new or amended standards:

IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 is a new IFRS Accounting Standard aimed at improving how companies communicate in their financial statements. IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements.
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IFRS 18 means companies will:

- In the statement of profit or loss—report two new defined subtotals including operating profit, based on a new set of requirements for classifying income and expenses in categories;
- In the notes—disclose information about some performance measures defined by management, which IFRS 18 identify as "management-defined performance measures" (MPMs); and
- In both the primary financial statements and the notes—group items applying enhanced requirements for aggregation and disaggregation of information.

IFRS 18 also introduces limited changes to the statement of cash flows.

All companies that prepare financial statements that comply with IFRS Accounting Standards are required to apply IFRS 18 retrospectively from January 1, 2027, with specific transition provisions. Earlier application is permitted.

The Company is currently assessing the impact of the standard on its consolidated financial statements.

STEPPE GOLD LTD.

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(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

Amendments

The following amendments to standards have been issued but are not yet effective as at December 31, 2025:

- IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments: Disclosures – Classification and measurement of financial instruments (effective for annual periods beginning on or after January 1, 2026).
- Annual Improvements to IFRS Accounting Standards – Volume 11 (effective for annual periods beginning on or after January 1, 2026), which include minor amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.

The Company is currently assessing the impact of these amendments and does not expect them to have a material effect on its consolidated financial statements.

Basis of consolidation

Following completion of the Boroo Gold Transaction (see note 3) it was determined that Boroo Singapore controlled the Company and therefore Boroo Gold would be considered as the accounting acquirer and the Boroo Gold Transaction should be accounted for as a reverse acquisition, with Boroo Gold deemed to be the accounting acquirer and Steppe Gold the accounting acquiree.

The consolidated financial statements incorporate the financial statements of the parent company and entities in the Group.

Control is achieved when the Group:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis.

Subsequent to an acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and

STEPPE GOLD LTD.

Notes to Consolidated Financial Statements

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(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

attributed to the owners of the Group.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between: (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 – Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

The consolidated financial statements for the year ended December 31, 2024 incorporate the financial statements of Steppe Gold (legal parent, accounting acquiree) and its subsidiaries from August 1, 2024 through December 31, 2024 and of Boroo Gold (legal subsidiary, accounting acquirer) for the full fiscal year. The consolidated financial statements for the year ended December 31, 2025 incorporate the Company and its wholly-owned and controlled subsidiaries as set out below:

Company Name	Country of Incorporation	Nature of Operations	Ownership Interest December 31, 2025
Steppe Gold LLC	Mongolia	Mining	100%
Boroo Gold LLC	Mongolia	Mining	100%
Steppe Investments Limited	British Virgin Islands	Investment	100%
Steppe West LLC	Mongolia	Holding Company	100%
Corundum Geo LLC	Mongolia	Mining	80%
Anacortes Mining Corp.	Canada	Holding Company	100%
New Oroperu Resources Inc.	Canada	Holding Company	100%
S.A. Mining Ventures Limited	Canada	Holding Company	100%
T.C. Mining Inc.	Canada	Holding Company	100%
687211 British Columbia Ltd.	Canada	Holding Company	100%

Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3. The consideration transferred is measured at fair value at the acquisition date and includes the fair value of assets transferred, liabilities incurred, and equity instruments issued by the Group. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities assumed are recognized at their acquisition-date fair values, except for items such as deferred taxes and employee benefit obligations, which are measured in accordance with IAS 12 and IAS 19, respectively.

Goodwill is measured as the excess of the consideration transferred, the amount of any non-controlling interest, and the fair value of any previously held interest over the fair value of the net identifiable assets acquired. Where this results in a bargain purchase, the gain is recognized immediately in profit or loss.

Contingent consideration is measured at fair value at the acquisition date. Subsequent changes in fair value are recognized in profit or loss unless classified as equity, in which case it is not remeasured.

When a business combination is achieved in stages, previously held interests are remeasured to fair value at the acquisition date, with any resulting gain or loss recognized in profit or loss.

If the initial accounting is incomplete at the reporting date, provisional amounts are recognized and adjusted during the measurement period (not exceeding one year) as new information becomes available.

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Goodwill arising from a business combination is initially recognized at cost and is not amortized, but is subject to annual impairment testing, or more frequently if indicators of impairment exist. For impairment testing, goodwill is allocated to cash-generating units ("CGUs") or groups of CGUs expected to benefit from the synergies of the combination.

If the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognized, first reducing the carrying amount of goodwill and then allocated to other assets on a pro rata basis.

Impairment losses on goodwill are not reversed. On disposal of a CGU, the attributable goodwill is included in the determination of the gain or loss on disposal.

Reverse takeover transactions

A reverse acquisition occurs when the legal acquirer is identified as the acquiree for accounting purposes, and the legal acquiree is treated as the accounting acquirer, based on factors such as control, governance, and ownership structure.

In such transactions, the accounting acquirer is deemed to have acquired the legal parent. The consideration is determined based on the number of shares the legal subsidiary would need to issue to give the legal parent's shareholders the same ownership interest in the combined entity.

The consolidated financial statements:

- Are presented under the name of the legal parent, but represent a continuation of the financial statements of the legal subsidiary (accounting acquirer), with adjustments to reflect the legal parent's capital structure.
- Reflect the assets and liabilities of the accounting acquirer at pre-combination carrying amounts.
- Recognise the assets and liabilities of the legal parent at fair value in accordance with IFRS 3.
- Retain the pre-combination reserves of the accounting acquirer.
- Reflect an equity structure based on the legal parent, restated using the agreed exchange ratio.

Non-controlling interests represent those shareholders of the legal subsidiary who do not exchange their shares and are measured based on their proportionate share of pre-combination net assets.

Earnings per share is calculated using the legal parent's share structure, with prior periods restated using the exchange ratio.

Revenue recognition

Revenue is generated from the sale of gold and silver. The Group produces doré bars which contain gold and silver. The doré bars are analysed by the Mongolian Agency for Standardization and Metrology ("MASM") which determines the gold and silver content to be sold to the customer, usually a commercial bank in Mongolia for immediate onward sale to the Bank of Mongolia. The Group uses TDB as its commercial bank in the sales transaction. Revenue is determined by the price of gold for each sale and varies depending on the current rate of gold at that time.

Revenue from toll refining is recognized when the Group processes third-party ore and delivers the resulting doré bars to the customer. Revenue is recognized at the point in time when control of the processed product transfers to the customer, which occurs upon delivery of the doré bars, as this represents the completion of the Group's processing performance obligation. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled under the toll refining arrangement.

The performance obligation for revenue is recognized when control over the metal is transferred to the customer. Transfer of control is achieved when the gold or silver bars are delivered to the customer's gold vault.

Leases

The Group as lessee

The Group assesses whether a contract contains a lease at inception. As a lessee, the Group recognizes a right-of-use ("ROU") asset and a corresponding lease liability for most leases, except for short-term leases and leases of low-value assets, which are expensed on a straight-line basis.

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The lease liability is initially measured at the present value of lease payments, discounted using the interest rate implicit in the lease or, if not readily determinable, the Group's incremental borrowing rate. Lease payments include fixed payments, variable payments based on an index or rate, residual value guarantees, and payments related to purchase or termination options where reasonably certain.

Lease liabilities are subsequently measured using the effective interest method and reduced by lease payments. They are remeasured when there are changes in lease terms, payment estimates, or lease modifications.

ROU assets are measured at cost, including the initial lease liability, and are subsequently depreciated over the shorter of the lease term and useful life, and tested for impairment in accordance with IAS 36.

Provisions for restoration or dismantling obligations are recognized in accordance with IAS 37 and included in the ROU asset where applicable.

Variable lease payments not based on an index or rate are expensed as incurred. Lease and non-lease components are accounted for separately based on relative stand-alone prices.

Sublease Income

The Company subleases its leased office space to a third party. Sublease income is recognized on a straight-line basis over the term of the sublease in accordance with IFRS 16 – Leases.

As the amounts are not material to the financial statements, the related sublease income is presented within other income (expense) in the consolidated statement of income rather than as a separate revenue stream.

Foreign currencies

Functional and presentation currency

These consolidated financial statements are presented in US dollars ("USD"), the Group's presentation currency. Effective August 1, 2024 (reverse acquisition date), the functional currency of the Group's Mongolian subsidiaries changed from Mongolian tugrik to USD. This change was applied prospectively in accordance with IAS 21 – The Effects of Changes in Foreign Currency, with non-monetary items translated at the exchange rate on the date of change and treated as historical cost.

Transactions in foreign currencies are recorded at exchange rates prevailing at the transaction date. Monetary assets and liabilities are retranslated at period-end rates, while non-monetary items measured at historical cost are not retranslated. Exchange differences are recognized in profit or loss, except where they relate to qualifying capitalized borrowing costs or net investments in foreign operations, which are recognized in other comprehensive income.

For consolidation, assets and liabilities of foreign operations are translated at closing rates, and income and expenses at average rates. Resulting exchange differences are recognized in other comprehensive income and accumulated in equity, and reclassified to profit or loss on disposal of the foreign operation.

Goodwill and fair value adjustments arising on acquisition of foreign operations are treated as assets and liabilities of the foreign operation and translated at closing rates.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on taxable profit for the period and is measured using enacted or substantively enacted tax rates. Provisions are recognized for uncertain tax positions where an outflow of resources is probable and measured at the best estimate of the amount expected to be paid.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available.

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Deferred tax is not recognized on the initial recognition of goodwill or on certain initial recognition of assets and liabilities that do not affect accounting or taxable profit. Deferred tax on investments in subsidiaries and associates is recognized except where the Group can control the timing of reversal and it is not expected to reverse in the foreseeable future.

Deferred tax assets are reviewed at each reporting date and reduced where recovery is no longer probable. Deferred tax is measured using tax rates expected to apply when the asset is realized or liability settled.

Current and deferred tax are recognized in profit or loss, except when related to items recognized in other comprehensive income, equity, or business combinations.

Financial instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument and are initially measured at fair value (trade receivables without a significant financing component are measured at transaction price). Transaction costs are included except for instruments measured at fair value through profit or loss ("FVTPL"), where they are expensed.

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), or FVTPL based on the Group's business model and contractual cash flow characteristics. Interest income is recognized using the effective interest method.

The Group applies the expected credit loss ("ECL") model. Lifetime ECL is recognized for trade receivables, while other financial assets are measured at 12-month or lifetime ECL depending on changes in credit risk.

