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emc gold

Annual Report

for the year ended 31 December 2025

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Chairman's Letter

Following the Asturian Government's announcement in December 2024 of its new law on strategic investments, the Proyectos de Interés Estratégico Regional ("PIER"), the Company was the first investor to apply. Concurrently the Company also released an updated Scoping Study, which focussed on the re-engineering of a number of key project dynamics deemed important to both the community and government; specifically, life of mine and measures to reduce both surface and visual footprint. These engineering aspects are now being carried forward into further studies in 2026 to reduce the volume of tailings and the amount of surface land required during operations.

The PIER application progressed well during the year, going to public consultation over the summer. This was pre-empted with an information campaign, consisting of 8 video reels that in turn addressed the most common misinterpretations of the proposed project. This campaign was successful, achieving widespread community penetration and importantly debunking a number of legacy concerns, such as the use of cyanide in processing. An independent opinion poll conducted shortly after confirmed that over 60% of the community supported the Project, as long as it was designed and delivered in accordance with the most stringent environmental and social regards.

In November, the Company made the decision to withdraw its PIER application. Whilst the technical review of the application was nearing completion and the Company's expectation was that it was to achieve the criteria required it was unfortunately felt that the political environment was not supportive of the Project. By withdrawing the Company importantly retains the right to re-submit at a later date.

In recognition of the successful momentum achieved by a first Spanish focussed private placement in 2024 the Company conducted a second in late 2025. Going into the new year the Company is almost 30% Spanish owned and the benefit of having active, local advocates for the Project has become obvious. The sentiment towards the Project is growing positively both locally and regionally and equally opposition to the development of the Salave Gold Project is diminishing.

As our investors already know, our key community stakeholders are also now becoming clearer that a well-designed, environmentally sympathetic, best in class underground mining operation will bring long lasting and significant economic and social advantages. In 2025 the number of retired people in Tapia overtook those in work for the first time. The Spanish government had already declared the community to be in 'demographic crisis'. Tapia and the wider region have the option to change this and increasingly are realising that this is to be embraced and that they have the absolute right to help shape its design and delivery to achieve the mutual benefits that such an operation can deliver.

The dramatic increase in gold price, starting in 2024, continued throughout 2025. And more over the mid to long term consensus pricing is bullish and very much in favour of developers. Any new economic study on Salave, even using a 2 or 3 year trailing price would yield the impressive financial dynamics that the Company's investors are steadfastly and patiently waiting for. The focus in 2025 was to advance the permitting of the project predominantly through achieving community consent. It remains the absolute focus going into 2026. This remains, for all stakeholders, too good a project not to succeed.

Dominic Roberts
Executive Chairman

Company Directory

EMC Gold Corporation (formerly Black Dragon Gold Corporation) (the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on August 20, 2007 and is classified as a junior mining issuer with the Australian Securities Exchange (“ASX”) and as a Canadian non venture issuer.

EMC Gold Corporation is incorporated in British Columbia, company incorporation number BC0800267.

EMC Gold Corporation is a Registered Foreign Company in Australia: ARBN 625522250.

Directors

Dominic Roberts (Executive Chairman)

Paul Cronin (Non-Executive Director)

Alberto Lavandeira (Non-Executive Director)

Gabriel Chiappini (Non-Executive Director)

Heidy Arocha (Non-Executive Director) (appointed January 21, 2025, resigned September 15, 2025)

Company Secretary

Gabriel Chiappini

Chief Financial Officer

Amy Fink

Canadian Registered Office

Suite 2200, 1021 West Hastings Street, Vancouver, BC V6E 0C3

Email: info@emcgold.com.au

Australian Registered Office

Level 1, 10 Outram Street, West Perth, WA 6005.

Auditor

BDO Audit Pty Ltd, Level 9, Mia Yellagonga Tower 2, 5 Spring Street, Perth Western Australia 6000

Stock Exchange Listing

Australian Securities Exchange (Code: EM3 (formerly BDG))

Australian Share Registry

Computershare Investor Services Pty Limited Level 17, 221 St Georges Terrace, Perth WA 6000

T: 1300 787 272 F: (08) 9323 2033 E: web_queries@computershare.com.au

Canadian Share Registry

Computershare Investor Services Inc. 510 Burrard St, Vancouver, BC, V6C 3B

Company Website

www.emcgold.com.au

Directors' Report

Corporate

On December 12, 2025 the Company changed its name from Black Dragon Gold Corporation to EMC Gold Corporation. The ASX ticker code changed from BDG to EM3.

