



Wesdome Gold Mines Ltd.
Annual Consolidated Financial Statements
For the years ended December 31, 2025 and 2024

Management's Responsibility for Financial Statements

The accompanying consolidated financial statements have been prepared by and are the responsibility of the management of Wesdome Gold Mines Ltd. (the "Company"). The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and reflect management's best estimates and judgments based on currently available information.

Management is also responsible for a system of internal control which is designed to provide reasonable assurance that assets are safeguarded, liabilities are recognized and that the accounting systems provide timely and accurate financial reports.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities in respect of financial reporting and internal control. The Audit Committee of the Board of Directors meets periodically with management and the Company's independent auditors to discuss auditing matters and financial reporting issues. In addition, the Audit Committee reviews the annual consolidated financial statements before they are presented to the Board of Directors for approval.

The Company's independent auditors, Ernst & Young LLP (EY), are appointed by the shareholders to conduct an audit in accordance with generally accepted auditing standards in Canada, and their report follows.

March 11, 2026
Toronto, Canada

/s/ Philip C. Yee
Chief Financial Officer

Independent auditor's report

To the Shareholders of
Wesdome Gold Mines Ltd.

Opinion

We have audited the consolidated financial statements of **Wesdome Gold Mines Ltd.** and its subsidiary [the "Group"], which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of income and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group 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.

Other matter

The consolidated financial statements of the Group as at and for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on March 19, 2025.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Key audit matter	How our audit addressed the key audit matter
<i>Acquisition of Angus Gold Inc.</i>	
On June 26, 2025, the Group completed the acquisition of Angus Gold Inc., for total purchase consideration of \$49.3 million, as disclosed in note 7 to the consolidated financial statements. The transaction was accounted for as an asset acquisition. Auditing the asset acquisition was complex due to the subjective nature in determining the accounting treatment of this acquisition, and required the application of significant auditor judgment in assessing the fair value of the consideration paid and management's allocation of the purchase consideration to the fair value of assets acquired and liabilities assumed.	To test the Group's accounting for the acquisition of Angus Gold Inc., we performed the following procedures, among others: • Read the executed purchase agreements related to the acquisition to obtain an understanding of the key terms and conditions to identify the necessary accounting considerations; • Evaluated the Group's determination that the acquisition represented an asset acquisition; • Involved our valuation and mining specialists to assist in evaluating the fair value of the exploration asset acquired by comparing implied valuation multiples to those observed in comparable transactions; • Tested the consideration paid including assessing the fair value of common shares issued by comparing the share price used to an independent source; and • Assessed the adequacy of the Group's disclosures included in note 7 to the consolidated financial statements in relation to this matter.

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

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

Ernst & Young LLP

Toronto, Canada
March 11, 2026

Chartered Professional Accountants
Licensed Public Accountants



Wesdome Gold Mines Ltd.

Consolidated Statements of Financial Position

(Expressed in thousands of Canadian dollars)

	Notes	December 31, 2025	December 31, 2024
Assets			
Current			
Cash		\$ 353,865	\$ 123,097
Receivables and prepaids	8	16,680	17,182
Inventories	9	40,122	35,274
Income and mining tax receivable	27	3,178	6,245
Share consideration receivable and warrants		-	3,346
Total current assets		413,845	185,144
Restricted cash	10	2,661	2,804
Deferred financing costs	14	1,966	353
Mining properties, plant and equipment	11	646,702	549,993
Exploration properties	12	53,004	1,339
Marketable securities and warrants		24,728	4,206
Deferred income and mining tax receivable	27	2,203	-
Other long-term assets		1,877	2,815
Total assets		\$ 1,146,986	\$ 746,654
Liabilities and Shareholders' Equity			
Current			
Accounts payable and accrued liabilities	13	\$ 70,556	\$ 53,153
Current portion of lease liabilities	15	768	730
Total current liabilities		71,324	53,883
Lease liabilities	15	2,629	151
Deferred income and mining tax liabilities	27	103,368	92,653
Decommissioning provisions	16	32,693	29,149
Total liabilities		210,014	175,836
Shareholders' Equity			
Equity attributable to owners of the Company			
Capital stock	17	262,611	246,351
Contributed surplus		11,269	9,758
Retained earnings		652,614	316,283
Accumulated other comprehensive income (loss)		10,478	(1,574)
Total equity attributable to owners of the Company		936,972	570,818
Total liabilities and shareholders' equity		\$ 1,146,986	\$ 746,654
Commitments (Note 26)			

On behalf of the Board of Directors:

/s/ Anthea Bath
Director

/s/ Faheem Tejani
Director

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

Wesdome Gold Mines Ltd.

Consolidated Statements of Income and Comprehensive Income

(Expressed in thousands of Canadian dollars, except for per share amounts)

		For the years ended	
	Notes	December 31, 2025	December 31, 2024
Revenues	20	\$ 914,325	\$ 558,184
Cost of sales	21	(257,682)	(216,049)
Depletion and depreciation		(87,375)	(100,274)
Gross profit		569,268	241,861
Other expenses			
Corporate and general		30,605	22,791
Stock-based compensation	18	5,527	3,381
Executive departure costs		725	262
Exploration and evaluation		21,548	11,201
Gain on disposal of mining equipment	11	-	(1,015)
Total other expenses		58,405	36,620
Operating income		510,863	205,241
Fair value adjustment on consideration receivable and warrants		7,930	1,656
Interest expense	22	(1,638)	(2,484)
Accretion of decommissioning provisions	16	(894)	(911)
Other income	22	2,987	1,484
Income before income and mining taxes		519,248	204,986
Income and mining tax expense			
Current	27	163,522	65,500
Deferred	27	6,231	4,015
Total income and mining tax expense		169,753	69,515
Net income		\$ 349,495	\$ 135,471
Other comprehensive income			
Change in fair value of marketable securities		12,052	475
Total comprehensive income		\$ 361,547	\$ 135,946
Earnings per share			
Basic	19	\$ 2.32	\$ 0.91
Diluted	19	\$ 2.31	\$ 0.90
Weighted average number of common shares (000s)			
Basic	19	150,461	149,557
Diluted	19	151,609	150,586

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

Wesdome Gold Mines Ltd.

Consolidated Statements of Changes in Equity

(Expressed in thousands of Canadian dollars)

	Notes	Capital Stock		Contributed Surplus	Retained Earnings	Accumulated Other	Total Equity
		Number of Shares	Amount			Comprehensive Income (Loss)	
Balance, December 31, 2023		148,966,728	\$ 238,376	\$ 10,161	\$ 180,752	\$ (1,989)	\$ 427,300
Net income for the year ended		-	-	-	135,471	-	135,471
Other comprehensive income		-	-	-	-	475	475
Gain on disposal of equity investment, net of tax		-	-	-	60	(60)	-
Share issuance costs		-	(103)	-	-	-	(103)
Exercise of options	18	623,523	4,294	-	-	-	4,294
Value attributed to options exercised	18	-	1,475	(1,475)	-	-	-
Value attributed to RSUs exercised	18	78,535	565	(565)	-	-	-
Value attributed to PSUs exercised	18	121,588	1,033	(1,033)	-	-	-
Value attributed to DSUs exercised	18	100,743	711	(711)	-	-	-
Stock-based compensation	18	-	-	3,381	-	-	3,381
Balance, December 31, 2024	17	149,891,117	\$ 246,351	\$ 9,758	\$ 316,283	\$ (1,574)	\$ 570,818
Net income for the year ended		-	-	-	349,495	-	349,495
Other comprehensive income		-	-	-	-	12,052	12,052
Issue of capital stock	7	517,869	9,845	-	-	-	9,845
Share issuance costs, net of tax		-	(18)	-	-	-	(18)
Share repurchases	17	(706,100)	(1,227)	-	(13,164)	-	(14,391)
Exercise of options	18	371,197	3,644	-	-	-	3,644
Value attributed to options exercised	18	-	1,298	(1,298)	-	-	-
Value attributed to RSUs exercised	18	58,083	587	(587)	-	-	-
Value attributed to PSUs exercised	18	49,417	790	(790)	-	-	-
Value attributed to DSUs exercised	18	199,789	1,341	(1,341)	-	-	-
Stock-based compensation	18	-	-	5,527	-	-	5,527
Balance, December 31, 2025	17	150,381,372	\$ 262,611	\$ 11,269	\$ 652,614	\$ 10,478	\$ 936,972

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

Wesdome Gold Mines Ltd.
Consolidated Statements of Cash Flows
(Expressed in thousands of Canadian dollars)