Financial liabilities are measured at amortised cost using the effective interest method, unless classified at FVTPL.

Debt and equity instruments are classified based on the substance of the contractual arrangement. Equity instruments are recognized net of issue costs.

Convertible debentures are assessed to determine whether they contain both liability and equity components or embedded derivatives. Where applicable, the liability component is measured at amortised cost and the equity component is recognized in equity and not subsequently remeasured.

Where a convertible instrument or other financial instrument contains an embedded derivative that is not closely related to the host contract, the embedded derivative is separated and measured at fair value through profit or loss, with changes in fair value recognized in profit or loss.

When the contractual terms of financial assets or liabilities are modified, the Group assesses whether the modification results in derecognition of the original instrument. Where the modification is substantial, the original instrument is derecognized and a new instrument is recognized at fair value. Where the modification is not substantial, the carrying amount is adjusted to reflect the modified cash flows, with any resulting gain or loss recognized in profit or loss.

Financial assets and liabilities are derecognized when the contractual rights or obligations are extinguished or transferred. Financial instruments are offset only when there is a legally enforceable right of set-off and an intention to settle on a net basis. Below is a summary showing the classification and measurement bases of financial instruments:

Classification	IFRS 9
Cash	FVTPL
Receivables and other assets	Amortized cost
Due from Boroo Singapore – ATC sales	FVTPL
Investment in bonds	Amortized cost
Long term investments	FVTPL
Amounts payable and other liabilities	Amortized cost
Convertible debentures – loan liability	Amortized cost
Convertible debentures – derivative	FVTPL
Streaming arrangement	FVTPL
Lease liability	Amortized cost
Short term loans payable	Amortized cost
Gold Prepay loan – Triple Flag	FVTPL

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Long term loans payable

Amortized cost

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position is comprised of cash and bank balances (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories include ore stockpiles, gold in circuit, heap leach pad inventory, finished goods (dore bars including gold and silver) and supplies inventory. Inventory is valued at the lower of production costs or net realizable value based on estimated metal content.

The Group allocates direct and indirect production costs to gold on a systematic and rational basis. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses and applicable depreciation and depletion of mineral properties, plant and equipment. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future production costs to convert inventories into saleable form and estimated costs to sell.

Heap leach ore represents ore that has been placed on heap leach pads for gold extraction but from which final recovery has not yet been completed. It is classified as work-in-process inventory and measured at the lower of cost and net realizable value. Cost includes mining, crushing, stacking and other direct production costs incurred to place ore on the leach pad, together with applicable overheads. The amount of recoverable gold is estimated based on assay data, metallurgical recovery assumptions and ongoing monitoring of leach performance. As gold is recovered, the related costs are transferred to gold in process or finished goods inventory.

Gold in circuit represents gold contained within the processing circuit that has not yet been refined into dore. It is classified as work-in-process inventory and measured at the lower of cost and net realizable value. Cost includes the costs of ore processed through the plant and related production costs. The quantity of recoverable gold is estimated based on metallurgical balances and processing data and is reviewed periodically based on operational information.

Finished goods inventory represents gold ounces located at the mine and bars still under assay at the MASM and gold inventory extracted from silver bars.

Materials and supplies inventories are valued at the lower of cost and net realizable value. Replacement costs of materials and spare parts are generally used as the best estimate of net realizable value.

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Provision for Inventory Obsolescence

The Company assesses its inventories at each reporting date to determine whether any provision for obsolescence or slow-moving inventory is required. A provision is recognized when the carrying value of inventory is not expected to be recovered through use or sale.

The assessment considers factors such as inventory aging, physical condition, expected recoverability, operational requirements, technological obsolescence and current and forecast commodity prices. Where required, inventories are written down to their net realizable value, and such write-downs are recognized in the consolidated income statement.

Where inventories previously provided for are subsequently used or determined to be recoverable, the related provision is reversed, with the reversal recognized in the consolidated income statement in the period in which the change in estimate occurs.

Property, plant and equipment

Property, plant and equipment ("PPE") includes mine properties relating to the ATO Project and Boroo Project, plant and equipment, construction in progress, and right-of-use assets. PPE is stated at cost less accumulated depreciation and impairment losses.

Mines under construction include costs transferred from exploration and evaluation assets once technical feasibility and commercial viability are demonstrated and development is approved. This includes the Group's Phase 2 expansion and other development activities. Subsequent expenditures on construction, infrastructure, and mine development are capitalized. Revenue and related production costs incurred prior to commercial production are recognized in profit or loss.

Upon commencement of commercial production, assets are reclassified to mine properties. The cost of mine properties includes directly attributable development costs, borrowing costs on qualifying assets, and initial estimates of asset retirement obligations.

Depreciation and depletion of mine properties are calculated primarily using the unit-of-production ("UOP") method based on proven and probable reserves. For assets with shorter useful lives, the straight-line method is applied. Estimates of reserves, useful lives, and production profiles are reviewed periodically, including updates based on technical studies (NI 43-101 reports), with changes accounted for prospectively.

On February 21, 2023, the Company announced the results of an updated Feasibility Study of ATO, and management determined that the effective date of the change in estimate was September 1, 2022. Accordingly, depreciation of assets based on the life of mine was recalculated prospectively using the revised estimated life of mine of 14 years.

Boroo Gold completed an amended technical report in compliance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") on June 16, 2024, related to updated mineral reserve estimates for the Boroo and Ulaanbulag projects. The effective date of this change in estimate was determined to be February 1, 2024, and depreciation was adjusted prospectively from that date.

Stripping costs incurred during the development phase are capitalized. During production, stripping costs are either included in inventory or capitalized as a stripping activity asset where they provide improved access to future ore. Capitalized stripping costs are depreciated using the UOP method over the relevant ore body component.

Major maintenance, replacements, and overhauls are capitalized where they extend the useful life or improve the performance of an asset; routine maintenance is expensed as incurred.

Right-of-use assets are included within PPE and depreciated over the shorter of the lease term and the useful life of the underlying asset.

Derecognition occurs on disposal or when no future economic benefits are expected, with any resulting gain or loss recognized in profit or loss.

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Impairment is assessed at each reporting date in accordance with IAS 36. Where indicators of impairment exist, the recoverable amount of the relevant cash-generating unit ("CGU"), typically at the mine level (ATO, Boroo), is estimated. Impairment losses and reversals are recognized in profit or loss as appropriate. Any reversal of a previously recognized impairment loss is limited so that the carrying amount of the asset does not exceed what it would have been if no impairment had been recorded in prior periods.

Exploration and evaluation and pre-development expenditure

Pre-licence costs incurred prior to obtaining legal rights to explore are expensed as incurred.

Exploration and evaluation ("E&E") expenditures are accounted for using the area of interest method. Costs are expensed as incurred unless the Group determines that it is more likely than not that future economic benefits will be realized, in which case such costs are capitalized as E&E assets. Capitalized costs include licence acquisition, geological and geophysical studies, drilling, sampling and other directly attributable expenditures.

E&E assets are not depreciated and are tested for impairment when facts and circumstances indicate that the carrying amount may exceed the recoverable amount. Upon demonstrating technical feasibility and commercial viability, E&E assets are reclassified to property, plant and equipment or mine development assets.

Related party transactions

A related party is defined as a person or entity that is related to the entity that is preparing its financial statements (the "reporting entity"). A close member of that person's family is related to a reporting entity if that person meets the requirements of IAS 24 Related Parties.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Profit (Loss) per share

The Company presents basic and diluted profit or loss per share data for its common shares, calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The treasury stock method is used to arrive at the diluted profit or loss per share, which is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants, options and restricted share units outstanding that may add to the total number of common shares.

Dividend

Dividends are recognized when they become legally payable. Interim dividends are recognized when declared by the Board of Directors, and final dividends are recognized when approved by shareholders.

Key sources of estimation uncertainty

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Ore reserve and mineral resource estimates

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Such reserves and mineral resource estimates and changes to these may impact the Group's reported financial position and results, in the following way:

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- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the UOP method, or where the useful life of the related assets change.
- Capitalised stripping costs recognised in the statement of financial position, as either part of mine properties or inventory or charged to profit or loss, may change due to changes in stripping ratios.
- Provisions for rehabilitation and environmental provisions may change where reserve estimate changes affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

The Group engages outside consultants who are appropriately qualified to estimate its ore reserves and mineral resources based on information relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data.

The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body

Depreciation and depletion

Mining interests are depleted using the unit-of-production method over a period not to exceed the estimated life of the ore body based on estimated recoverable reserves. Certain property, plant and equipment are depreciated using the unit-of-production method.

The calculation of the units of production rate, and therefore the annual depletion and depreciation expense, could be materially affected by changes in the underlying estimates.

Changes in estimates can be the result of actual future production differing from current forecasts of future production and expansion of mineral reserves through exploration activities. Significant judgment is involved in the determination of useful life and residual values for the computation of depletion and depreciation and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Impairment of mining interests

The Group's management reviews the carrying values of its mining interests on transfer from an exploration and evaluation property to a development property and on a regular basis to determine whether any write-downs are necessary.

Property, plant and equipment is reviewed at each reporting period to determine whether any write-downs are necessary.

The recovery of amounts recorded for mining interests and property, plant and equipment under construction depends on the Group's interpretation of its interest in the underlying mineral claims based on existing regulations, the ability of the Group to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. Management relies on the life-of-mine plans in its assessments of economic recoverability and probability of future economic benefit.

Life-of-mine plans provide an economic model to support the economic extraction of reserves and resources. A long-term life-of-mine plan and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body. The life-of-mine plan requires the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, mineral reserves, and operating performance (which includes production and sales volume).

Asset retirement obligation

The Group engages outside certified engineers and experts to assist in the assessment of its provision for environmental rehabilitation, decommissioning of plant or other site restoration work at each reporting period or when new material

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information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Group has made, and intends to make in the future, expenditures to comply with such laws and regulations.

Accounting for environmental rehabilitation, decommissioning of plant or other site restoration work requires management to make estimates of the future costs the Group will incur to complete the work required to comply with existing laws and regulations at each mining operation. Also, future changes to environmental laws and regulations could increase the extent of rehabilitation work required to be performed by the Group. Increases in future costs could materially impact the amounts charged to operations for environmental rehabilitation, decommissioning of plant or other site restoration work.