Ms Arocha was appointed as Non-Executive Director on January 21, 2025 and resigned on September 15, 2025.

Shares issued

During the current year, 19,116,667 options with an exercise price of AUD\$0.03 and expiry date of June 14, 2027, were converted to fully paid shares, raising \$514,125 (AUD\$663,485). \$8,903 (AUD\$10,000) of which was received in late December, 2024.

On November 24, 2025, the Company completed a private placement to certain high net worth Spanish investors, issuing 79,887,349 Chess Depository Interest ('CDI's') at \$0.054 (AUD\$0.059) per CDI, raising \$4,265,954 (AUD\$4,688,681) (net of costs).

Salave Gold Project

EMC Gold Corporation (EMC Gold or the Company) is the 100% owner of one of the largest undeveloped gold projects in Europe. During the current year, the Company focused on progressing the Salave Gold Project in North-West Spain (the 'Project'), in the Asturias region with the Company continuing to support the Environmental Impact Assessment ('EIA') permitting process with continual dialogue with Spanish stakeholders.

As announced on March 31, 2025, the Company released the results of an updated Scoping Study ('Study') completed by Bara Consulting (UK) Ltd ('Bara') on the Salave Gold Project. This updated Study is based on the same geology/grade block model used during the Minerals Resource evaluation in 2018 (refer ASX announcement, October 25, 2018), as no further exploration results are currently available.

The 2018 Mineral Resource model was reviewed and re-reported by Bara under current assumptions and parameters underpinning reasonable chances of eventual economic extraction (RPEEE), considering the significant impact of both inflation and gold prices since 2018.

The Study demonstrates robust economics for an underground mining operation with a 14-year mine life plus 2 years of pre-production development and concurrent closure. This includes considerable improvements in nearly all financial production metrics with minimal impact on project development and sustaining costs.

A substantial portion of the presently estimated resource is in either the Measured (9%) or Indicated (66%) category, sufficient to support further studies at pre-feasibility study (PFS) levels of detail.

Potential for resource extension both at depth as well as along strike through further exploration drilling has been identified. An updated assessment of mining, processing and infrastructure aspects of the Project, including costs and economic analysis, has been undertaken.

Environmental baselining work continues, and an initial EIA to meet Spanish requirements has been submitted for consideration by relevant authorities. See below for further details.

Additionally, the Company submitted an application to the Government of Asturias for Salave to be approved as a Strategic Project through the newly promulgated Asturian law on Strategic Investments. See below for further details.

The Company's tenure includes five Mining Concessions and associated extensions covering 662 ha and an Investigation Permit covering another 2,655 ha. Within the concession boundaries, the Company owns 109,753 m² of freehold land over the surface mineralization.

The project has had some €55 million spent on its development and resource definition. A prominent geophysical anomaly coincident with favourable geology, alteration and mineralization defines a significant gold target that prompted intense drilling campaigns by major gold companies resulting in some 69,000 metres of drilling plus extensive social, environmental and engineering studies and testwork.

The 2018 Mineral Resource Estimate ("MRE") has been reported and classified as Measured, Indicated and Inferred in accordance with CIM Definition Standards (May, 2014) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition) ("JORC Code") and is therefore suitable for public release. The classification level is based upon an assessment of geological understanding of the deposit, geological and grade continuity, drill-hole spacing, quality control results, search and interpolation parameters, and analysis of available density information.