		For the years ended	
	Notes	December 31, 2025	December 31, 2024
Operating Activities			
Net income		\$ 349,495	\$ 135,471
Depletion and depreciation		87,375	100,274
Stock-based compensation	18	5,527	3,381
Accretion of decommissioning provisions	16	894	911
Income and mining tax expense	27	169,753	69,515
Amortization of deferred financing cost	14	593	529
Interest expense	22	1,638	2,484
Gain on disposal of mining equipment	11	-	(1,015)
Fair value adjustment on consideration receivable and warrants		(7,930)	(1,656)
Foreign exchange loss		2	6
Income and mining tax paid		(160,455)	(69,478)
Net cash from operating activities before changes in non-cash working capital		446,892	240,422
Changes in non-cash working capital	25	9,874	550
Net cash from operating activities		456,766	240,972
Investing Activities			
Additions to mining properties	11	(177,960)	(119,472)
Cash paid for Angus Gold, net of cash acquired	7	(31,596)	-
Proceeds from Goldshore milestone payments		5,500	-
Investment in marketable securities and warrants		(6,350)	(3,633)
Proceeds from sale of Goldshore shares		-	2,864
Funds held against standby letter of credit		143	(86)
Proceeds on disposal of mining equipment	11	-	1,015
Other	11	(297)	-
Net cash used in investing activities		(210,560)	(119,312)
Financing Activities			
Share issuance costs		(26)	(103)
Share repurchases	17	(14,391)	-
Repayment of revolving credit facility	14	-	(38,738)
Repayment of lease liabilities	15	(821)	(2,903)
Exercise of options	18	3,644	4,294
Deferred financing costs	14	(2,206)	-
Interest paid	22	(1,638)	(2,484)
Net cash used in financing activities		(15,438)	(39,934)
Increase in cash		230,768	81,726
Cash - beginning of year		123,097	41,371
Cash - end of year		\$ 353,865	\$ 123,097

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

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



1. BUSINESS OVERVIEW

Wesdome Gold Mines Ltd. ("**Wesdome**" or the "**Company**") is a Canadian focused gold producer with two high-grade underground mine and milling assets, the Eagle River mine, situated west of Wawa, Ontario, and the Kiena mine, located in Val-d'Or, Quebec. The Company's primary goal is to responsibly leverage its operating platform and high-quality brownfield and greenfield exploration pipeline to build a growing value-driven gold producer.

Wesdome is a public company incorporated under the laws of Ontario. The common shares of the Company are listed on the Toronto Stock Exchange ("TSX") under the symbol "WDO" with a secondary listing on the OTCQX under the symbol "WDOFF". The registered and principal office of the Company is located at 220 Bay Street, Suite 1200, Toronto, Ontario, M5J 2W4.

2. BASIS OF PRESENTATION

These consolidated financial statements include the accounts of Wesdome and the Company's 100% interest in Angus Gold Inc. ("Angus").

On June 26, 2025, the Company acquired a 100% interest in Angus.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on March 11, 2026.

3. MATERIAL ACCOUNTING POLICIES

(a) Statement of Compliance

The consolidated financial statements of the Company are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), are presented in Canadian dollars and include the operating results of the Company's subsidiaries.

(b) Basis of Consolidation

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is acquired by the Company and are deconsolidated from the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. All intercompany balances, revenues and expenses and earnings and losses resulting from intercompany transactions are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are a separate component of the Company's equity. Non-controlling interests consist of the non-controlling interests on the date of the original business combination plus the non-controlling interests' share of changes in equity since the date of acquisition.

As at December 31, 2025, non-controlling interest is nil (December 31, 2024 – nil).

(c) Revenue Recognition

The Company's primary product is gold; other metals produced as part of the extraction process are considered to be by-products arising from production of gold. Revenue relating to the sale of metals is recognized when control of the metal is transferred to the customer in an amount that reflects the consideration the Company expects to receive in exchange for those products. In determining whether the Company has satisfied the performance obligation, it considers the indicators of the transfer of control, which include, but are not limited to, whether the Company has a present right of payment; the customer has legal title to the asset; the Company has transferred physical possession of the asset to the customer; and the customer has the significant risks and rewards of ownership of the products.

The performance obligation is satisfied when the physical delivery of gold bullion is made, which is also when the title to the gold passes to the buyer.

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



During the process of preparing an item of mineral property, plant and equipment available for its intended use, the Company may produce and sell items, such as minerals extracted in the process of constructing the mine. The proceeds from the sale of these items are included in profit or loss in accordance with IAS 16, *Property, Plant and Equipment*, regarding proceeds before intended use.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and highly liquid investments with original maturities of less than three months.

(e) Inventories

Inventories consisting of gold bullion, gold in process and ore stockpiles are recorded at the lower of production costs on a weighted average basis and net realizable value ("NRV"). Production costs include costs related to mining, crushing, and mill processing, as well as applicable overhead and depletion.

Ore stockpiles consist of coarse ore that has been extracted from the mine and is available for further processing. Costs are added to stockpiles based on the current mining cost per tonne and removed at an average cost per tonne.

Supplies are valued at the lower of average cost or NRV.

(f) Mining Properties, Plant and Equipment

(i) *Cost and valuation*

Mining properties, plant and equipment are carried at cost less accumulated depletion and any impairment in value. When an asset is disposed of, it is derecognized and the difference between its carrying value and net sales proceeds is recognized as a gain or loss in net income.

(ii) *Mining properties, plant and equipment*

Mining properties, plant and equipment include expenditures incurred on properties under development, payments related to the acquisition of land and mineral rights and property, plant and equipment which are recorded at cost on initial acquisition. Cost includes the purchase price and the directly attributable costs of acquisition or construction required to bring an asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management.

Mine development costs incurred to expand operating capacity, develop new ore bodies or develop mine areas in advance of current production are capitalized. Mine development costs related to current period production are allocated to inventory as appropriate.

(iii) *Depletion and depreciation*

Mine development costs, property, and other mining assets whose estimated useful life is the same as the remaining life of the mine are depleted over the mine's estimated life using the units-of-production method ("UOP") calculated based on proven and probable reserves. Equipment and other non-mining assets are depreciated on a straight-line basis over their estimated useful lives, or the remaining life of the mine if shorter, to their residual values:

Vehicles	1 to 5 years
Mobile mining fleet	1 to 5 years
Machinery and equipment	1 to 6 years
Buildings and bunkhouses	10 years
Furniture and fixtures	5 years

Where components of an item of property, plant and equipment have a different useful life and cost that is significant to the total cost of the item, depreciation and depletion is calculated on each separate component. Depreciation and depletion methods, useful lives and residual values are reviewed at a minimum at the end of each year.

(iv) *Subsequent costs*

Repairs and maintenance costs are expensed as incurred. However, expenditures on major maintenance rebuilds or overhauls are capitalized when it is probable that the expenditures will extend the productive capacity or useful life of an asset. Any remaining costs of previous overhauls relating to the same asset are derecognized. All other expenditures are expensed as incurred.

(g) Mines Under Development

The Company classifies mining projects as mines under development when established mineral resources and reserves have been identified however the project is not yet in commercial production. The Company reclassifies mines under development as mining properties when the project enters into commercial production.

Mines under development are not depreciated until the project enters into commercial production.

(h) Right-of-use Assets and Lease Liabilities

Right-of-use ("ROU") assets and lease liabilities are recognized at the commencement date of a lease. Lease liabilities are initially measured at the present value of lease payments to be paid after the lease's commencement date, discounted using the interest rate implicit in the lease, or if not readily determinable, the Company's incremental borrowing rate. ROU assets are initially measured at cost, which consists of the initial amount of the lease liability adjusted for any lease payments made on or before the lease's commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle or restore the ROU asset, less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the useful life of the asset or the term of the lease. If a purchase option is expected to be exercised, the asset is amortized over its useful life.

Lease liabilities are subsequently measured at amortized cost using the effective interest method and are remeasured if and when there is a change in future lease payments arising from a change in an index or rate, or if and when there is a change in the assessment of whether a purchase, extension or termination option is likely to be exercised. Lease payments for short-term leases, which have a lease term of 12 months or less, leases of low-value assets, as well as leases with variable lease payments are recognized as an expense over the term of such leases.

(i) Exploration and Evaluation Costs

Exploration expenditures reflect the costs related to the initial search for mineral deposits with economic potential or obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with sampling, mapping, diamond drilling and other work involved in searching for ore.

Evaluation expenditures reflect costs incurred at exploration projects related to establishing the technical and commercial viability of developing mineral deposits identified through exploration or asset acquisition.