The provision represents management's best estimate of the present value of the future provision for environmental rehabilitation. The actual future expenditures may differ from the amounts currently provided.

Convertible debentures

The convertible debentures are a compound instrument if there is a contractual obligation to pay interest and could be required to repay the principal amount where the investor chooses not to convert the debentures and the instrument has a similar characteristic to equity. Each component of the compound financial instrument is assessed separately.

The host debt component is classified as a financial liability in its entirety and calculated by discounting the future cash flows of the debentures at the rate of similar debt.

Conversion feature of the debentures meets the definition of a derivative liability if the conversion feature is denominated in a currency other than the specific company's functional currency, and as such does not meet the fixed for fixed criteria. The derivative liability is revalued at each reporting period using the valuation model which utilizes management estimates for inputs as at the closing date of the reporting period. Any changes to the fair value measurement are recorded through the consolidated statements of profit and loss and comprehensive income.

Deferred taxes

The Group operates in a number of tax jurisdictions and is therefore required to estimate its income taxes in each of these tax jurisdictions in preparing its consolidated financial statements. In calculating the income taxes, the Group considers factors such as tax rates in the different jurisdictions, non-deductible expenses, changes in tax law and management's expectations of future results. The Group estimates deferred income taxes based on temporary differences between the income and losses reported in its financial statements and its taxable income and losses as determined under the applicable tax laws.

The tax effects of these temporary differences are recorded as deferred tax assets or liabilities in the financial statements. The Group does not recognize deferred tax assets where management does not expect such assets to be realized based upon current forecasts.

If actual results differ from these estimates, adjustments are made in subsequent periods.

Taxation provisions

The Group's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the relevant tax authority. Uncertain tax items for which a provision made, relate principally to the interpretation of tax legislation regarding arrangements entered into by the group. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. Whilst a range of outcomes is reasonably possible, the extent of the reasonably possible range is from additional liabilities to a reduction in liabilities.

Valuation of stream liability

The fair value of the stream liability is determined using a discounted cash flow methodology that incorporates

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production estimates and expected forward prices for gold and silver based on consensus commodity price forecasts. The Group engages independent valuation consultants to assist in the valuation of the stream liability.

For streaming arrangements in default, where contracted metal deliveries have not been fulfilled, the related obligation is measured based on the market value of the undelivered ounces at the reporting date using the spot price of gold.

Valuation of inventories

In determining mine production costs recognized in the consolidated statement of income, management, together with independent measurement consultants, estimates the quantities of ore in stockpiles, on the heap leach pad and in process, as well as the recoverable gold and silver contained in this material, to determine the average cost of finished goods sold during the period. Changes in these estimates may impact mine operating costs in the current and future periods, as well as the carrying amount of inventories.

Critical judgments in applying accounting policies

Going concern

The assessment of the Group's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

Functional currency

The functional currency for the parent entity and each of its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgements to identify the primary economic environment, and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Exploration and Evaluation (E&E) expenditure

The application of the Group's accounting policy for E&E expenditure requires judgement to determine whether future economic benefits are likely from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In addition to applying judgement to determine whether future economic benefits are likely to arise from the Group's E&E assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Group has to apply a number of estimates and assumptions.

The determination of a NI 43-101 compliant resource is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates directly impact when the Group defers E&E expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalised amount is written off in the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

Stripping Costs

Significant judgement is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of inventory and that which relates to the creation of a stripping activity asset.

Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components of the ore bodies for each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity.

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Significant judgement is required to identify and define these components, and also to determine the expected volumes (e.g., in tonnes) of waste to be stripped and ore to be mined in each of these components. These assessments are undertaken for each individual mining operation based on the information available in the mine plan. The mine plans and, therefore, the identification of components, will vary between mines for a number of reasons. These include, but are not limited to, the type of commodity, the geological characteristics of the ore body, the geographical location and/or financial considerations.

Commercial production

The determination of when a mine is in the condition necessary for it to be capable of operating in the manner intended by management (referred to as "commercial production") is a matter of significant judgment which impacts when the Group recognizes revenue, operating costs and depreciation and depletion. In making this determination, management considers specific facts and circumstances.

These factors include, but are not limited to, whether the major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed, completion of a reasonable period of commissioning and consistent operating results being achieved at pre-determined levels of design capacity for a reasonable period of time.

Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of twelve months or less. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used.

Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term. The determination of the incremental borrowing rate utilized on commencement of the lease to the present value of the contractual payments requires significant judgment in its determination.

Segment reporting

Steppe Gold LLC ("Steppe Mongolia") and Boroo Gold LLC operate in the same geographical region and are engaged in similar business activities, which results in them sharing common economic characteristics, such as market conditions, customers, and regulatory environments. Given these similarities and the fact that the companies operate in a single geographical location, management believes that segment reporting is not required. The companies do not meet the criteria for separate reporting segments as defined by IFRS 8, as their operations do not differ significantly in terms of revenue sources, risks, or returns. Consequently, the financial results of the companies are presented on a consolidated basis, and no separate segment disclosures are provided.

3. Reverse acquisition of Steppe Gold

On August 1, 2024, the Company announced the successful completion of the Boroo Gold Transaction (Note 1), where the Company acquired all of Boroo Gold shares in exchange for 143,796,574 common shares of the Company, representing 56.88% of the 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% indirect 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.

Under the reverse acquisition rules the entity that issues its shares to affect 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.

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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.

The assets and liabilities of the legal parent (the accounting acquiree) have been recognised and measured at fair market value by an independent valuation consultant. The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

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

Allocation of Purchase Consideration

Net Assets excluding Mining Assets

Cash	2,103
Receivables and other assets	2,218
Inventories	45,045
Exploration and evaluation asset	1,599
Due from Boroo Singapore (Current Portion)	5,881
Property, plant and equipment	74,083
Long term investments	170
Due from Boroo Singapore (Long term Portion)	1,777
Amounts 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)
Triple Flag Gold Prepay loan	(6,505)
Short term loans	(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 loans	(49,577)
Total net assets (B)	45,884

Mining Assets (ATO and UK Projects) (ii) (A-B)	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

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Close share price of Steppe as at August 1, 2024 (\$USD)	0.46
Share Consideration	52,436

Under the terms of Boroo Gold Transaction agreement, Boroo Singapore shareholders received 143,796,574 common shares of the Company representing 56.88% of the Company shares immediately prior to the closing date. The fair value of the 113,442,378 diluted shares of the Company prior to the closing date was determined to be \$52,436, based on the Company's quoted share price of CAD\$0.64 as of August 1, 2024.

(ii) Mining Assets (ATO and UK Projects)

Mining assets of \$6,552 were recorded in the Mineral Property (Note 10) as Steppe Gold assets at acquisition. They are being depreciated based on the mined ore using the unit of production method.

4. Cash

	December 31, 2025	December 31, 2024
	\$	\$
Bank balances	68,295	47,132
Total cash	68,295	47,132

Bank accounts are freely available and generate market rate interest.

5. Receivables and other assets

	December 31, 2025	December 31, 2024
	\$	\$
Receivables from related party	-	136
Tax receivable	88	195
Deposit	415	297
Other receivables	2,706	1,202
Total receivables and other assets	3,209	1,830

The carrying value of trade and other receivables classified at amortized cost approximates fair value.

6. Due from Boroo Singapore

On April 11, 2024, the Company sold the Tres Cruces Project ("ATC") to Boroo Singapore, its indirect parent company, for CAD\$11.7 million (approximately \$8,545) in cash, payable over 18 months beginning as of August 1, 2024. On September 17, 2024, the Company received \$2,008 in cash. On February 11, 2025, the Company received \$3,032 of the ATC sale receivable. On July 31, 2025, the Company received \$1,201 of the ATC sale receivable amount. The remaining ATC sale receivable amount of approximately \$2,215 was collected on February 10, 2026 (Note 32).

The remaining balance is set out below:

Payment Date	Face Amount	Discounted period	Discount rate	Discounting factor	Discounted payments
	\$	(Years)			\$
30-Jul-24	1,960	-	-	1	1,960
31-Jan-25	2,167	(0.51)	14.27%	0.93	2,025
31-Jul-25	2,167	(1.00)	14.22%	0.88	1,896
31-Jan-26	2,167	(1.51)	14.05%	0.82	1,777
Total due from Boroo Singapore					7,658
Proceeds from ATC sale (included in RTO cash Note 3)					(1,996)
Fair value adjustment					505
Foreign exchange difference					(231)

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Balance as at December 31, 2024	5,936
Proceeds from ATC sale	(4,233)
Fair value adjustment	253
Foreign exchange difference	158
Balance as at December 31, 2025	2,114

7. Prepayments

	December 31, 2025	December 31, 2024
	\$	\$
Prepayments to suppliers	4,406	2,853
Prepaid insurance	109	74
Prepaid rent	29	22
Other prepayments	77	37
Total prepayments	4,621	2,986

8. Inventories

	December 31, 2025	December 31, 2024
	\$	\$
Stockpiles of ore	16,389	21,813
Heap leach pad inventory	4,292	-
Gold in circuit	2,942	32,502
Finished goods	40	51
	23,663	54,366
Consumables and supplies	20,334	18,951
Provision for inventory obsolescence	(8,795)	(10,556)
	11,539	8,395
Total inventories	35,202	62,761

During the year ended December 31, 2025, the Company performed additional technical work including targeted drilling of ATO heap leach pad areas, metallurgical testing and updated modelling of recoverable ounces. Based on this work and analysis of operational data obtained during 2025, management revised the estimated recoverability rate used. As a result of this assessment, the Company recorded an inventory write-down of approximately \$31,402 (Note 21) during the year ended December 31, 2025, which was recognized in cost of sales.

During the year ended December 31, 2025, the Company recognized a net reversal of inventory write-downs of \$247 (December 31, 2024: net write-down of \$1,232), primarily related to slow-moving and obsolete spare parts, based on a review of inventory aging and operational requirements. The write-down and reversals are recognized in finance cost (Note 23) in the consolidated income statement.