Based on a cut-off grade of 1.45 grams per tonne gold, the Salave project has a Measured and Indicated Mineral Resource Estimate containing 1.25 million ounces of gold grading 3.01 grams per tonne and additional Inferred Mineral Resource of 0.31 million ounces of gold grading 2.34 grams per tonne, as set out in Table 1, below.

| Resource classification | Tonnes (Mt) | Au grade (g/t) | Au contained metal (Moz) |
|-----------------------------|-------------|----------------|--------------------------|
| Measured | 1.6 | 3.82 | 0.20 |
| Indicated | 11.3 | 2.90 | 1.06 |
| Measured + Indicated | 13.0 | 3.01 | 1.25 |
| Inferred | 4.1 | 2.34 | 0.31 |

Table 1: Salave MRE statement, JORC 2012 (as of February 1, 2025)

Notes:

- Classification of the MRE has been set out in accordance with the requirements set out in the JORC Code (2012 Edition); for more details refer to ASX announcement March 31, 2025, Appendix 2, Technical Summary.
- The MRE tonnes and grade stated is that material that is constrained by conceptual Mine Shape Optimiser (MSO) shapes produced by incorporation of the following parameters; gold price of US\$2,405/oz¹, mining recovery of 100%, mining dilution of 0%, processing recovery of 97%, mining cost of US\$55/t, processing cost of US\$25/t, general and administration (G&A) costs of US\$5/t, and a royalty of US\$2.5/t, reflecting RPEEE, and a cut-off grade of 1.45 g/t Au (at 80% payability).
- All density values were interpolated into the block model from density sampling data using Inverse Distance Weighting (IDW), raised to the second power, except for the CHL and SER domains where a single density value of 2.67 t/m³ was used. The average interpolated density is 2.67 t/m³.
- Tonnes are quoted as rounded to the nearest 100,000 tonnes and contained metal to the nearest 10,000 ounces to reflect these as estimates.
- Rows and columns may not add up exactly due to rounding.
- Mineral Resources that are not Ore Reserves do not have proven economic viability.
- The quantity and grade of Inferred Resources are based on data that are insufficient to allow geological and grade continuity to be confidently interpreted such that they may be classified as Indicated or Measured Mineral Resources. Whilst it is the opinion of the Competent Person that it would be reasonable to expect that Inferred Mineral Resources might be upgraded to Indicated Mineral Resources following additional exploration, it should not be assumed that such upgrading would occur.
- The Competent Person responsible for the preparation of the MRE is Mr. Galen White, BSc. (Hons), FAusIMM, FGS.

During FY25 EMC Gold continued to progress and de-risk the permitting and development of the Salave Gold Project in Northern Spain in the province of Asturias.

- **Salave Environmental Impact Assessment:** In July 2021, EMC Gold, via its Spanish subsidiary, Exploraciones Mineras del Cantábrico (EMC) submitted the Environmental Impact Assessment (EIA) to the Asturian Ministry of Mines. Following the submission of the EIA, EMC Gold has been working closely with Government of the Principality of Asturias in Spain to manage and work through the public consultation period. In Q1 2022, the Company was in receipt of the public comments collated via the EIA public consultative period and in May 2022, the Company submitted its final dossier containing its reply to all the EIA public comments. Following the consultation period, the Company has had constant dialogue in response to and following up additional queries and clarifications to the EIA and public comments. During the current year discussions continued to occur between the Company and key stakeholders including the recently elected Asturian Regional Government, led by Spain-based General Manager Jose Dominguez. Company representatives remain in constant communication with the Asturian Regional Government to progress EIA approvals and relevant zoning changes for Salave Gold that are critical to its development pathway.
- **Land re-zoning:** The Company's application for the re-zoning, from agricultural to industrial, of the land required for the planned surface infrastructure was accepted by the Tapia de Casariego Town Council municipality in April 2024. Seven months later the Municipality convened an extraordinary plenary session and rejected the application claiming prohibitive restrictions in the 2016 Urbanistic Plan. The Company's legal advisors dispute the grounds upon which the application was rejected and have subsequently challenged the decision before the High Court of Justice in Asturias.
- **Application for Strategic Status:** On December 17, 2024, the Principality of Asturias adopted a new law on strategic investments, the Proyectos de Interés Estratégico Regional ("PIER"). This law was drafted with the specific intent of both de-bottlenecking and accelerating economically important projects within the Principality and the Salave Gold Project fulfills all of its investment, employment and environmental requirements. Appropriately, the Company applied to be considered for strategic status on 30 December 2024. On July 25, 2025 the Principality of Asturias SEKUENS Agency, the body charged with evaluation the Strategic Project applications, announced that the Project application will be available for public consultation for twenty working days, from July 28 until August 25, 2025. The process followed the independent compilation of results from detailed opinion polls carried out in the Asturias region and more specifically Tapia de Casareigo municipality in which Salave is located. Results determined that Salave would have majority support of more than 63% of the community, provided the Company complies with its legal obligations and stated commitments. Almost two thirds of those polled showed little or no confidence that the region would be able to offer job opportunities in the future. Overwhelmingly, the community asked to see sustainable development through investment, quality job creation and alignment with the objectives of the Municipal Council. This research is particularly valuable given the Municipality's population declined 9 per cent in the decade to 2024, and for the first time in its history there are more retired people than employed people living in the community.