Evaluation expenditures include the cost of:

- (i) Establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve,
- (ii) Determining the optimal methods of extraction and metallurgical and treatment processes,
- (iii) Studies related to surveying, transportation and infrastructure requirements,
- (iv) Permitting activities, and
- (v) Economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



All expenditures relating to exploration and evaluation activities are expensed until technical feasibility and commercial viability have been determined by the Company. Costs incurred after determining that a project is technically feasible and commercially viable are capitalized as incurred under exploration properties until such time as the Company expects that mineral resources will be converted to mineral reserves within a reasonable period and mine development commences. Thereafter, accumulated exploration and evaluation costs for the project are tested for impairment and are reclassified to mines under development. Exploration and evaluation costs of abandoned properties are expensed in the period in which the project is abandoned.

(j) Impairment of Non-Financial Assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units ("CGUs")). The Company's CGUs are its individual operating mine sites and exploration properties. At the end of each reporting period, the Company reviews and evaluates its mining and exploration properties either individually or at the CGU level to determine whether the carrying amount of the asset exceeds their recoverable amount. If any such indication exists, the excess is fully provided for, in the financial period of determination.

The recoverable amount of a mine site or exploration property is the greater of its fair value less costs of disposal ("FVLCD") and its value-in-use ("VIU"). The FVLCD is estimated as the recoverable amount resulting from the sale of an asset or CGU, less the costs of disposal. The VIU is estimated as the discounted future pre-tax cash flows expected to be derived from a CGU or an asset. If the recoverable amount of a CGU or an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. Impairment losses are recognized as operating expenses in the period they are incurred. When an impairment loss reverses in a subsequent period, the carrying amount of the related asset is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset previously. Reversals of impairment losses are recognized in profit or loss in the period the reversals occur.

(k) Income and Mining Taxes

Income and mining taxes are calculated using the liability method where current income and mining taxes are recognized as an expense for the estimated income or mining taxes payable for the current period.

Deferred income and mining tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and on unclaimed losses carried forward, to the extent that it is probable that deductions, credits and tax losses can be utilized, and are measured using the enacted or substantively enacted tax rates that will be in effect when the differences are expected to reverse or losses are expected to be utilized. Deferred income and mining taxes relating to the initial recognition of an asset or liability are not recognized in transactions that, at the time of transactions, neither affect the accounting nor taxable income, or are the result of a business acquisition. The deferred tax relating to items recorded in other comprehensive income is linked to these items for reporting purposes.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off deferred tax assets and liabilities from the same taxation authority.

(l) Equity and Reserves

Capital stock represents the consideration received for shares that have been issued, net of related issuance costs.

Contributed surplus includes the value of share-based payments, net of the value of expired and exercised grants.

Retained earnings represents accumulated retained earnings from all current and prior periods. Amounts related to expired stock options are reclassified from contributed surplus to retained earnings upon expiry of the stock options.

Accumulated other comprehensive income (loss) includes the unrealized gains and losses of available-for-sale financial assets.

(m) Employee Benefits

(i) *Salaries and short-term employee benefits*

Salaries and short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) *Pension plan*

The Company has a defined contribution plan under which the Company pays fixed contributions through a separate entity. Under this plan, the Company will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense when due.

(n) Provisions

(i) *General*

Provisions are recognized when present obligations, as a result of a past event, is expected to result in an outflow of economic resources from the Company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognized for future operating losses.

Provisions are based on the most reliable information available at the reporting date, including the risks and uncertainties associated with the current best estimate.

(ii) *Decommissioning provisions*

The Company's mining and exploration activities are subject to various government laws and regulations relating to the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company has made, and will continue to make expenditures to comply with such laws and regulations. Decommissioning costs expected to be incurred in the future are estimated by the Company's management based on the information available to them.

The Company's estimates are reviewed each reporting period for changes in regulatory requirements, discount rates, and changes in estimates to the timing and amounts of cash flows. Management considers the Bank of Canada bond rate related to the life of mine when determining the discount rate. The rate is subsequently adjusted for risk to allow for the indeterminate nature of the mine life.

Estimated decommissioning costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of estimated future costs with an offsetting amount being recognized as an increase in the carrying amount of the corresponding mining asset. This asset is amortized on a UOP basis over the estimated life of the mine while the corresponding provisions accrete to its undiscounted value by the end of the mine's life.

(o) Financial Instrument Classification and Measurement

Financial instruments are measured on initial recognition at fair value, and, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

(i) *Recognition and measurement*

Financial assets and financial liabilities are recognized in the Company's consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as FVTPL. The directly attributable transaction costs of financial assets and liabilities as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classification of such assets and liabilities.

(ii) *Classification of financial assets*

Amortized cost:

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of financial assets is the amount at which the financial asset is measured at initial recognition minus the principal payments, plus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The Company's financial assets measured at amortized costs primarily include cash and other receivables included in current assets.

Fair value through other comprehensive income:

Equity securities that are not held for trading and that the Company has irrevocably elected at initial recognition are recognized in this category. Marketable securities classified as fair value through other comprehensive income ("FVOCI") are initially recorded at fair value at the date of purchase plus directly attributable transaction costs, and are subsequently measured at their fair value based on the quoted market prices with unrealized gains or losses reported as other comprehensive income or loss.

Fair value through profit or loss:

The Company's share consideration receivable, warrants and any equity securities held for trading are measured at FVTPL. This may create future fluctuations in the Company's net income and total comprehensive income.

(iii) *Classification of financial liabilities*

Financial liabilities are measured at amortized cost using the effective interest method.

Interest-bearing borrowings are initially recognized at fair value less any related transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost. Any difference between cost and redemption value is recognized in the consolidated statements of income and comprehensive income over the entire period of the borrowings on an effective interest basis.

Interest-bearing borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months from the consolidated statement of financial position date.

(iv) *Impairment*

The Company recognizes loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

(p) Stock-based Compensation

The Company's omnibus equity incentive plan (the "2020 Omnibus Plan") is designed to advance the interests of the Company by encouraging employees, officers and directors to have equity participation in the Company through the acquisition of common shares. The types of awards available under the 2020 Omnibus Plan include options, restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs") (collectively, "Awards"). The 2020 Omnibus Plan was established in June 2020 to replace the equity settled common share purchase plan (the "2017 Omnibus Plan"), which was in existence since May 2017.

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



(i) *Stock options*

Stock options granted vest over a period of three years. Stock options have an exercise price of no less than the closing price of the common shares on the TSX on the trading day immediately preceding the date on which the options are granted and are exercisable for a period not to exceed five years. The cost of these stock options is measured using the estimated fair value at the date of the grant determined using the Black-Scholes option pricing model.

The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility. The expected term of options granted is determined based on historical data on the average hold period before exercise, expiry or cancellation. Annually, the estimated forfeiture rate is adjusted for actual forfeitures in the period.

Expected volatility is estimated with reference to the historical volatility of the share price of the Company. The costs are recognized over the vesting period of the option. The total amount recognized as share-based compensation expense is adjusted to reflect the number of options expected to vest at each reporting date. The corresponding credit for these costs is recognized in contributed surplus.

(ii) *RSUs and PSUs*

The RSUs and PSUs are awarded to executives and are measured at fair value, which is determined based on the closing stock price of the Company at the grant date. The PSUs contain a market condition, which is reflected in the grant date fair value. The fair value of the estimated number of RSUs and PSUs awarded, that are expected to vest is recognized as share-based compensation expense over the vesting period of the RSUs and PSUs with a corresponding amount recorded in contributed surplus until the respective shares are issued in settlement of the RSUs and PSUs. The total amount recognized as an expense is adjusted to reflect the number of RSUs and PSUs expected to vest at each reporting date. The corresponding credit for these costs is recognized in contributed surplus.

(iii) *DSUs*

DSUs awarded to non-executive directors will be settled in equity and are measured at the fair value which is determined based on the closing stock price of the Company at the grant date. The total amount is recognized as an expense at the grant date with the corresponding credit recognized in contributed surplus.

(q) Government Grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to assets are reduced from the carrying amount of the asset. Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(r) Operating Segments

A segment is a component of the Company that is distinguishable by economic activity (operating segments), and/or by its geographical location (geographical segments), which is subject to risks and rewards that are different from those of other segments. The Company considers each of its mine sites as reportable segments for financial reporting purposes. The Chief Operating Decision Maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the President and Chief Executive Officer.

The Company operates in one industry segment, the gold mining and related activities industry including exploration, extraction, processing and decommissioning. All of the Company's operations are located within one geographical area.

(s) Earnings (loss) per Share

Basic earnings (loss) per share ("Basic EPS") is calculated by dividing the net earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share ("Diluted EPS") is calculated using the treasury method of calculating the weighted average number of common shares outstanding. The treasury method assumes that outstanding stock

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



options with an average exercise price below the market price of the underlying shares are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average price of the common shares for the period.

(t) Foreign Currency Translation

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items using year-end exchange rates are recognized in the consolidated statements of income and comprehensive income.