9. Investment in bonds

The table below represents the investment in bonds:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of the year	97,050	156,442
Accrued interest income	6,731	3,455
Offset – dividends (Note 24)	-	(65,000)
Reversal of credit loss allowance	-	2,153
Balance, end of the year	103,781	97,050

Boroo Gold currently holds 4 bonds which were issued by Boroo Singapore, its indirect parent company. The realisation of these bonds, which were due for redemption on December 31, 2025, is reliant on the operations of Boroo Singapore

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and Minera Boro Misquichilca SA ("MBM"), a gold mining company with operations located in Peru, which is a subsidiary of Boro Singapore. The bonds are callable in certain circumstances. On December 31, 2025, the Company agreed to extend the maturity date for the outstanding bonds from December 31, 2025 to December 31, 2026. Except for the extension of the maturity date, all terms and conditions of the bonds remain unchanged. As the bonds had been extended multiple times, the modification was assessed as substantial. Accordingly, the existing bonds were derecognized and replaced with new financial assets recognized at fair value using a market-based interest rate.

The Company performed an impairment assessment at December 31, 2024 and there were no impairment factors identified and the Group concluded that the investments in bonds were fully recoverable under current conditions. As a result, previously recognized expected credit losses of \$2,153 were reversed during the year ended December 31, 2024. At December 31, 2025, there was no change to the previous assessment.

A summary of the outstanding investment in bonds is as follows:

1. On October 31, 2019, Boro Gold subscribed for \$40,000 in 40,000 bonds with \$1 par value of which \$1,000 was outstanding at December 31, 2025 plus accumulated accrued interest of \$7,883 (December 31, 2024: \$7,803). The bonds bear interest at 8% per annum and mature on December 31, 2026. Interest income of \$80 was recognized during the year ended December 31, 2025 (December 31, 2024: \$96).
2. On March 3, 2021, Boro Gold subscribed for \$100,000 in 10,000 bonds with \$10 par value of which \$51,337 was outstanding at December 31, 2025 plus accumulated accrued interest of \$38,962 (December 31, 2024: \$32,545). The bonds bear interest at 12.5% per annum and mature on December 31, 2026. Interest income of \$6,417 was recognized during the year ended December 31, 2025 (December 31, 2024: \$3,178).
3. On May 12, 2022, Boro Gold subscribed for \$8,000 in 800 bonds with \$10 par value of which \$1,000 was outstanding at December 31, 2025 plus accumulated accrued interest of \$1,494 (December 31, 2024: 1,394). The bonds bear interest at 10% per annum and mature on December 31, 2026. Interest income of \$100 was recognized during the year ended December 31, 2025 (December 31, 2024: \$86).
4. On September 28, 2022, Boro Gold subscribed for \$5,000 in 500 bonds with \$10 par value of which \$1,000 was outstanding at December 31, 2025 plus accumulated accrued interest of \$1,105 (December 31, 2024: 971). The bonds bear interest at 13.4% per annum and mature on December 31, 2026. Interest income of \$134 was recognized during the year ended December 31, 2025 (December 31, 2024: \$96).

10. Property, plant and equipment

	Property and Equipment	Mineral Property	Equipment under construction	Right-of-use asset	Asset Retirement Cost	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance at January 1, 2024	152,600	9,517	1,516	-	27,897	191,530
Additions	13,645	-	2,400	-	323	16,368
Change in asset retirement cost	-	-	-	-	444	444
Steppe Gold assets at acquisition	14,325	11,147	53,805	702	656	80,635
Transfer of equipment completed	206	-	(206)	-	-	-
Balance at December 31, 2024	180,776	20,664	57,515	702	29,320	288,977
Additions	16,577	6,668	6,456	4,401	-	34,102
Change in asset retirement cost	-	-	-	-	(673)	(673)
Transferred to property and equipment	4,097	-	-	(4,097)	-	-
Disposal	(268)	-	-	-	-	(268)
Impairment loss	(770)	-	(9,871)	-	-	(10,641)
Balance at December 31, 2025	200,412	27,332	54,100	1,006	28,647	311,497

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Accumulated depreciation

Balance at January 1, 2024	108,395	5,315	-	-	27,897	141,607
Additions	15,106	-	-	64	561	15,731
Balance at December 31, 2024	123,501	5,315	-	64	28,458	157,338

Additions	14,534	1,526	-	235	-	16,295
Disposal	(192)	-	-	-	(430)	(622)
Balance at December 31, 2025	137,843	6,841	-	299	28,028	173,011

Net book value

Balance at December 31, 2024	57,275	15,349	57,515	638	862	131,639
Balance at December 31, 2025	62,569	20,491	54,100	707	619	138,486

Property and equipment include mine site buildings, construction camp, plant and equipment at the Boroo and ATO mine sites and mobile equipment. Mineral property assets include capitalized reserve acquisition costs, capitalized development costs, capitalized stripping costs and capitalized exploration and evaluation costs.

Equipment under construction is not depreciated and includes \$40,000 of milestone payments made under the procurement and construction contract with Hexagon Build Engineering LLC (the "EPC Contract"), along with borrowing costs capitalized in accordance with applicable accounting standards.

Pledge on items of property, plant and equipment

As at December 31, 2025, all of the assets of Steppe Mongolia, including a pledge of the ATO Project mining license and the exploration licenses owned by Steppe Mongolia, and all of the assets of Steppe BVI were pledged as security for the Stream Agreement granted to the Company (Note 13). Steppe Mongolia's licenses, movable properties and immovable properties were pledged under the TDB Gold II Loan and ATO Phase 2 Loan agreements (Note 16). An intercreditor agreement governs the priority and rankings of charges between TDB and Triple Flag. As at December 31, 2025, buildings and certain plant and equipment were pledged for obtaining loans from TDB and MIK (Note 14).

Right-of-use asset

The right-of-use assets balance relates to an office lease and light motor vehicles. During the year ended December 31, 2025, the Company leased a new office space with a term of 5 years and a six mining haul trucks with a term of 3 years, which resulting in an increase to right of use assets of \$4,401 (December 31, 2024: \$702 office lease). The Group repaid in full the lease liability related to the mining haul trucks during the year ended December 31, 2025.

Impairment of Equipment under construction

During the year ended December 31, 2025, the Company assessed indicators of impairment related to certain construction in progress assets associated with a crushing facility originally intended to support Phase 2 fresh ore processing.

The crushing facility was constructed under equipment supply and installation contracts entered into in 2021 and was designed to provide crushing capacity for future Phase 2 flotation operations. As at December 31, 2025, the asset remained classified as equipment under construction and had not been transferred to property, plant and equipment as it had not yet reached the stage necessary to operate as intended by management.

Operational testing conducted between June and October 2025 indicated that the crusher achieved an average throughput significantly below the capacity required under the Phase 2 feasibility study design. In addition, the constructed crushing configuration differs from the process design contemplated in the feasibility study, which incorporated a jaw crusher and semi-autogenous grinding circuit. The current configuration consists of a three-stage crushing system utilizing jaw and cone crushers.

Based on the results of the operational testing, the absence of demonstrated economic feasibility, and the requirement that a new crusher be installed at the current crusher location as specified in the Phase 2 feasibility study plant layout, management concluded that the existing crusher cannot be integrated into the Phase 2 development without significant redesign and modification. As a result, the asset is not expected to generate future economic benefits for the Company.

The Company assessed the asset on a stand-alone basis as it has not been integrated into an operating cash-generating

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unit and does not generate independent cash inflows. Management determined that the recoverable amount of the asset was nil and therefore recorded a full impairment of the carrying value.

As at December 31, 2025, the carrying value of the crusher included in equipment under construction was \$9,871. In addition, legacy crusher components previously capitalized in property, plant and equipment with a carrying value of \$770 were determined to be no longer recoverable.

Accordingly, the Company recognized a total impairment loss of \$10,641 in the consolidated statement of income and comprehensive income for the year ended December 31, 2025.

11. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities.

	December 31, 2025	December 31, 2024
	\$	\$
Amounts payable	8,188	11,374
Accrued liabilities	806	1,297
Deferred revenue	84	-
Dividend payable	-	2,001
Taxes payable	1,604	433
Other payables	80	58
Total amounts payable and other liabilities	10,762	15,163

12. Asset retirement obligation

The Group's mines will require decommissioning and restoration at the end of their useful lives. These activities include dismantling and removing buildings, plant and equipment, rehabilitating land and watercourses, and monitoring environmental impacts. The Group recognizes provisions for the estimated costs of these obligations in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities.

The initial estimate of the decommissioning and restoration costs is capitalized as part of the cost of the related mining assets and depreciated over their useful lives. The provision is measured at the present value of the expected future cash flows, discounted using rates derived from US Treasury bond yields. The discount rates applied were 4.14% for the ATO Project and Boroo Project, and 3.89% for the Ulaanbulag Project. These rates reflect current market assessments of the time value of money. The estimated future cash flows incorporate risks specific to the liability. The unwinding of the discount is recognized as a finance cost in profit or loss.

The most significant assumptions used in estimating the future cash flows include inflation rates, the expected timing of cash outflows, and applicable environmental and regulatory requirements. Although the ultimate amount of the environmental rehabilitation provision is uncertain, the estimate is based on information currently available, including closure plans and management's interpretation of existing environmental and regulatory requirements.

The provision for environmental rehabilitation relates to the estimated costs of reclamation and closure of the ATO Project, the Boroo Project and the Ulaanbulag Project.

A summary of the Company's asset retirement obligations as at December 31, 2025 and December 31, 2024 are presented below:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of the year	16,970	12,134
Steppe Gold – ARO addition	-	2,923
Change in estimate of asset retirement obligation	(673)	444
Accretion	773	1,469
Balance, end of the year	17,070	16,970
Less: Current	-	-
Non-Current	17,070	16,970

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13. Streaming arrangement

On August 11, 2017, Steppe Gold's subsidiaries, Steppe Mongolia and Steppe Investments Limited ("Steppe BVI") entered into a metals purchase and sale agreement, which was subsequently amended on December 31, 2019, with 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 ounces 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. As of December 31, 2025, the Company sold a total of 30,080 ounces of gold and 114,285 ounces of silver to Triple Flag.

The obligation of Steppe BVI to sell gold and silver to Triple Flag continues for the life of the 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 would be 17% of the relevant market price. As additional consideration, Steppe West granted a 3% net smelter returns royalty to a subsidiary of Triple Flag on minerals derived from the Uudam Khundii property owned by Corundum.

The purchase price for gold and silver delivered under the Stream Agreement is based on 99% of the applicable market (spot) price on the delivery date. If market prices are not available on the delivery date, the price is determined using the most recent prior date for which such prices are available. Initially, 83% of the purchase price is credited against the outstanding upfront deposit, and the remaining 17% is paid in cash by Triple Flag. Once the upfront deposit has been fully credited, Triple Flag pays 17% of the prevailing market price (based on 99% of spot) in cash for all subsequent deliveries. 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 Steppe Gold 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 Steppe Gold 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 Steppe Gold's promissory note on completion of the acquisition of ATO ("Centerra Deferred Purchase Price Amount") less any cash and liquid securities that is greater than the Centerra Deferred Purchase Price Amount ("Net Indebtedness") and earnings before interest, taxes, depreciation and amortization ("EBITDA").