On November 3, 2025 the Company announced it had withdrawn its application for the Salave Gold Project to be declared a Project of Strategic Investment. By withdrawing the application, the Company preserves the right to submit a new application in the near future. Any future submission would include additional documentation, incorporating potential enhancements to the Project and unequivocal evidence of its strategic value for both the local area and the wider region. These

additions are expected to strengthen both the quantitative and qualitative criteria that are assessed by the Principality of Asturias when considering their approval as a Project of Strategic Interest.

- **Investigation Permit Sallave Extended:** In quarter 1 2022, the Company successfully rolled over its Sallave Investigation Permit with the Government of the Principality of Asturias for a further 3 years. The Sallave Investigation Permit allows EMC Gold the rights to align the location of the mineral resources with the investigation area, thereby retaining the exploration rights over EMC Gold's land package in a favourable geological setting outside of and contiguous to, the mining concessions that hosts the Salave Gold Deposit. During the current year, discussions have been ongoing with the Government in managing the partial transformation of the Sallave Investigation Permit into a mining concession adjacent to the current Mining Rights of the Salave Gold Project. This Permit allows the Company to conduct exploration in the adjacent area to the Salave Gold Project. The Investigation Permit IP Sallave has been extended for a further 3 years, to February 10, 2028.
- **Drilling Permit Received for Salave Gold Project:** During the first half of 2022, the Government of the Principality of Asturias issued EMC Gold's 100% owned Spanish subsidiary, Exploraciones Mineras del Cantábrico with an 18-hole drilling permit for the Salave Gold Project. The drill hole locations were based on stringent environmental selection criteria to avoid conflicts with local landowners and to comply with the Government's planning framework. This drilling campaign's main focus is to undertake infill drilling to improve the resource classification from inferred to indicated and from indicated to measured, for mine planning and for geotechnical & metallurgical core samples as part of a definitive feasibility study.

The Company will continue to maintain an open and responsive relationship with the Asturian Government. Subject to permitting success and funding the Company does intend to expand its Salave exploration programme to identify new zones of mineralization and undertake infill drilling.

Spanish Operating Environment & In-Country Management Team

The Salave Gold Project is in Spain and is subject to governmental, political, economic, and other uncertainties, including, but not limited to, expropriation of property, changes in mining policies or the personnel administering them. The Company's operations may also be adversely affected by laws and policies of Spain (Salave Gold Project) and Australia (with regards to Marlee Gold Project) affecting foreign trade, taxation and investment.

In the event of a dispute arising in connection with the Company's operations in Spain, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgements in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity.

Accordingly, the Company's exploration, development and production activities in Spain could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company.

The Company may in the future acquire additional mineral properties and operations outside of Spain, which expansion may present challenges and risks that the Company has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Company. Any material adverse changes in government policies or legislation of Spain, Canada, Australia or any other country that the Company has economic interests may affect the viability and profitability of the Company.

The Company's activities will involve mineral exploration and mining and regulatory approval of its activities may generate public controversy. Political and social pressures and adverse publicity could lead to delays in the approval of, and increased expenses for, the Company's activities. The nature of the Company's business attracts a high level of public and media interest and, in the event of any resultant adverse publicity; the Company's reputation may be harmed.

The Spanish team is led by our General Manager, Mr Jose Manuel Dominguez, who is a mining engineer with more than 30 years of experience across various projects in Spain, Portugal and Italy, including as a general manager for Luzenac Europe (part of the Rio Tinto Group) from 1999 to 2006, a general manager for Rio Tinto Minerals Spain (part of the Rio Tinto Group) from 2006 to 2011 and a general manager of Imerys Talc Ital (part of the Imerys Group) from 2014 to 2016.