Non-monetary items, if any, measured at historical cost are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Critical Judgment in Applying Accounting Policies

Exploration and evaluation costs

Judgment is required in determining whether the respective costs are eligible for capitalization where applicable, and whether they are likely to be recoverable by future cash flows, which may be based on assumptions about future events and circumstances. Estimates and assumptions made may change if new information becomes available.

Key Sources of Estimation Uncertainty

(i) *Reserves and resources*

Proven and probable reserves are the economically mineable parts of the Company's measured and indicated mineral resources that have been incorporated into the mine plan. The Company estimates its proven and probable reserves and measured, indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore body requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable 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 judgments made in estimating the size and grade of the ore body.

Changes in the proven and probable reserves or measured, indicated and inferred mineral resources estimates may impact the carrying value of mining properties and equipment, depletion, impairment assessments and the timing of decommissioning and remediation obligations.

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



(ii) *Commencement of commercial production*

Determining when a mine moves into the production phase is highly judgmental. The commencement of commercial production is defined as the date when the mine is capable of operating in the manner intended by management. The Company considers primarily the following factors, among others, when determining the commencement of commercial production:

- All major capital expenditures to achieve a consistent level of production and desired capacity have been incurred;
- A reasonable period of testing of the mine property, plant and equipment has been completed;
- A predetermined percentage of design capacity of the mine and mill has been reached; and
- Required production levels, grades and recoveries have been achieved.

No single factor is considered more important than another. Each factor is considered in context with the facts and circumstances of the specific project. It involves an assessment as to when the mine is substantially complete and ready for its intended use.

(iii) *Depletion*

Mining properties are depleted using the UOP method over a period not to exceed the estimated life of the ore body based on the estimated tonnage to be milled from proven and probable reserves.

The calculation of the UOP rate, and therefore the annual depletion 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, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in the gold price assumptions used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(iv) *Provision for decommissioning obligations*

The Company assesses its provision for decommissioning on an annual basis or when new material 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 Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning obligations requires management to make estimates of the future costs the Company will incur to complete the decommissioning work required to comply with existing laws and regulations applicable to each mining operation. Also, future changes to environmental laws and regulations could increase the extent of decommissioning work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for decommissioning. The provision represents management's best estimate of the present value of the future decommissioning obligation. Actual future expenditures may differ from the amounts currently provided.

(v) *Stock-based compensation*

The determination of the fair value of stock-based compensation is not based on historical cost, but is derived based on subjective assumptions input into an option pricing model. The model requires that management make forecasts as to future events, including estimates of the average future hold period of issued stock options before exercise, expiry or cancellation; future volatility of the Company's share price in the expected hold period (using historical volatility as a reference); and the appropriate risk-free rate of interest. Stock-based compensation incorporates an expected forfeiture rate and is estimated based on historical forfeitures and expectations of future forfeitures, and is adjusted if the actual forfeiture rate differs from the expected rate.

The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

The PSUs contain a market condition, which should be reflected in the grant date fair value of the awards. The determination of the fair value of PSUs is derived based on subjective assumptions input into a Monte Carlo

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



simulation model. The model requires that management make forecasts as to future events, including estimates of the Company's share price and volatility compared to an index and the appropriate risk-free rate of interest. PSUs incorporate an expected forfeiture rate and is estimated based on historical forfeitures and expectations of future forfeitures, and is adjusted if the actual forfeiture rate differs from the expected rate. The resulting value calculated is not necessarily the value that the holder of the PSU could receive in an arm's length transaction or at vesting, given that there is no market for the PSUs and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

(vi) *Income taxes and deferred taxes*

The Company is subject to income tax laws in various jurisdictions. Tax laws are complex and potentially subject to different interpretations by the taxpayer and the relevant tax authority. The provision for income taxes and deferred tax represents management's interpretation of the relevant tax laws and its estimate of current and future income tax implications of the transactions and events during the period. The Company may be required to change its provision for income taxes or deferred tax balances when the ultimate deductibility of certain items is successfully challenged by taxing authorities or if estimates used in determining the amount of deferred tax asset to be recognized changes significantly, or when receipt of new information indicates the need for adjustment in the amount of deferred tax to be recognized. Additionally, future events, such as changes in tax laws, tax regulations, or interpretations of such laws or regulations, could have an impact on the provision for income tax, deferred tax balances and the effective tax rate. Any such changes could materially affect the amounts reported in the consolidated financial statements in the year these changes occur.

Judgment is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets are realizable. The impact of different interpretations and applications could be material.

(vii) *Recoverability of mining properties, plant and equipment*

The Company's management reviews the carrying values of its mining properties, plant and equipment on a regular basis to determine whether any write-downs are necessary. The recovery of amounts recorded for mining properties, plant and equipment depends on confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof. Management relies on life-of-mine ("LOM") plans in its assessments of economic recoverability and probability of future economic benefit. LOM plans provide an economic model to support the economic extraction of reserves and resources. A long-term LOM plan and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body.

5. ACCOUNTING PRONOUNCEMENTS

Standards and amendments issued but not yet effective

The following are the new standards and amendments issued by the IASB which are applicable to the Company's consolidated financial statements.

IFRS 18, *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which is intended to give investors more transparent and comparable information about companies' financial performance, thereby enabling better investment decisions. IFRS 18 introduces new sets of requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies through:

- Improved comparability in the statement of income;
- Enhanced transparency of management-defined performance measures; and
- More useful grouping of information in the financial statements.

IFRS 18 also requires companies to provide more transparency about operating expenses, helping investors to find and understand the information they need. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, but companies can apply it earlier. IFRS 18 replaces IAS 1, however, it carries forward many requirements from IAS 1 unchanged. The Company is in the process of assessing the impact upon adoption of this standard on its consolidated financial statements.

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures*

In May 2024, the IASB issued amendments to the classification and measurement requirements in IFRS 9. The amendments will address diversity in accounting practice by making the requirements more understandable and consistent. These include:

- Clarifying the classification and assessment of contractual cash flows of financial assets including those arising from environmental, social and corporate governance (“ESG”)-linked features.
- Settlement of liabilities through electronic payment systems - the amendments clarify the date on which a financial asset or financial liability is derecognized. The IASB also decided to develop an accounting policy option to allow a company to derecognize a financial liability before it delivers cash on the settlement date if specified criteria are met.

With these amendments, the IASB has also introduced additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at FVOCI and financial instruments with contingent features, for example features tied to ESG-linked targets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company expects no impact upon adoption of these amendments on its consolidated financial statements.

Annual improvements to IFRS Accounting Standards

In July 2024, the IASB issued narrow amendments to IFRS Accounting Standards and accompanying guidance as part of its regular maintenance of the Standards. The amended Standards are:

- IFRS 1, *First-time Adoption of International Financial Reporting Standards*;
- IFRS 7, *Financial Instruments: Disclosures* and its accompanying *Guidance on implementing IFRS 7*;
- IFRS 9, *Financial Instruments*;
- IFRS 10, *Consolidated Financial Statements*; and
- IAS 7, *Statement of Cash Flows*.

The amendments are effective for annual periods beginning on or after January 1, 2026, with earlier application permitted. Annual improvements are limited to changes that either clarify the wording in an IFRS Accounting Standard or correct relatively minor unintended consequences or oversights in the Accounting Standards. They also correct minor conflicts between the requirements of the Accounting Standards. The Company expects no impact upon adoption of these amendments on its consolidated financial statements.

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



6. SEGMENT INFORMATION

The Company considers each of its mine sites as reportable segments for financial reporting purposes. While the “corporate and other” financial information is disclosed separately in the table below, it does not represent an operating segment. Instead, it is provided to facilitate a reconciliation of the financial information related to the mines with the Company’s total financial information. Wesdome’s Chief Operating Decision Maker (“CODM”), its President and Chief Executive Officer, reviews the operating results, assesses performance and makes capital allocation decisions at the mine sites and corporate office. Segment performance is evaluated based upon a number of measures including operating income before tax, production levels and unit production costs.