The covenant is defined in the agreement as a leverage ratio, calculated as Net Indebtedness of the Company to EBITDA ("EBITDA Ratio") and a forward leverage ratio, calculated as Net Indebtedness to forecasted EBITDA ("Forecasted EBITDA Ratio"). Per the agreement, the EBITDA Ratio cannot exceed 2.0 and its Forecasted EBITDA Ratio cannot exceed 2.0 until the date of the later of the delivery of 46,000 ounces of gold or 375,000 ounces of silver.

On or after the later of the delivery of 46,000 ounces of gold or 375,000 ounces of silver, Steppe Gold must ensure that its EBITDA Ratio does not exceed 2.5 and Forecasted EBITDA Ratio does not exceed 2.5.

The Stream Agreement liability is recorded at fair value at each statement of financial position date as Steppe Gold has determined the obligation is a derivative liability to be carried at FVTPL.

As at December 31, 2024, Phase 2 production was not included in the measurement of the stream liability, as the project had not reached a sufficient level of technical and economic certainty to support the inclusion of probability-weighted future cash flows. Accordingly, the valuation at that date was based solely on the ATO Phase 1 production.

The fair value of the Stream Agreement as at December 31, 2025 was determined using a discounted cash flow model based on the contractual terms of the arrangement and estimated future metal deliveries. The valuation incorporates key assumptions including commodity price forecasts, a discount rate reflecting the risks associated with the expected

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cash flows, and the potential development of ATO Phase 2, which has been included on a probability-weighted basis. Key inputs include gold price assumptions ranging from approximately \$3,000 to \$3,996 per ounce, a discount rate of 27.5%, and a probability weighting of approximately 55% applied to ATO Phase 2.

Management's probability assessment reflects ongoing development activities, including execution of the EPC contract and continued engineering and development work. However, uncertainty remains due to the absence of a final investment decision, the need to finalize project financing arrangements, and ongoing discussions with lenders and the stream counterparty.

The Group has not made deliveries under the Stream Agreement since October 21, 2024 and is in default of its delivery obligations as at December 31, 2025. As at that date, 1,637 ounces of gold and 15,486 ounces of silver remained undelivered under the agreement. The estimated market value of undelivered metals of \$8,265 has been recognized as a stream arrangement in default in the consolidated statement of financial position.

In October 2025, Triple Flag initiated confidential arbitration proceedings related to the default. The Company is currently in discussions with Triple Flag regarding this matter (see note 29).

The continuity of the streaming liability is presented as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of the year	4,443	-
Purchase price allocation ("PPA") fair value of stream liability	-	8,740
Fair value movement for the year	35,789	(1,254)
Repayment	-	(3,043)
Balance, end of the year	40,232	4,443
Streaming arrangement in default	8,265	-
Streaming arrangement Current liability	2,170	4,443
Streaming arrangement Long term liability	29,797	-

14. Convertible Debenture

On January 27, 2020, the Company issued \$3,000 of convertible debentures, which were subsequently acquired by the Company's former Chairman and CEO, Mr. Bataa Tumor-Ochir, from Mongolian National Investment Fund PIF SPV ("MNIF"). The debentures were originally due on January 30, 2022, and have since 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 the Company at a conversion price of US\$0.68 per common share.

The conversion feature is classified as a derivative liability, as it is denominated in a currency other than the Company's functional currency and does not meet the "fixed for fixed" criteria under IFRS.

The fair value of the conversion feature of the debentures was estimated based on the Black Scholes pricing model using a risk-free interest rate of 2.57% based on 3-year Canadian Government bond yields, an expected dividend yield of 0%, volatility rates of 55.28% based on the Company's historical stock price, and an expected life of 1.07 years (December 31, 2024: risk free rate – 2.84%, dividend yield – 0%, volatility rate – 49.79%).

The changes in the convertible debenture loan liability are as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of the year	2,477	-
PPA Fair value of convertible debenture liability	-	2,400
Accretion	625	245
Interest	(400)	(194)
Foreign exchange	(5)	26
Balance, end of the year	2,697	2,477

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The changes in the convertible debenture derivative component are as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of the year	380	-
PPA Fair value of convertible debenture derivative	-	573
Fair value movement for the period	2,969	(193)
Balance, end of the year	3,349	380

15. Triple Flag Gold Prepay Loan

The continuity table of the Triple Flag Gold Prepay Loan is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of the year	6,914	-
PPA Fair value of Gold Prepay Loan	-	6,505
Repayments	(2,907)	-
Fair value movement for the period	3,200	409
Balance, end of the year	7,207	6,914

On March 15, 2024, Steppe Gold entered into a gold prepayment loan agreement with Triple Flag related to a \$5,000 advance. The repayment term was five months, starting on August 15, 2024, with five monthly deliveries of 530 ounces of gold each, totalling 2,650 ounces of gold.

On February 11, 2025, the Company repaid 1,000 ounces of gold out of the total 2,650 ounces owed. The balance of 1,650 ounces remains owing to Triple Flag as at December 31, 2025.

On March 17, 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, naming the Company as the defendant. In the Statement of Claim, Triple Flag seeks delivery of 1,650 ounces of refined gold, or damages in the alternative. The Company delivered a brief Statement of Defence on May 7, 2025. The Company and Triple Flag are in ongoing discussions regarding the settlement of the remaining loan payments.

The Triple Flag Gold Prepay Loan was revalued using the London Bullion Market Association gold price of December 31, 2025 and a loss on fair value revaluation of \$3,200 was recognized in the consolidated statements of income and comprehensive income for the year ended December 31, 2025 (December 31, 2024: loss of \$409).

16. Loans payable

Details of loans payable outstanding at December 31, 2025 and December 31, 2024 were as follows:

	December 31, 2025	December 31, 2024
	\$	\$
ATO Phase 2 Loan (i)	49,600	49,577
TDB Line of Credit – USD (ii)	-	20,000
TDB Line of Credit – MNT (ii)	-	1,982
TDB Gold II Loan (iii)	2,154	2,152
TDB Blue Sky office loan (iv)	1,603	2,045
TDB Leasing – MIK (v)	47,734	48,734
TDB Jarden apartment loan (vi)	-	365
TDB Green Loan (vii)	-	455
TDB New fleet loan (viii)	-	5,068
Loan interest payable	3,547	3,764

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Balance, end of the year	104,638	134,142
Less: current portion	(63,154)	(19,590)
Long-term portion	41,484	114,552

The continuity of loans payable is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of the year	134,142	85,418
Steppe Gold loan at acquisition	-	2,888
ATO phase 2 loan	-	49,577
Additions	-	25,924
Repayments	(29,312)	(27,529)
Accrued/capitalised interest	19,985	12,723
Interest paid	(20,625)	(15,116)
Foreign exchange	448	257
Balance, end of the year	104,638	134,142

- (i) In July 2023, Steppe Gold 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 were comprised of 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. In August 2023, Steppe Gold signed a loan agreement for the first tranche of \$50,000, which incurs interest at a rate of 13.40% per annum for a term of 48 months, repayable in five equal instalments every six months from August 30, 2025, to August 30, 2027. Subsequent to the year end, on March 12, 2026, the Company reached an agreement with TDB to defer the first instalment of \$9,600 to August 9, 2026, with the remaining \$40,000 to be paid in four equal semi-annual instalments between August 9, 2026, and August 9, 2028. As at December 31, 2025, a total of \$49,600 was drawn under the ATO Phase 2 Loan (December 31, 2024 - \$49,577), of which \$9,600 was classified as a current liability (December 31, 2024 - \$10,000). Steppe Mongolia's licenses, movable properties and immovable properties were pledged under the ATO Phase 2 Loan agreement.
- (ii) In January 2024, Boroo Gold entered into a credit agreement with TDB that provides up to a maximum of \$20,000 in financing at an interest rate of 15% per annum and up to a maximum of \$30,000 equivalent Mongolian tugriks ("MNT") in financing at an interest rate of 18% per annum for a period of 60 months. At December 31, 2024, there was \$20,000 outstanding pursuant to the USD credit loan and \$1,982 outstanding pursuant to the MNT credit loan. As at December 31, 2025, the loan balances were fully repaid.
- (iii) In November 2021, Steppe Gold entered into a loan agreement with TDB for MNT 170 billion (\$59,700) (the "TDB Gold II Loan") which is a covenant light loan and incurs interest of 9% per annum for a term of 36 months facilitated under the Central Bank of Mongolia "Gold 2" program. The funds under the TDB Gold II Loan were advanced based on a conditional agreement between the Central Bank of Mongolia and TDB, which was completed on November 10, 2021. In order to secure the obligations under the TDB Gold II Loan, the Company provided a pledge of its licenses, movable properties and immovable properties. An intercreditor agreement governs the priority and ranking of charges between TDB and Triple Flag. As at December 31, 2025, a total of MNT 162.5 billion had been repaid under the TDB Gold II Loan, with an outstanding balance of MNT 7.5 billion (\$2,154) (December 31, 2024: MNT 7.5 billion (\$2,154)). The repayment date for the outstanding balance was extended to August 30, 2025 and bears interest at a rate of 18% per annum. On October 7, 2025, TDB filed a civil claim against Steppe Mongolia in relation to the unpaid principal and accrued interest on TDB Gold II Loan. On October 7, 2025, TDB filed a civil claim against Steppe Mongolia in respect of the unpaid principal and accrued interest. Subsequent to year end 2025, on February 23, 2026, the Company reached an agreement with TDB to fully repay the outstanding balance in instalments by July 31, 2026. Steppe Mongolia's licenses, movable properties and immovable properties were pledged under the TDB Gold II Loan agreement.