Marlee Gold Project divestment in prior year and update

During 2024, the Company successfully negotiated the 100% sale of its Padbury Gold assets located in the North Yilgarn Craton near Meekatharra to Parbo Resources. Tenements sold were Padbury Gold (E51/1942) and Padbury Gold Extension (E51/1969). Cash consideration of \$135,535 (AUD\$150,000) (excluding GST) was received during the prior year. The Company retains the 115km² Ivan Well tenement (E69/3818) further north-east towards Wiluna in the northern Goldfields, which still offers early-stage exploration potential for untested gold anomalism. The Company continues taking a responsible fiscal approach while looking at potential exploration activity for the 100 per cent-owned Ivan Well (E69/3818) exploration license.

EMC Gold's Key Principles

The Company has the following key principles:

- demonstrate a commitment to health, safety, security, sustainability and environment at all locations and maintain a safe, healthy work environment;
- ensure adequate resources are allocated to health, safety, security, sustainability and environmental performance;
- comply with local laws relating to health, safety, security, sustainability and environment as well as embrace international laws and best practice, where possible;
- respect for human rights and social and cultural rights including the rights of indigenous and vulnerable people; promote where possible, local communities through procurement and employment practice;
- and ensure that proper management systems for health, safety, security, sustainability and environment
- are in place through training, information sharing and continuous monitoring

Result for FY25

During the year ended December 31, 2025 (the 'current year', or 'FY25'), the Company recorded net loss of \$1,756,342 compared to a net loss of \$3,346,960 during the year ended December 31, 2024 (the 'comparative year').

Subsequent Events

The 18,500,000 performance rights granted to Directors, staff and Consultants at the Company's Annual General Meeting on December 31, 2025, were issued on January 28, 2026. Refer to Note 6 for details.

On February 12, 2026, 3,750,000 options with an exercise price of AUD\$0.03 and expiry date of June 14, 2027, were converted to fully paid shares, raising \$108,444 (AUD\$112,500).

On March 3, 2026, 1,500,000 options with an exercise price of AUD\$0.03 and expiry date of June 14, 2027, were converted to fully paid shares, raising \$43,555 (AUD\$45,000).

There were no other material subsequent events to December 31, 2025.

Corporate Governance Statement

The Board of Directors of EMC Gold Corp. is responsible for establishing the corporate governance framework of the group having regard to the ASX Corporate Governance Council published guidelines. The Board guides and monitors the business and affairs of the group on behalf of the shareholders by whom they are elected and to whom they are accountable. The Board has adopted a corporate governance manual, based upon ASX Corporate Governance Council's Principles and Recommendations - 4th Edition. The board considers the Corporate Governance Manual to be suitable for the Company, given the size, history and current strategy of the Company.

The Company's Corporate Governance Manual together with the Appendix 4G 'Key to Disclosures Corporate Governance Council Principles and Recommendations', have been approved by the Board and can be located on the Company's website at <https://www.emcgold.com> – Investors- Corporate Governance Statement.

Remuneration policy for Executives and Management

Given the size of the company, the Articles, and the board structure at December 31, 2025 the company had not established a separate Remuneration and Nominations Committee with relevant matters being considered by the full Board of the Company.

The Directors have responsibility for the appointment and performance assessment of the Chief Executive Officer (or CEO equivalent) and Chief Financial Officer, Company Secretary, other senior executives and terms and conditions including remuneration and approving the Company's remuneration and rewards framework. When considering the remuneration policy for the Company's Executives and Management the Board will consider performance and achievement in line with the Company's objectives and ensure the interests of shareholders and stakeholders are enhanced. The Board will perform an annual review to ensure a strong link between performance and reward is made and will form part of the annual remuneration review.

Share options and Performance Rights

The Company has adopted a company share option plan (Plan). The Plan forms what the Board considers to be an important element of the Company's total remuneration strategy for its officers and staff. There were 20,000,000 share options granted during the prior year to Directors (FY24), and 9,250,000 Class A Performance Rights and 9,250,000 Class B Performance Rights granted during the current year (FY25) to Directors, staff and consultants of the Company. Refer Note 6 for details.

Remuneration policy for Non-Executive Directors

The Directors have responsibility to review, monitor and make recommendations to the Board regarding the orientation and education of directors which includes an annual review of the directors' compensation program.