Year ended December 31, 2025

	Eagle River	Kiena	Corporate and other	Total
Revenues	\$ 549,696	\$ 364,629	\$ -	\$ 914,325
Cost of sales	(154,169)	(103,513)	-	(257,682)
Gross profit excluding depletion and depreciation	395,527	261,116	-	656,643
Depletion and depreciation	(42,792)	(44,352)	(231)	(87,375)
Corporate and general	-	-	(30,605)	(30,605)
Exploration and evaluation	-	-	(21,548)	(21,548)
Other	(488)	(406)	3,027	2,133
Segment income (loss) before taxes	\$ 352,247	\$ 216,358	\$ (49,357)	\$ 519,248
Income and mining tax expense				(169,753)
Net income				349,495
Change in fair value of marketable securities				12,052
Total comprehensive income				\$ 361,547

Year ended December 31, 2024

	Eagle River	Kiena	Corporate and other	Total
Revenues	\$ 310,657	\$ 247,527	\$ -	\$ 558,184
Cost of sales	(128,706)	(87,343)	-	(216,049)
Gross profit excluding depletion and depreciation	181,951	160,184	-	342,135
Depletion and depreciation	(51,990)	(47,958)	(326)	(100,274)
Corporate and general	-	-	(22,791)	(22,791)
Exploration and evaluation	-	-	(11,201)	(11,201)
Other	432	(328)	(2,987)	(2,883)
Segment income (loss) before taxes	\$ 130,393	\$ 111,898	\$ (37,305)	\$ 204,986
Income and mining tax expense				(69,515)
Net income				135,471
Change in fair value of marketable securities				475
Total comprehensive income				\$ 135,946

As at December 31, 2025

	Eagle River	Kiena	Corporate and other	Total
Total assets	\$ 266,479	\$ 500,320	\$ 380,187	\$ 1,146,986
Total liabilities	\$ 53,402	\$ 40,233	\$ 116,379	\$ 210,014

As at December 31, 2024

	Eagle River	Kiena	Corporate and other	Total
Total assets	\$ 219,066	\$ 455,054	\$ 72,534	\$ 746,654
Total liabilities	\$ 41,723	\$ 34,062	\$ 100,051	\$ 175,836

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



7. ACQUISITION OF ANGUS

On June 26, 2025, the Company acquired all of the issued and outstanding common shares of Angus not already owned by the Company.

As consideration for the acquisition, Wesdome paid \$33.5 million in cash and issued 517,869 shares representing \$0.62 cash plus 0.0096 of a Wesdome share, for a total aggregate value of \$0.80 per Angus common share.

The Company accounted for the acquisition of Angus as an asset acquisition. Significant judgment and estimates were required to determine whether the application of this accounting treatment was appropriate for the transaction. These included, amongst others, the determination that Angus was not considered a business under IFRS 3, *Business Combinations* as Angus did not have significant inputs, processes, and output, that together constitute a business.

Angus was acquired to support the long-term growth strategy of Eagle River. The exploration property acquired as part of the acquisition has been combined with the Eagle River CGU.

The following table summarizes the consideration paid and the amounts allocated to the assets acquired and liabilities assumed as at the date of acquisition.

Total Consideration	\$	49,326
Total consideration in the acquisition was as follows:		
Cash consideration		33,499
Wesdome common shares issued ¹		9,845
Fair value of previously held shares ²		4,977
Transaction costs		1,005
Total consideration	\$	49,326
Allocation of net assets:		
Cash		1,903
Receivables and prepaids		239
Exploration properties		51,665
Accounts payable and accrued liabilities		(3,386)
Flow-through share liability		(1,095)
Total assets and liabilities acquired	\$	49,326

1. The fair value of 517,869 common shares issued to Angus shareholders was determined using the Company's share price of \$19.01 per share on June 26, 2025.

2. The fair value of the 6.3 million Angus shares previously held by Wesdome is based on the market price of Angus shares on June 26, 2025, of \$0.79 per share.

8. RECEIVABLES AND PREPAIDS

	December 31, 2025	December 31, 2024
Sales tax receivable	\$ 5,557	\$ 5,443
Vendor deposits	5,047	3,811
Current portion of Hydro-Québec credit	943	746
Prepayments and other receivables	5,133	7,182
	\$ 16,680	\$ 17,182

9. INVENTORIES

	Notes	December 31, 2025	December 31, 2024
Gold in process	9(i), (ii)	\$ 16,448	\$ 16,632
Supplies		16,819	12,505
Ore stockpiles	9(iii)	6,855	6,137
		\$ 40,122	\$ 35,274

- (i) Gold in process inventory consists of both gold doré and gold in process that are awaiting the completion of the final refining process into saleable gold, expected within one month of the financial statement date.
- (ii) As at December 31, 2025, gold in process inventory includes Eagle River and Kiena inventory carried at cost of \$7.8 million and \$8.6 million, respectively. As at December 31, 2024, gold in process inventory includes Eagle River and Kiena inventory carried at cost of \$7.7 million and \$8.9 million, respectively.
- (iii) As at December 31, 2025, ore stockpile inventory includes Eagle River and Kiena inventory carried at cost of \$5.9 million and \$1.0 million, respectively. As at December 31, 2024, ore stockpile inventory includes Eagle River and Kiena inventory carried at cost of \$5.8 million and \$0.3 million, respectively.

The amount of inventory recognized as an expense for the year ended December 31, 2025 is \$248.4 million, (December 31, 2024 - \$212.6 million) and is included in cost of sales (Note 21).

The amount of inventory recognized as an expense for the year ended December 31, 2025 includes \$0.3 million, (December 31, 2024 - \$4.7 million) relating to write-downs of inventory to net realizable value.

10. RESTRICTED CASH

	December 31, 2025	December 31, 2024
Cash deposit related to a mine closure plan (Note 16)	\$ 600	\$ 630
Cash pledged to a bank related to letters of credit	2,061	2,174
	\$ 2,661	\$ 2,804

11. MINING PROPERTIES, PLANT AND EQUIPMENT

(i) Eagle River

Eagle River consists of the Eagle River mine and all related infrastructure and equipment and land position in Wawa, Ontario. The Eagle River mine is subject to a 2% net smelter return royalty.

(ii) Kiena

Kiena consists of the Kiena mine and all related infrastructure and equipment and land position in Val-d'Or, Quebec. The Kiena mine is not subject to any underlying royalties. Mining properties at Kiena include mines under development of \$42.8 million as at December 31, 2025.

(iii) During the year ended December 31, 2025, the Company received a credit of \$0.7 million from the Climate and Energy Transition Bureau, Quebec against incurred eligible capital expenditures. The Company recognized this credit by reducing it from the cost of related equipment.

	Company Owned Assets							Right-of-Use Assets				
	Mining properties			Plant & equipment			Total	Plant & equipment				Grand total
	Eagle River	Kiena	Sub-total	Eagle River	Kiena	Sub-total		Eagle River	Kiena	Corporate	Total	
Gross Carrying Amount												
Balance, December 31, 2023	\$ 245,999	\$ 303,316	\$ 549,315	\$ 105,627	\$ 163,555	\$ 269,182	\$ 818,497	\$ 30,009	\$ 669	\$ 1,620	\$ 32,298	\$ 850,795
Additions	30,639	54,430	85,069	26,821	15,117	41,938	127,007	-	143	-	143	127,150
Disposals	-	-	-	-	-	-	-	(903)	-	-	(903)	(903)
Balance, December 31, 2024	\$ 276,638	\$ 357,746	\$ 634,384	\$ 132,448	\$ 178,672	\$ 311,120	\$ 945,504	\$ 29,106	\$ 812	\$ 1,620	\$ 31,538	\$ 977,042
Additions	35,739	66,129	101,868	30,271	49,185	79,456	181,324	2,110	1,227	297	3,634	184,958
Carbon credit (Note 11iii)	-	-	-	-	(714)	(714)	(714)	-	-	-	-	(714)
Balance, December 31, 2025	\$ 312,377	\$ 423,875	\$ 736,252	\$ 162,719	\$ 227,143	\$ 389,862	\$ 1,126,114	\$ 31,216	\$ 2,039	\$ 1,917	\$ 35,172	\$ 1,161,286
Accumulated Depletion												
Balance, December 31, 2023	\$ 157,027	\$ 64,339	\$ 221,366	\$ 54,841	\$ 28,787	\$ 83,628	\$ 304,994	\$ 20,395	\$ 199	\$ 1,046	\$ 21,640	\$ 326,634
Depletion	33,221	27,019	60,240	15,601	21,228	36,829	97,069	3,921	113	215	4,249	101,318
Disposals	-	-	-	-	-	-	-	(903)	-	-	(903)	(903)
Balance, December 31, 2024	\$ 190,248	\$ 91,358	\$ 281,606	\$ 70,442	\$ 50,015	\$ 120,457	\$ 402,063	\$ 23,413	\$ 312	\$ 1,261	\$ 24,986	\$ 427,049
Depletion	21,684	24,096	45,780	18,468	21,189	39,657	85,437	1,648	220	230	2,098	87,535
Balance, December 31, 2025	\$ 211,932	\$ 115,454	\$ 327,386	\$ 88,910	\$ 71,204	\$ 160,114	\$ 487,500	\$ 25,061	\$ 532	\$ 1,491	\$ 27,084	\$ 514,584
Net carrying amount												
December 31, 2024	\$ 86,390	\$ 266,388	\$ 352,778	\$ 62,006	\$ 128,657	\$ 190,663	\$ 543,441	\$ 5,693	\$ 500	\$ 359	\$ 6,552	\$ 549,993
December 31, 2025	\$ 100,445	\$ 308,421	\$ 408,866	\$ 73,809	\$ 155,939	\$ 229,748	\$ 638,614	\$ 6,155	\$ 1,507	\$ 426	\$ 8,088	\$ 646,702