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- (iv) In July 2019, Boroo Gold entered into a loan agreement with TDB for gross proceeds of \$3,104, incurring interest at a rate of 14.4% per annum and repayable over a term of 180 months, to finance the purchase of office property (the "TDB Blue Sky office loan"). Boroo Gold pledged the office property as collateral for this loan. As at December 31, 2024, the Company had a total loan balance of \$2,045, compared to \$1,603 as at December 31, 2025.
- (v) In April 2021, Boroo Gold entered into a loan agreement with TDB Leasing LLC for gross proceeds of \$55,000, incurring interest at a rate of 12.3% per annum for an initial period of 33 months ("TDB Leasing – MIK"). In 2024, the maturity date of the loan was extended to December 31, 2026 and the interest rate revised to 14.8% per annum. In addition, in 2024, the loan agreement was transferred to Mongolian Mortgage Corporation HFC LLC ("MIK"). A repayment of \$1,000 was made in June 2025 with the balance repayable on the maturity date. Interest payable on this loan at December 31, 2025 was \$1,761 (December 31, 2024: \$3,142) and principal payable was \$47,734 (December 31, 2024: 48,734). Subsequent to year end, on January 14, 2026, the Company made a repayment of \$1,000 to MIK.
- (vi) In November 2020, Boroo Gold entered into a loan agreement with TDB for MNT 1.7 billion (\$507) for the purpose of acquiring a property (the "TDB Jarden apartment loan"). The loan incurred interest at a rate of 14.4% per annum and was repayable over a period of 180 months. As at December 31, 2025, the loan balance was fully repaid (December 31, 2024: payable \$365).
- (vii) In March 2022, Boroo Gold entered into a loan agreement under the Green Loan Program with TDB for MNT 2 billion (\$592) for the purpose of carrying out green projects and programs that are environmentally friendly, mitigate climate change, and reduce greenhouse gas emissions (the "TDB Green Loan"). The loan incurred interest at a rate of 12% per annum and was fully repaid as at December 31, 2025 (December 31, 2024: \$455).
- (viii) In January 2024, Boroo Gold entered into a loan agreement with TDB (the "TDB New Fleet loan") for MNT 20 billion (\$5,915) for the purpose of acquiring equipment. The loan incurred interest at a rate of 18% per annum and was fully repaid as at December 31, 2025 (December 31, 2024: \$5,068).

17. Lease Liability

The Company has leases in place for its office in Toronto, Canada, mining haul trucks, and light motor vehicles. Each lease is reflected on the consolidated statement of financial position as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment (Note 10).

The remaining lease term for the offices and the light vehicles range from one to five years. There were lease liability additions related to mining haul trucks of \$4,096 which was repaid in full during the year ended December 31, 2025 and office lease addition of \$254. The leases have fixed payment terms.

The continuity of lease liability is presented as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of the year	616	-
Additions	4,401	702
Interest expense (Note 23)	110	45
Lease payments	(4,443)	(48)
Foreign exchange	(51)	(83)
Balance, end of the year	633	616
Current portion	314	310
Long term portion	319	306

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18. BORO Bond

On December 5, 2024, Boroo Gold issued a "BORO" bond offering in the Mongolian domestic over-the-counter market with a third-party Mongolian mortgage provider, MIK, totalling \$43,000 to finance working capital and improvements in equipment (the "Bond Agreement"). The bond incurs interest at a rate of 12.3% per annum, payable on a semi-annual basis, and the maturity date is 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 were pledged. Boroo Gold has guaranteed that funds will be used for the purposes outlined in the Securities Prospectus (as defined in the Bond Agreement).

On November 7, 2025, the Company entered into an early repayment agreement with MIK and repaid principal of \$28,700 along with accrued interest of \$1,355. As at December 31, 2025, accrued and payable interest on the BORO bond was \$113 (December 31, 2024: \$377), and the outstanding principal balance was \$14,300 (December 31, 2024: \$43,000).

Subsequent to the year end, on February 9, 2026 and on March 26, 2026 the Company made repayments of \$4,300 and \$10,000 to MIK, respectively. As a result of these repayments, the BORO bond payable was fully repaid.

19. Share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

Common shares issued:

	Number of common shares	\$
Balance at January 1, 2024	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
Balance at December 31, 2025	252,827,187	55,422

(i) On August 1, 2024, the Company completed the Boroo Gold Transaction.

(ii) As of August 1, 2024, Steppe Gold had a total of 113,442,378 fully diluted common shares issued and outstanding.

(iii) Steppe Gold has a convertible debenture of \$3,000 (Note 14) which is convertible into 4,411,765 common shares.

20. Revenue

Revenue by metal for the year ended December 31, 2025 and December 31, 2024 were as follows:

	Year ended December 31	
	2025	2024
	\$	\$
Gold revenue	247,378	177,271
Silver revenue	2,096	862
Toll refiner revenue	4,656	-
Total	254,130	178,133

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The Group's revenue is derived from the sale of gold and silver to banks in Mongolia at London Metal Exchange-based spot rates.

During the year ended December 31, 2025, the Group sold a total of 75,927 ounces of gold and 52,207 ounces of silver (December 31, 2024: 78,450 ounces of gold, 35,848 ounces of silver).

Other revenue of \$4,656 for the year ended December 31, 2025 was derived from processing ore for a third party.

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 contract was to run 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; with any shortfalls of monthly deliveries to be made up in the following month. The contract was extended on May 28, 2024, first until March 31, 2025, and subsequently until June 30, 2025, to allow Boroo Gold more time in planning its delivery schedule. Boroo Gold fulfilled the forward contract on June 10, 2025 and has subsequently started selling gold production at spot price.

During the year ended December 31, 2025, Boroo Gold sold a total of 28,054 ounces of gold (December 31, 2024: 21,947 ounces) to TDB in accordance with the forward sales contract.

21. Cost of sales

	Year ended December 31	
	2025	2024
	\$	\$
Inventory write-down (heap leach pad, gold in circuit) (Note 8)	31,402	-
Materials and consumables	21,574	23,398
Depletion and depreciation	15,744	17,474
Royalties	14,418	9,730
Employee compensation	11,685	9,473
Contractors	8,124	10,297
Toll refiner cost	1,623	-
Change in inventory	830	1,316
Exploration cost	137	211
Other expenses	10,362	10,169
Total	115,899	82,068

22. Corporate administration

	Year ended December 31	
	2025	2024
	\$	\$
Staff payroll and related costs	2,642	1,960
Professional fees	2,496	2,531
Management compensation (Note 27)	1,574	429
Investor relation	664	1,199
Corporate social responsibility	603	520
Direct general administrative	3,744	2,583
Total	11,723	9,222

23. Finance costs

	Notes	Year ended December 31	
		2025	2024
		\$	\$
Change in fair value of streaming arrangement	13	35,789	(1,254)
Interest on loans		14,376	11,928
Change in fair value of Triple Flag Gold Prepay Loan	15	3,200	409
Change in fair value of convertible debentures derivative	14	2,969	(193)
Accretion on asset retirement obligation	12	773	1,469

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Accretion on convertible debentures	14	625	245
Accretion on lease liability	17	110	45
Change in fair value of long-term investment		81	149
Interest on bond investment	9	(6,731)	(3,455)
Interest on current account		(592)	(255)
Bad debts		(590)	69
Change in fair value of ATC sale consideration	6	(253)	(505)
Changes in present value of asset retirement obligation		(220)	-
Reversal of bond impairment loss	9	-	(2,153)
Other finance income/expense		(1,195)	704
Total		48,342	7,203

24. Dividends

The following dividends were declared and paid by the Company for the reporting periods.

	December 31, 2025	December 31, 2024
	\$	\$
Balance, beginning of the year	2,001	30,000
Dividend declared	-	105,289
Paid in cash	(1,895)	(60,500)
Deducted withholding tax	(106)	(6,664)
Offset with investment in bonds (Note 9)	-	(65,000)
Offset with license transfer tax	-	(1,124)
Balance, end of the year	-	2,001

25. Net earnings per common share

Calculation of Earnings per share after a reverse acquisition

The equity structure in the consolidated financial statements following a reverse acquisition should reflect the equity structure of the legal parent (Steppe Gold), including the equity interests issued by the legal parent to carry out the business combination. However, whereas the number of shares taken into account for the period after the reverse acquisition is based on the legal parent capital structure, the historical number of shares of the legal parent should not be used in calculating the earnings per share before the reverse acquisition. As the legal subsidiary is the accounting acquirer, the number of shares to use in the earnings per share calculations for the period before the reverse acquisition should be based on the weighted average number of outstanding shares of the accounting acquirer before the business combination adjusted to reflect the exchange ratio applied in the reverse acquisition.

Profit or loss amounts

Net profit attributable to common shareholders was \$32,734 (December 31, 2024: \$61,351) for the year ended December 31, 2025.

Weighted average number of ordinary shares

The weighted average number of common shares outstanding - basic and diluted for the year ended December 31, 2025 was 252,827,187 and 257,238,952 (December 31, 2024: basic 189,225,996 and diluted 191,064,232), respectively. There were no changes in the number of issued and outstanding shares during the year ended December 31, 2025.

The weighted average number of ordinary shares outstanding in the year ended December 31, 2024 in which the reverse acquisition occurs were calculated as follows:

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	Number of shares
Boroo Gold LLC issued and outstanding shares (A)	3,000,000
Shares issued from Steppe Gold (B)	143,796,574
Exchange ratio for share issuance (B/A)	48

As at December 31, 2024

Period	Calculation	Number of shares
January 1 – August 1, 2024	3,000,000 shares*7/12months * by exchange ratio	1,750,000 48
August 1, 2024 – December 31, 2024	252,827,187 shares*5/12 months	83,881,335 105,344,661
Total Basic weighted average number of outstanding shares		189,225,996

As at December 31, 2024

Period	Calculation	Number of shares
January 1 – August 1, 2024	3,000,000 shares*7/12months * by exchange ratio	1,750,000 48
August 1, 2024 – December 31, 2024	257,238,952 shares*5/12 months	83,881,335 107,182,897
Total Diluted weighted average number of outstanding shares		191,064,232

26. Income Tax

The major components of the Company's income tax expense/(recovery) for the years ended December 31, 2025 and 2024 are:

Consolidated profit/loss	December 31, 2025	December 31, 2024
	\$	\$
Current tax expense	37,775	22,593
Deferred tax recovery	(2,201)	(3,782)
Total income tax expense	35,574	18,811

The reconciliation of the tax expense and the accounting profit multiplied by the combined Canadian federal and provincial statutory and Mongolian statutory income tax rate of 24.5% (2024 – 24.5%) is as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Net profit before income tax	68,272	80,134
Expected income tax	18,088	17,975
Change in statutory, foreign tax, foreign exchange rates and other	5,145	(7,551)
Permanent differences	4,899	8,964
Expiry of non-capital losses	251	61
Change in unrecognized deductible temporary differences	6,310	(638)
Other	881	-
Total income tax expense	35,574	18,811

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Deferred tax assets and liabilities

The following table summarizes the components of deferred tax:

	December 31, 2025	December 31, 2024
	\$	\$
Deferred tax assets		
Asset retirement obligation	-	597
Exploration and evaluation assets	-	1,816
Property, plant and equipment	1,188	1,643
Non-capital losses	6,115	1,541
Provision for inventories	1,879	-
Amounts payable and other liabilities	-	2,512
Other	29	17
	9,211	8,126
Deferred tax liabilities		
Receivables and other assets	(39)	(4,618)
Inventory	(1,768)	(1,310)
Mining assets	(5,874)	(1,304)
Intangible assets	(436)	-
Other	(292)	-
	(8,409)	(7,232)
Net deferred tax asset	802	\$ 894

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Temporary Differences		
Share issue costs	892	1,440
Non-capital losses	397	1,895
Property and equipment	-	32
Right-of-use assets/Lease liability	37	291
Investment tax credits	-	462
Convertible debentures	3,103	392
Liabilities	20,843	-
Marketable securities	443	549
Intangible assets	1,183	11,516
Non-capital losses	29,855	31,533
Canada	27,261	30,427
Mongolia	2,594	1,107

In addition to recognized deferred income tax assets, the Group has unrecognized Canadian tax losses of \$27,261 (2024: \$30,427) that will expire starting 2026. The Group also has unrecognized Mongolian tax losses of \$2,594 (2024: \$1,107) that will expire starting 2026. Deferred income tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future to support (either partial or in full) the recognition of the losses as deferred income tax assets.

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27. 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 is 100% owned by Steppe Gold, whose majority shareholder is now Boroo Singapore through its acquisition of 56.88% of the shares of Steppe Gold. Boroo Singapore is 70% owned by Eminent Stride Limited BVI and 10% owned by Mr. Dulguun Erdenebaatar, a director of the Company. Eminent Stride Limited BVI is 100% owned by TDB Capital. TDB Capital is a privately held investment holding company.

The following are details of related party transactions during the year ended December 31, 2025 and 2024:

Related Party	Relationship	Nature of transaction	Dec 31, 2025 \$	Dec 31, 2024 \$
Boroo Singapore	Immediate holding company	Bonds purchased (i)	-	(65,000)
Boroo Singapore	Immediate holding company	Interest receivable (i)	6,731	3,454
TDB	Associated company of ultimate holding company	Project financing (ii)	(29,581)	(46,609)
TDB	Associated company of ultimate holding company	Forward contract sales (iii)	56,168	43,894
Centerra Gold Mongolia LLC	Subsidiary of Boroo Singapore	Centerra financing (iv)	590	292
Bataa Tumur-Ochir	Former Chairman and CEO	Convertible debenture (v)	400	194
Boroo Singapore	Immediate holding company	Shared service cost (vi)	945	-

(i) Bonds purchased and interest receivable

As at December 31, 2025, the Group held investment bonds issued by Boroo Singapore in the total amount of \$103,781, including accumulated interest receivable of \$49,444 (December 31, 2024: \$42,713) with a maturity date of December 31, 2026. During the year ended December 31, 2025, the bonds accrued interest of \$6,731 (December 31, 2024: \$3,454). See Note 9 for additional information regarding these bonds.

(ii) TDB and its subsidiaries

As at December 31, 2025, the Company had several loans with TDB and a finance lease with TDB Leasing totalling \$55,029 (December 31, 2024: \$82,265), with interest rates ranging from 12% to 18% (Note 16).

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 balance of this loan was \$49,600 at December 31, 2025 (December 31, 2024: \$49,577).

During the year ended December 31, 2025, the Company leased additional equipment from TDB Leasing for \$4,096 and repaid in full as at end of 2025.

On October 7, 2025, TDB filed a civil claim against Steppe Mongolia in connection with the unpaid principal and interest on TDB Gold II Loan. Subsequent to the year end, on February 23, 2026, the Company reached an agreement with TDB to fully repay the outstanding loan in instalments by July 31, 2026.

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The movements in loans with TDB and TDB Leasing (transferred to MIK in 2024) are presented in the table below:

	December 31, 2025	December 31, 2024
	\$	\$
Balance at beginning of the year	82,265	85,418
Steppe Gold Loan at acquisition	-	51,729
Additions	4,096	25,924
Transferred to MIK	-	(51,876)
Repayments	(32,408)	(27,529)
Accrued interest	8,098	14,323
Interest paid	(7,094)	(15,116)
Foreign exchange	73	(608)
Balance end of the year	55,030	82,265

(iii) 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 initially ran 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 time in planning its delivery schedule. Boroo Gold fulfilled the terms of the forward sales contract on June 10, 2025. The Group has applied the 'own use' exemption under IFRS 9 in accounting for the forward sales contract with TDB.

(iv) Centerra Gold Mongolia LLC

Receivables from related parties comprise amounts due from Centerra Gold Mongolia LLC ("CGM"). These receivables are non-interest bearing and unsecured. The Group previously recognized an impairment loss due to a significant increase in credit risk arising from uncertainties related to the Gatsuurt Project.

The Gatsuurt Project has been subject to ongoing regulatory and legal challenges, including changes in government policy regarding state participation and the revocation of CGM's mineral licenses, which was upheld by the Supreme Court in 2019.

Boroo Singapore is currently pursuing international arbitration under applicable investment protection agreements and may seek recovery of historical investments and damages related to the project.

(v) Convertible debentures

On January 27, 2020, the Company issued \$3,000 of convertible debentures, which were subsequently acquired by the Company's former Chairman and CEO, Mr. Bataa Tumur-Ochir, from MNIF. The debentures were originally due on January 30, 2022, and have since been extended to January 27, 2027. The debentures carry an interest rate of 13.5%. The conversion feature is classified as a derivative liability, as it is denominated in a currency other than the Company's functional currency and does not meet the "fixed for fixed" criteria under IFRS.

The balance of convertible debentures loan liability was \$2,697 (December 31, 2024: \$2,477) and the fair value of the derivative portion was \$3,349 (December 31, 2024: \$380) as at December 31, 2025.

(vi) Shared service cost

The amount due to Boroo Singapore relates to shared service costs, primarily accounting system and administrative cost recharges. These amounts are non-interest bearing, unsecured, and repayable on demand.

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Balances due to related parties:

Related Party	Relationship	December 31, 2025 \$	December 31, 2024 \$
TDB and TDB Leasing	Associated company of ultimate holding company	55,029	72,889
Boroo Singapore	Immediate holding company	945	-
Bataa Tumur-Ochir	The former Chairman and CEO	6,046	2,857

Balances due from related parties:

Related Party	Relationship	December 31, 2025 \$	December 31, 2024 \$
Centerra Gold Mongolia LLC	Subsidiary of Boroo Singapore	47,606 ¹	48,333 ¹
Boroo Singapore	Immediate holding company	103,781	97,050

¹ The balances outstanding were fully impaired as at end of respective financial periods.

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.

During the year ended December 31, 2025 and 2024, management fees paid, or otherwise accrued, to key management personnel (defined as officers and directors of the Company) are shown below:

	December 31, 2025 \$	December 31, 2024 \$
Management fees (key management personnel)	1,502	703
Non-executive directors	72	48
Total	1,574	751

As at December 31, 2025, outstanding fees to key management personnel and non-executive directors was \$703, including accrued bonuses and previous periods' management fees (December 31, 2024: \$274).

28. Fair value measurements

The following tables set forth the Group's assets and liabilities measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy. As required by accounting guidance, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. The levels are as follows:

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- Level 2: Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, quoted prices or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability and model-based valuation techniques (e.g. the Black-Scholes model) for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

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- Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The amortized cost of financial assets and liabilities (including trade receivables, trade payables, and short-term borrowings) approximates their fair value due to the short-term maturity of these instruments. Accordingly, there are no significant differences between the carrying amounts and the fair values of these financial instruments as of the reporting date.

The fair values of fixed-rate loans approximate their carrying amounts as the impact of changes in market interest rates since inception is not considered material. Accordingly, the carrying amounts are considered to approximate fair value as at the reporting date.

Information sources

- Long term investments are valued at the listed stock price of the investments as at December 31, 2025.
- The fair value of the conversion feature of the debentures was estimated based on the Black Scholes pricing model using a risk-free interest rate of 2.57% based on 3-year Canadian Government bond yields, an expected dividend yield of 0%, volatility rates of 55.28% based on the Company's historical stock price, and an expected life of 1.07 years (December 31, 2024: risk free rate – 2.84%, dividend yield – 0%, volatility rate – 49.79%) (Note 14).
- The fair value of the Stream Agreement was determined using a discounted cash flow model based on the contractual terms of the arrangement and estimated future metal deliveries. The valuation incorporates key assumptions including commodity price forecasts, a discount rate reflecting the risks associated with the expected cash flows, and the potential development of ATO Phase 2, which has been included on a probability-weighted basis. Key inputs include gold price assumptions ranging from approximately \$3,000 to \$3,996 per ounce, a discount rate of 27.5%, and a probability weighting of approximately 55% applied to ATO Phase 2.