12. EXPLORATION PROPERTIES

		<u>Kiena</u>	<u>Eagle River</u>	<u>Total</u>
Balance, December 31, 2024		\$ 1,139	\$ 200	\$ 1,339
Acquisition of Angus Gold	7	-	51,665	51,665
Balance, December 31, 2025		\$ 1,139	\$ 51,865	\$ 53,004

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Trade payables and accrued liabilities	\$ 53,472	\$ 41,727
Employee related payables	14,613	9,655
Royalties payable	2,471	1,771
	\$ 70,556	\$ 53,153

14. BORROWINGS

On June 19, 2025, Wesdome executed an amended and restated credit agreement (the "Agreement") with a syndicate of lenders to upsize the total credit facility to US\$250 million and extend the maturity of its current secured revolving credit facility (the "Credit Facility") by an additional three years to June 19, 2028. Pursuant to the Agreement, the Credit Facility includes aggregate commitments of US\$250 million with an accordion of US\$50 million for a total of up to US\$300 million. The Credit Facility will be used for general corporate purposes, including, but not limited to, acquisitions, distributions, investments and ongoing mine development. Advances under the Credit Facility bear interest at the Secured Overnight Financing Rate ("SOFR") plus a margin of 2.25% to 3.25% per annum depending on the Company's leverage ratio. The Facility is also available for letters of credit. As of December 31, 2025, and as of March 11, 2026, the facility remains undrawn. The standby fees on undrawn amounts under the Credit Facility range from 0.51% to 0.73% over SOFR, depending on the Company's Leverage Ratio.

The Agreement includes standard customary terms and conditions with respect to fees, representations, warranties and financial covenants. As of December 31, 2025, the Company was in full compliance with the financial covenants stipulated under the Credit Facility. Upfront financing costs of \$2.2 million incurred in connection with the amended and restated credit facility have been deferred and are being amortized over the committed availability period of the facility. Ongoing standby fees on undrawn amounts are expenses as incurred.

The Credit Facility contains various covenants for a loan facility of this nature, including certain limits on indebtedness, and liens. The Credit Facility contains three covenant tests related to maintaining a leverage ratio at less than or equal to 3.5, an interest service coverage ratio at greater than or equal to 3.0 and a minimum tangible net worth covenant all of which are measured on a rolling four-quarter basis at the end of every quarter.

15. LEASE LIABILITIES

The Company leases, with options to purchase, certain mining equipment. Future minimum payments under lease obligations are as follows:

	December 31, 2025	December 31, 2024
No later than one year	\$ 960	\$ 761
Later than one year	2,865	155
Total minimum lease payments	3,825	916
Less: Interest portion at the weighted average interest rate of 6.46% (2024 - 4.01%)	(428)	(35)
Total lease liabilities, secured by equipment	3,397	881
Less: current portion	(768)	(730)
Long-term portion	\$ 2,629	\$ 151

16. DECOMMISSIONING PROVISIONS

The Company is committed to a program of environmental management and protection at its mines, development projects and exploration sites, in compliance with federal and provincial laws and regulations. Filed Closure Plans are in place at both Eagle River and Kiena, these plans are updated and amended as required by the relevant regulatory bodies when material changes are contemplated. Activities at Eagle River are covered under four Closure Plans: Eagle River mill, Eagle River mine, Mishi Pit and Magnacon. Work is currently on-going to consolidate the Mishi Pit and Magnacon Closure Plans into a single Closure Plan. There is one Closure Plan for the entirety of Kiena.

The Company has recorded the decommissioning costs at its active and dormant mine sites on the basis of management's best estimates of future costs to settle the obligations on the life of mine closing date, based on the most current information available on the reporting date. Although the ultimate amount of decommissioning costs is uncertain, the Company estimated its future conceptual decommissioning costs for Eagle River to be \$20.3 million and Kiena to be \$15.2 million. The estimated costs have been discounted over a period of eight to twelve years using discount rates between 3.21% and 3.85% as at December 31, 2025. The Company has provided in aggregate \$22.0 million in financial assurances for these future environmental obligations, consolidated for both sites.

The Closure Plan for Eagle River mine was amended and submitted in 2019 to the Ontario Ministry of Northern Development, Mines, Natural Resources & Forestry ("NDMNRF" now the Ministry of Mines) and is currently pending approval and filing, anticipated in the first half of 2026. In December 2021, the Company submitted an updated draft of a consolidated Mishi/Magnacon closure plan and this plan is still in the review phase. The Company has obtained financial commitment from a financial institution to amend the reclamation bonds for the anticipated increase in financial assurance to be provided to the government for the estimate of the financial assurance requirements.

In support of the restart decision of operations, the Company submitted an updated closure plan for Kiena to the Ministère des Ressources Naturelles et des Forêts ("MRNF") in 2021, with additional information provided in 2023 and early 2024. The plan was approved in November 2024 by MRNF and a first letter of guarantee was submitted by Wesdome to the MRNF at the end of January 2025.

a) Change in decommissioning provisions

The following table presents the reconciliation of the aggregate carrying amount of the obligation associated with the retirement of mining properties:

	Eagle River	Kiena	December 31, 2025	December 31, 2024
Balance, beginning of year	\$ 16,144	\$ 13,005	\$ 29,149	\$ 20,703
Accretion expense for the year	488	406	894	911
Changes in estimates	2,951	(301)	2,650	7,535
Balance, end of year	<u>\$ 19,583</u>	<u>\$ 13,110</u>	<u>\$ 32,693</u>	<u>\$ 29,149</u>

As at December 31, 2025, the decommissioning provision has been increased by \$2.7 million primarily related to increased closure cost estimates and changes in discount rates, partially offset by changes in timelines for Eagle River and Kiena.

As at December 31, 2024, the decommissioning provision has been increased by \$7.5 million for changes in estimates, with the corresponding increase in mining assets, resulting primarily from remeasurement for changes in timelines for Eagle River, changes in discount rates and from an increase in closure cost estimates for Kiena.

b) Reclamation bond

The Company has an agreement with a financial institution whereby the financial institution has issued unsecured reclamation bonds to the extent of \$9.5 million to satisfy the Company's financial assurance requirements for Eagle River, and \$12.5 million to satisfy Kiena requirements. As at December 31, 2025, the total reclamation bonds issued to government environmental agencies amounted to \$22.0 million (December 31, 2024 - \$16.6 million).

17. CAPITAL STOCK

Authorized, issued and outstanding common shares

Common shares, no par value, authorized unlimited number of shares, issued and outstanding were 150,381,372 and 149,891,117 for the years ended December 31, 2025 and 2024, respectively.

Base Shelf Prospectus

In November 2024, the Company renewed its short form base shelf prospectus with the securities regulators in each of the provinces and territories of Canada under the applicable Well-Known Seasoned Issuer procedures. The base shelf prospectus allows the Company to offer and issue common shares, debt securities, warrants, subscription receipts, units or any combination thereof during the 25-month period over which the base shelf prospectus is effective. The Company refreshed its base shelf prospectus in order to maintain its financial flexibility as it continues to advance its business plans but has no immediate plans to issue any securities under it at this time and may never proceed with any such issuance. Should the Company decide to offer securities during the 25-month effective period, the specific terms, including the use of proceeds, will be set forth in a prospectus supplement to the short form base shelf prospectus, which will be filed with the applicable Canadian securities regulatory authorities.

Normal Course Issuer Bid

On October 21, 2025, the Company received approval from the TSX for its initiation of a Normal Course Issuer Bid ("NCIB") program to purchase, from November 7, 2025, to November 6, 2026, for cancellation of up to 3.01 million common shares, representing approximately 2% of the Company public float (the "Shares"). The number of Shares that could be purchased pursuant to the NCIB would be subject to a daily maximum of 182,093 Shares. The actual number of Shares that may be purchased by the Company pursuant to the NCIB, and the timing of such purchases, will be determined by management of the Company and will be subject to a number of factors, including market conditions, share price, available cash resources, and other opportunities to invest capital for growth.

For the year ended December 31, 2025, the Company purchased and cancelled 706,100 common shares for \$14.4 million at an average price of \$20.37 per share.

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



Subsequent to December 31, 2025, the Company is in blackout period and no additional shares have been purchased or cancelled.

18. STOCK-BASED COMPENSATION

On June 2, 2020, the shareholders of the Company approved the 2020 Equity Incentive Plan pursuant to which it is able to issue share-based long-term incentives. All service providers (employees, officers and directors) are eligible to receive awards, as defined below, under the 2020 Equity Incentive Plan. The 2020 Equity Incentive Plan replaced the Company's existing stock option plans which remain in effect, but no further options will be issued thereunder.

Under the 2020 Equity Incentive Plan, the maximum number of common shares issuable from treasury pursuant to awards shall not exceed 11,695,556. As at December 31, 2025, awards to purchase 1,421,487 common shares of Wesdome were available for grant under the equity incentive plans.

Stock Options

The following table reflects the continuity of stock options granted for the years ended December 31, 2025 and 2024:

	Years ended December 31, 2025		2024	
	Number of stock options	Weighted average exercise price \$	Number of stock options	Weighted average exercise price \$
Outstanding, beginning of year	1,153,012	9.84	1,540,529	8.63
Granted	573,553	15.96	741,862	9.95
Exercised	(371,197)	9.83	(623,523)	6.89
Forfeited	(239,134)	11.84	(505,856)	8.63
Outstanding, end of year	1,116,234	12.56	1,153,012	9.84

During the year ended December 31, 2025, the Company granted 573,553 stock options (December 31, 2024 – 741,862) to its employees and officers, under its 2020 Equity Incentive Plan. All stock options granted have a three-year vesting term commencing on the anniversary date of the issue.

The weighted average share price at the date of exercise for stock options exercised during the years ended December 31, 2025 and 2024 was \$17.00 and \$6.89, respectively.

The following table outlines the stock options outstanding as at December 31, 2025:

Range of exercise prices \$	Outstanding Options			Exercisable Options	
	Number outstanding	Weighted average remaining life (years)	Weighted average exercise price \$	Number outstanding	Weighted average exercise price \$
6.74 - 9.09	232,600	1.74	7.28	143,723	7.59
9.10 - 10.52	247,341	3.21	9.67	47,610	9.67
10.53 - 14.40	79,596	3.59	12.15	22,811	12.28
14.41 - 15.85	452,634	4.17	15.72	-	-
15.86 - 21.00	104,063	2.45	17.75	67,328	15.98
	1,116,234	3.25	12.56	281,472	10.33

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



Restricted Share Units (RSUs)

The following table reflects the continuity of RSUs granted for the years ended December 31, 2025 and 2024:

	Years ended December 31, 2025		2024	
	Number of RSUs	Weighted average grant date fair value \$	Number of RSUs	Weighted average grant date fair value \$
Outstanding, beginning of year	169,685	9.67	192,274	9.49
Granted	101,779	16.39	143,535	10.20
Exercised	(58,083)	9.73	(78,535)	9.00
Forfeited	(53,236)	10.54	(87,589)	8.82
Outstanding, end of year	160,145	13.36	169,685	9.67

During the year ended December 31, 2025, the Company granted 101,779 RSUs (December 31, 2024 – 143,535) to its employees and officers, under its 2020 Equity Incentive Plan. The RSUs granted have a three-year vesting term commencing on the anniversary date of the issue.

Performance Share Units (PSUs)

The following table reflects the continuity of PSUs granted for the years ended December 31, 2025 and 2024:

	Years ended December 31, 2025		2024	
	Number of PSUs	Weighted average grant date fair value \$	Number of PSUs	Weighted average grant date fair value \$
Outstanding, beginning of year	348,511	10.11	415,568	9.59
Granted	203,558	16.39	287,071	13.83
Exercised	(49,417)	15.98	(121,588)	8.50
Forfeited	-	-	(232,540)	10.14
Outstanding, end of year	502,652	11.95	348,511	10.11

During the year ended December 31, 2025, the Company granted 203,558 PSUs (December 31, 2024 – 287,071) to its employees and officers, under its 2020 Equity Incentive Plan. The PSUs granted have cliff vesting terms contingent on continued employment at the end of the three-year performance period.

Deferred Share Units (DSUs)

The following table reflects the continuity of DSUs for the years ended December 31, 2025 and 2024:

	Years ended December 31, 2025		2024	
	Number of DSUs	Weighted average grant date fair value \$	Number of DSUs	Weighted average grant date fair value \$
Outstanding, beginning of year	534,136	7.93	540,082	7.26
Granted	61,127	34.74	94,797	10.99
Redeemed	(199,789)	6.71	(100,743)	7.06
Outstanding, end of year	395,474	12.53	534,136	7.93

During the year ended December 31, 2025, the Company granted 61,127 DSUs (December 31, 2024 – 94,797) to non-management board members under its 2020 Equity Incentive Plan. All of the DSUs are fully vested at the grant date and become payable upon retirement of the directors.

The fair value of the stock options, RSUs, PSUs and DSUs awarded to employees and officers that will eventually vest, determined as of the date of grant, is recognized as share-based compensation expense over the vesting period of the equity instruments, with a corresponding increase to contributed surplus. The fair value of stock options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant and the fair value of RSUs, PSUs and DSUs is the market value of the underlying shares as of the date of grant. The PSUs contain a market condition, which is reflected in the grant date fair value of the awards.

For the years ended December 31, 2025 and 2024, grant date fair value estimates were based on the following variables:

	Years ended December 31, 2025		2024	
Weighted average fair value, per option (\$)	5.82		4.09	
Weighted average risk-free interest rate (%)	2.53		3.84	
Weighted average volatility (%)	48.6		51.8	
Expected life (years)	3.2		3.2	

The stock-based compensation expense relating to stock options, RSUs, PSUs and DSUs net of forfeitures for the year ended December 31, 2025 was \$5.5 million (2024 - \$3.4 million).

19. EARNINGS PER SHARE

	Years ended December 31,	
	2025	2024
Earnings attributable to common shareholders	\$ 349,495	\$ 135,471
Weighted average number of shares, basic	150,461	149,557
Dilutive securities – options, PSUs, RSUs and DSUs	1,148	1,029
Weighted average number of shares, diluted	151,609	150,586
Basic earnings per share	\$ 2.32	\$ 0.91
Diluted earnings per share	\$ 2.31	\$ 0.90
Number of shares excluded from diluted earnings per share calculation due to anti-dilutive effect:		
Options, PSUs, RSUs and DSUs	208	76

20. REVENUES

	Years ended December 31,	
	2025	2024
Revenues from mining operations		
Gold	\$ 913,207	\$ 557,580
Silver	1,118	604
	\$ 914,325	\$ 558,184

21. COST OF SALES

	Years ended December 31,	
	2025	2024
Mining and processing		
Mining	\$ 133,210	\$ 112,185
Processing	41,209	36,562
Site administration and camp costs	74,009	63,855
Change in inventories ¹	(1,213)	(2,592)
	247,215	210,010
Royalties	10,467	6,039
	\$ 257,682	\$ 216,049
(¹) Change in inventories		
Ore stock pile inventory	\$ (935)	\$ 534
Bullion and in-circuit inventory	(278)	(3,126)
	\$ (1,213)	\$ (2,592)

22. INTEREST AND OTHER

(a) Interest expense

	Years ended December 31, 2025	2024
Interest on lease liabilities (Note 15)	\$ 34	\$ 145
Premium on reclamation bonds	188	146
Standby fees on secured credit facility	1,416	2,193
	<u>\$ 1,638</u>	<u>\$ 2,484</u>

(b) Other income (expense)

	Years ended December 31, 2025	2024
Interest income	\$ 6,136	\$ 2,210
Foreign exchange gain (loss)	(1,742)	122
Amortization of deferred financing cost	(593)	(529)
Other expense	(814)	(319)
	<u>\$ 2,987</u>	<u>\$ 1,484</u>

23. EMPLOYEE BENEFITS

	Years ended December 31, 2025	2024
Salaries and short-term employee benefits	\$ 113,139	\$ 91,783
Stock-based compensation	5,527	3,381
Long-term benefits	3,203	2,633
	<u>\$ 121,869</u>	<u>\$ 97,797</u>
Allocation of employee benefits		
Salaries and employee benefits expensed to mining and processing	\$ 87,648	\$ 76,435
Salaries and employee benefits expensed to corporate and general	16,392	11,546
Salaries and employee benefits expensed to regional exploration	2,538	986
Salaries and employee benefits capitalized to mining properties	14,166	8,830
Salaries and employee benefits capitalized to mines under development	1,125	-
	<u>\$ 121,869</u>	<u>\$ 97,797</u>

24. RELATED PARTY INFORMATION

Key management of the Company are its Board of Directors and members of executive management. Key management personnel remuneration includes the following payments:

	Years ended December 31,	
	2025	2024
Salaries, director fees and other benefits	\$ 6,993	\$ 6,056
Stock-based compensation	4,634	2,233
Termination benefits	725	317
Long-term benefits	113	74
	\$ 12,465	\$ 8,680

25. SUPPLEMENTAL CASH FLOW INFORMATION

	Notes	Years ended December 31,	
		2025	2024
Change in non-cash working capital			
Operating activities			
Receivables and prepaids	8	\$ 1,678	\$ (3,862)
Payables and accruals	13	12,885	10,369
Income and mining tax payable		-	138
Gold in process and ore stockpiles	9	(375)	(2,592)
Supplies and other	9	(4,314)	(3,503)
		\$ 9,874	\$ 550
Non-cash transactions			
Change to decommissioning provisions	16	\$ 2,650	\$ 7,535
Assets acquired under leases	11	3,634	143
		\$ 6,284	\$ 7,678

26. FINANCIAL INSTRUMENTS

Fair Values

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are unobservable (supported by little or no market activity).