Fair value at December 31, 2025

	Total	Level 1	Level 2	Level 3
	\$	\$	\$	\$
<u>Assets</u>				
Cash	68,295	68,295	-	-
Long term investments	225	225	-	-
Investment in bonds	103,781	-	103,781	-
	172,301	68,520	103,781	-
<u>Liabilities</u>				
Convertible debenture derivative	3,349	-	3,349	-
Short term loans	63,154	63,154	-	-
Long term loans	41,484	41,484	-	-
Triple Flag Gold Prepay Loan	7,207	-	7,207	-
Streaming arrangement in default	8,265	-	8,265	-
Streaming arrangement	31,967	-	-	31,967
	155,426	104,638	18,821	31,967

Fair value at December 31, 2024

	Total	Level 1	Level 2	Level 3
	\$	\$	\$	\$
<u>Assets</u>				
Cash	47,132	47,132	-	-
Long term investments	317	317	-	-
Investment in bonds	97,050	-	97,050	-

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	144,499	47,449	97,050	-
<u>Liabilities</u>				
Convertible debenture derivative	380	-	380	-
Short term loans	19,590	19,590	-	-
Long term loans	114,552	114,552	-	-
Triple Flag Gold Prepay Loan	6,914	-	6,914	-
Streaming arrangement	4,443	-	-	4,443
	145,879	134,142	7,294	4,443

Embedded derivatives

The Company has issued a convertible debenture which contain an embedded derivative component (Note 14). The following table is a sensitivity analysis of the impact on the consolidated statement of income and comprehensive income of an increase or a decrease in the assumptions that are used to value the derivative liability which is classified as a level 2 in the fair value hierarchy:

Input	Sensitivity rate	Impact of increase \$	Impact of Decrease \$
Stock price	10%	587	(574)
Exercise price	10%	(240)	253
Volatility rate	10%	43	(36)
Discount rate	0.5%	3	(3)

Streaming arrangement

In connection with the acquisition of ATO, the Company's subsidiaries entered into 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%	3,197	(3,197)
Discount rate	10%	(9,348)	17,195

29. Contingencies

In the ordinary course of business activities, the Group may be contingently liable for litigation and claims with vendors. Apart from the matter identified below, management is of the position that there are no claims or possible claims that if resolved would either individually or collectively result in a material adverse impact on the Company's financial position, results of operations, or cash flows. These matters are inherently uncertain and management's view of these matters may change in the future.

Triple Flag Gold Prepay Loan

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 with Triple Flag, naming the Company as the defendant. Triple Flag seeks delivery of approximately 1,650 troy ounces of refined gold or contractual damages of approximately \$5,000.

On May 7, 2025, the Company filed a Statement of Defence denying the allegations. As at the date of these financial statements, there have been no further material developments in the proceedings.

The Company has recognized a liability in respect of this matter (refer to Note 15). The ultimate outcome remains subject to uncertainty.

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Triple Flag Streaming arrangement

In October 2025, Triple Flag initiated confidential arbitration proceedings against Steppe Investments Limited, Steppe Gold Ltd., and Steppe Mongolia (collectively, the "Steppe Group"), alleging default under the Metals Purchase and Sale Agreement. Triple Flag is seeking specific performance for the delivery of 1,629 ounces of gold and 8,397 ounces of silver, plus interest and costs.

The arbitration hearing is scheduled for June 2026. The parties are currently undertaking document production, following which written witness statements and evidentiary briefs will be exchanged. The Company has recognized a liability in respect of this matter (refer to Note 13). The outcome of the arbitration remains uncertain at this time.

30. Financial risk management

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 price risk).

(i) 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, receivables and other assets and investment in bonds. 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 is currently invested in bonds issued by Boroo Singapore. The bonds which are due for redemption on December 31, 2026 are reliant on cash flows from dividends payments from Boroo Singapore's subsidiary entities 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 MGM operation. The recoverability of the bonds is reliant on continued performance of the MBM mining operations and strong gold prices. As at December 31, 2025, 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.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The primary source of funds now available to the Group is from operating cash flows from its operating mines, maturity of bond receivables and equity financing. The Group has in place a planning and budgeting process to help determine the funds required to support the Group's normal operating requirements on an ongoing basis, to support its exploration plans and to ensure that it will have sufficient liquidity to meet its liabilities when due. However, any significant change in the operation of the Group could affect this. To the extent the Group does not believe it has sufficient liquidity to meet these obligations, management may consider securing additional funds through equity or debt transactions.

Metal prices, the mining industry, revenue taxes, transportation and other operating costs, capital expenditures and geological results are factors which may have an impact on the amount of additional financing that may be required. There is no guarantee that equity or debt financing will be available to the Group or that these financings would be obtained on terms favourable to the Group, which may adversely affect the Group's business, financial position and may result in a delay or indefinite postponement of exploration, development, or production on any or all of the Group's properties, or even loss of exploration rights.

The Group's cash and short-term investments are held with high-credit quality financial institutions and include investments in bonds issued by Boroo Singapore, which are due for redemption on December 31, 2026. The realization of these bond investments is supported by expected cash flows, including dividend distributions from Boroo Gold and the operating performance of MBM, a gold mining company located in Peru and a wholly owned subsidiary of Boroo Singapore. While the financial outlook of MBM and Boroo Singapore is positive, the recoverability of these investments is subject to the underlying operating performance of MBM.

The Group's financial obligations consist of amounts payable and other liabilities, lease liability, streaming arrangement, loans payable, BORO bond liability, Triple Flag Gold Prepay Loan as well as the loan liability and derivative components of the convertible debentures.

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The maturity analysis of financial liabilities as at December 31, 2025 was as follows:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	\$	\$	\$	\$	\$
Amounts payable and other liabilities	10,762	-	-	-	10,762
Due to Boroo Singapore	945	-	-	-	945
Lease liability	314	277	42	-	633
Streaming in default	8,265	-	-	-	8,265
Streaming arrangement	2,170	11,968	8,087	9,742	31,967
Convertible debentures – derivative	3,349	-	-	-	3,349
Convertible debentures – loan liability	-	2,697	-	-	2,697
Loans payable	63,154	21,484	20,000	-	104,638
BORO Bond	-	14,300	-	-	14,300
Triple Flag Gold Prepay Loan	7,207	-	-	-	7,207
Total	96,166	50,726	28,129	9,742	184,763

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

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	\$	\$	\$	\$	\$
Amounts payable and other	13,162	-	-	-	13,162
Dividend payable	2,001	-	-	-	2,001
Lease liability	310	307	-	-	617
Streaming arrangement	4,443	-	-	-	4,443
Convertible debentures – derivative	380	-	-	-	380
Convertible debentures – loan	-	2,477	-	-	2,477
Loans payable	19,590	90,634	22,402	1,516	134,142
BORO Bond	-	43,000	-	-	43,000
Triple Flag Gold Prepay Loan	6,914	-	-	-	6,914
Total	46,800	136,418	22,402	1,516	207,136

(iii) 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.

(a) 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 Company 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 convertible debentures and loans payable as the interest rates are fixed.

(b) Foreign currency risk

The Company has balances in Mongolian tugriks that are subject to foreign currency risk. The Group is exposed to foreign currency risk on fluctuations related to cash, payables, tax liabilities and loans that are denominated in Mongolian tugriks. Sensitivity to a plus or minus 5% change in the foreign exchange rate of the Mongolian tugriks compared to the United States dollars would affect net profit by \$358 (gain) and \$396 (loss) with all other variables held constant.

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(iv) Commodity price risk

The profitability of the Group'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 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.

31. Capital risk management

The Group's objectives in managing its 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, accumulated other comprehensive loss and retained earnings. 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 (as at December 31, 2025: net capital of \$3,004, December 31, 2024: net debt of \$46,793) and it is managed by management subject to approved policies and limits by the Board of Directors. The Group is not subject to any externally imposed capital requirements except for the covenants detailed in note 13.

32. Subsequent events

Royalty Buyback Option Agreement

On January 22, 2026 the Company announced that it has entered into a royalty buyback option agreement (the "Option Agreement") with Boroo Singapore regarding the Alturas gold project located in Chile (the "Alturas Project"). Pursuant to the Option Agreement, Boroo Singapore has granted Steppe Gold a call option (the "Option") providing Steppe Gold with the economic right to benefit from Boroo Singapore's contractual right to repurchase a 0.25% net smelter return royalty (the "NSR") applicable to the Alturas Project (the "Alturas Transaction").

Boroo Singapore will grant Steppe Gold an option over Boroo Singapore's existing contractual right to repurchase the NSR from the current royalty holder. The Option may be exercised by Steppe Gold during a 30-day period commencing on November 7, 2029. Upon exercise, Steppe Gold would pay US\$7.5 million to Boroo Singapore to fund Boroo Singapore's cost to repurchase the NSR from the current holder.

The Board has unanimously determined (with conflicting directors abstaining) that the Alturas Transaction is in the best interest of the Company. The determination of the Board was made upon the recommendation of the Special Committee and after consideration of the advice of financial advisors to the Special Committee and the Company.

Repayment of MIK Loan

On January 14, 2026, the Company made repayment of \$1,000 under MIK loan agreement.

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Repayment of BORO bond

On February 9, 2026 and on March 26, 2026 the Company made repayments of \$4,300 and \$10,000 to MIK, respectively. As a result of these repayments, the BORO bond payable has been fully repaid.

Equipment lease

On February 9, 2026, the Company entered into equipment lease agreements with TDB Leasing LLC and Barloworld LLC for the acquisition of mining equipment for the Boroo Project, with total commitments of approximately \$9,400. These arrangements are expected to result in the recognition of right-of-use assets and corresponding lease liabilities in accordance with IFRS 16 Leases and support the Company's ongoing operations.

Due from Boroo Singapore – ATC sales proceeds

On August 1, 2024, the Company completed the sale of the Tres Cruces Oxide Project to MBM and Boroo Singapore. for CAD\$11.7 million payable over approximately 18 months (the "ATC Transaction"). Payment instalments under the ATC Transaction were received in September 2024, February 2025, and July 2025, and the final instalment was received on February 10, 2026.

TDB Gold 2 Loan – Repayment agreement

On October 7, 2025, TDB filed a civil claim against Steppe Mongolia seeking payment of approximately \$2,189, representing the loan principal, accrued interest and penalty interest owed to TDB under a breach of contractual obligation. On February 23, 2026, the Company reached an agreement with TDB to repay the outstanding loan in instalments by July 31, 2026.

TDB Capital – share purchase

On February 27, 2026, TDB Capital announced that it acquired indirect beneficial ownership and control of 8,000,000 Common Shares of the Company, representing approximately 3.16% of the issued and outstanding Common Shares. TDB Capital indirectly beneficially owns and controls approximately 70% of the outstanding shares of Boroo Singapore, which beneficially owns and controls an aggregate of 143,796,574 Common Shares, representing approximately 56.88% of the issued and outstanding Common Shares of the Company on a non-diluted basis.

Management change

Mr. Jeremy South stepped down as Chief Financial Officer of the Company effective March 10, 2026. Ms. Ariuntsetseg Batsaikhan who has served as a Financial Controller of the Company since 2018 has been appointed as Interim Chief Financial Officer of the Company.

ATO Phase 2 Loan - Repayment schedule update.

Subsequent to the year end, on March 12, 2026, the Company reached an agreement with TDB to defer the first instalment of \$9,600 to August 9, 2026, with the remaining \$40,000 to be paid in four equal semi-annual instalments between August 9, 2026, and August 9, 2028 under the ATO Phase 2 Loan.