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



The following table sets out the fair values of recognized financial instruments using the valuation methods and assumptions described below:

	December 31, 2025 Carrying amount	December 31, 2024 Carrying amount
Financial Assets		
Cash	\$ 353,865	\$ 123,097
Accounts receivable	2,970	2,481
Warrants	1,797	225
Restricted cash	2,661	2,804
Share consideration receivable	-	3,121
Marketable securities	22,931	4,206
	\$ 384,224	\$ 135,934
Financial Liabilities		
Accounts payable and accrued liabilities	\$ 70,556	\$ 53,153
	\$ 70,556	\$ 53,153

The fair value of cash, accounts receivable, restricted cash and payables approximate their carrying amounts. Marketable securities are measured at fair value using quoted prices in active markets which are considered Level 1 inputs. The fair value of the warrants and share consideration receivable is considered a Level 3 measurement.

Financial Instrument and Related Risks

1) Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. The market price movements that could adversely affect the value of the Company's financial assets and liabilities include commodity price risk, foreign currency exchange risk and interest rate risk.

(a) Commodity price risk

The Company's financial performance is closely linked to the price of gold which is impacted by world economic events that dictate the levels of supply and demand. The Company had no gold price hedge contracts in place as at or during the years ended December 31, 2025 and 2024.

(b) Foreign currency exchange risk

The Company's revenue is exposed to changes in foreign exchange rates as the Company's primary product, gold, is priced in U.S. dollars. The Company's Credit Facility is also valued in U.S. dollars. This gives rise to a risk that its revenue and debt may be adversely impacted by fluctuations in foreign exchange. The Company had no forward exchange rate contracts in place as at or during the years ended December 31, 2025 and 2024.

The following table illustrates the sensitivity of pre-tax earnings and equity in relation to fluctuations in the U.S. dollar denominated gold price for the years ended December 31, 2025 and 2024, with all other variables being constant. These percentages have been determined based on the average market volatility in gold price as quoted by the London Market Bullion Association in the preceding 12 months.

Sensitivity Analysis	Change	Impact on Earnings
2025	+/- 10%	\$ 91,321
2024	+/- 10%	\$ 55,758

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



(c) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company's cash includes highly liquid investments that earn interest at market rates. Fluctuations in market rates of interest do not have a significant impact on the Company's results of operations due to the short-term maturity of the investments held.

2) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company believes it has access to sufficient capital through internally generated cash flows and equity and debt capital markets. Executive management is also actively involved in the review and approval of planned expenditures.

The following table shows the timing of cash outflows relating to payables and accruals, purchase commitments and other financial obligations as at December 31, 2025:

	<1 Year	1-2 Years	3-5 Years	Over 5 Years
Accounts payable and accrued liabilities	\$ 70,556	\$ -	\$ -	\$ -
Lease liabilities	960	2,047	687	131
Purchase commitments	49,621	-	-	-
Decommissioning provisions	-	-	-	35,469
	<u>\$ 121,137</u>	<u>\$ 2,047</u>	<u>\$ 687</u>	<u>\$ 35,600</u>

3) Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The Company minimizes its credit risk by selling its gold exclusively to financial institutions. The Company's receivables consist of consideration receivable, government refunds and credits and advances to vendors on projects at the mines.

The Company estimates its maximum exposure to be the carrying value of cash and receivables. The Company manages the credit risk of cash and receivables by maintaining bank accounts and term deposits with Schedule 1 Canadian banks. The Company's cash is not subject to any external limitations. The Company limits risk on its consideration receivable by entering into business arrangements with highly rated counterparties.

Capital Risk Management

The Company's capital management objectives are intended to safeguard its ability to support normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital of the Company consists of items included in equity net of cash:

	December 31, 2025	December 31, 2024
Total equity	\$ 936,972	\$ 570,818
Cash	<u>(353,865)</u>	<u>(123,097)</u>
Capital	<u>\$ 583,107</u>	<u>\$ 447,721</u>

Notes to the Annual Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in thousands of Canadian dollars, except share and per share amounts)



27. INCOME TAXES

Deferred tax liability arising from temporary differences and unused tax losses are summarized as follows:

	January 1, 2025	Opening Balance Adjustment	Recognized in Equity	Recognized in OCI	Recognized in Profit and Loss	December 31, 2025
Unclaimed non-capital losses and capital losses	\$ 343	\$ (343)	\$ -	\$ -	\$ 2,129	\$ 2,129
Investment tax credit	-	-	-	-	-	-
Inventory	(2,078)	1	-	-	349	(1,728)
Unclaimed SR&ED expense	105	-	-	-	(4)	101
Deductible reclamation costs	7,423	-	-	-	941	8,364
Unclaimed financing costs	519	(1)	8	-	(445)	81
IFRS 16 liability	224	-	-	-	645	869
Fixed assets	(84,737)	5,815	-	-	(10,354)	(89,276)
Stock compensation	1,196	-	-	-	(797)	399
CMT credit	-	-	-	-	-	-
Mining tax	(15,410)	106	-	-	(5,027)	(20,331)
Investment	(238)	370	-	(1,563)	(342)	(1,773)
Net deferred tax liability	\$ (92,653)	\$ 5,948	\$ 8	\$ (1,563)	\$ (12,905)	\$ (101,165)
Deferred income tax liability	\$ (71,979)					\$ (73,846)
Deferred mining tax liability	(20,674)					(27,319)
Net deferred tax liability	\$ (92,653)					\$ (101,165)

	January 1, 2024	Opening Balance Adjustment	Recognized in Equity	Recognized in OCI	Recognized in Profit and Loss	December 31, 2024
Unclaimed non-capital losses and capital losses	\$ 1,538	\$ 1	\$ -	\$ -	\$ (1,196)	\$ 343
Investment tax credit	(3)	3	-	-	-	-
Inventory	(1,794)	2	-	-	(286)	(2,078)
Unclaimed SR&ED expense	105	(1)	-	-	1	105
Deductible reclamation costs	5,278	(1)	-	-	2,146	7,423
Unclaimed financing costs	494	(1)	-	-	26	519
IFRS 16 liability	949	-	-	-	(725)	224
Fixed assets	(82,387)	341	-	-	(2,691)	(84,737)
Stock compensation	1,542	(112)	-	-	(234)	1,196
CMT credit	4,401	1,839	-	-	(6,240)	-
Mining tax	(10,888)	(1)	-	-	(4,521)	(15,410)
Investment	(244)	(1)	-	(164)	171	(238)
Net deferred tax liability	\$ (81,009)	\$ 2,069	\$ -	\$ (164)	\$ (13,549)	\$ (92,653)
Deferred income tax liability	\$ (66,394)					\$ (71,979)
Deferred mining tax liability	(14,615)					(20,674)
Net deferred tax liability	\$ (81,009)					\$ (92,653)

Notes to the Annual Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of Canadian dollars, except share and per share amounts)



The following table reconciles the expected income tax expense at the combined federal and provincial statutory income tax rate of 25.58% (2024 - 25.46%) to the amounts recognized in the consolidated statements of income and comprehensive income.

	Years ended December 31,	
	2025	2024
Income before mining and income taxes	\$ 519,248	\$ 204,986
Expected income tax expense (recovery)	132,847	52,199
Permanent differences	(10,812)	(7,247)
Derecognition of deferred tax asset	(592)	127
Mining taxes	48,145	25,484
Rate change	(44)	(12)
Other	209	(1,036)
Income and mining tax expense	\$ 169,753	\$ 69,515
Attributed to:		
Current income tax expense	\$ 163,522	\$ 65,500
Deferred income tax expense	6,231	4,015
	\$ 169,753	\$ 69,515

Deferred tax assets for the following income tax losses and deductible temporary differences were not recorded since their utilization within the foreseeable future is not probable:

	Years ended December 31,	
	2025	2024
Unused earned depletion base	\$ 1,067	\$ 1,668
Capital losses	-	-
Resource properties	7,101	5,587
Total unrecognized income tax losses and deductions	\$ 8,168	\$ 7,255