The Company Articles provide that each Director is entitled to such remuneration from the Company as the Directors decide. The remuneration of the Non- Executive Directors must not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the proposed increase has been

given to Shareholders in the notice convening the meeting. During 2025 the following changes were made to the Non-Executive Directors' remuneration packages or fees as follows;

- Non-Executive Director, Alberto Lavandeira's monthly fee of £1,667 (CAD\$3,074) was increased to £2,083 (CAD\$3,842) on April 1, 2025.

Directors' remuneration

The remuneration of the Non-Executive Directors is determined by the Board as a whole, based on a review of current practices in other equivalent companies. The Non-Executive Directors each have service agreements that are reviewed annually by the Board.

The Company paid the following remuneration to each Director during the year:

| 2025 | Salary/Fee CAD\$ | Long term benefit ¹ CAD\$ | Total CAD\$ |
|---------------------------|---------------------|---|----------------|
| Dominic Roberts | 183,948 | - | 183,948 |
| Paul Cronin | 46,023 | - | 46,023 |
| Gabriel Chiappini | 88,012 | - | 88,012 |
| Alberto Lavandeira | 44,136 | - | 44,136 |
| Heidy Arocha ² | 29,828 | - | 29,828 |
| Total | 391,947 | - | 391,947 |

¹ Long term benefit relates to share based payments expense. Refer to Note 6 for details.

² Appointed as Non-Executive Director January 21, 2025 and resigned September 15, 2025.

The annual Directors fees at December 31, 2025 is as follows, converted to CAD\$ at the year-end foreign exchange rates:

| | Salary/Fee |
|--------------------|------------------------|
| Dominic Roberts | \$184,430 (£100,000) |
| Paul Cronin | \$46,107 (£25,000) |
| Gabriel Chiappini | \$82,425 (AUD\$90,000) |
| Alberto Lavandeira | \$46,107 (£25,000) |
| Total | \$359,069 |

Directors' Share options

Number of options held by Directors during the current year are as follows:

| Director Non-Executive & Executive | As at December 31, 2024 | Movement during the year | | | As at December 31, 2025 | Vested as at December 31, 2025 |
|--|-------------------------------|--------------------------|----------|---------------------------|-------------------------------|--------------------------------------|
| | | Granted | Expired | Exercised | | |
| Dominic Roberts | 6,750,000 | - | - | - | 6,750,000 | 6,750,000 |
| Paul Cronin | 16,053,334 | - | - | (10,000,000) ² | 6,053,334 | 6,053,334 |
| Gabriel Chiappini | 6,750,000 | - | - | - | 6,750,000 | 6,750,000 |
| Alberto Lavandeira | 7,940,000 | - | - | (2,500,000) ² | 5,440,000 | 5,440,000 |
| Heidy Arocha ¹ | - | - | - | - | - | - |
| Total | 37,493,334 | - | - | (12,500,000) | 24,993,334 | 24,993,334 |

¹ Appointed as Non-Executive Director January 21, 2025 and resigned September 15, 2025.

² Option exercise price of \$0.03 (AUD\$0.03) and expiry date of June 14, 2027.

Directors' Performance Rights

Number of performance rights held by Directors during the current year are as follows:

| Director Non-Executive & Executive | As at December 31, 2024 | Movement during the year | | As at December 31, 2025 | Vested as at December 31, 2025 |
|--|-------------------------------|--------------------------|--------------------------|-------------------------------|--------------------------------------|
| | | Granted ² | Expired | | |
| Dominic Roberts | 5,000,000 | 5,000,000 | (5,000,000) ³ | 5,000,000 | - |
| Paul Cronin | - | 3,000,000 | - | 3,000,000 | - |
| Gabriel Chiappini | 5,000,000 | 3,000,000 | (5,000,000) ⁴ | 3,000,000 | - |
| Alberto Lavandeira | - | 3,000,000 | - | 3,000,000 | - |
| Heidy Arocha ¹ | - | - | - | - | - |
| Total | 10,000,000 | 14,000,000 | (10,000,000) | 14,000,000 | - |

¹ Appointed as Non-Executive Director January 21, 2025 and resigned September 15, 2025.

² At the Company's Annual General Meeting, held on December 31, 2025, 9,250,000 Class A Performance Rights and 9,250,000 Class B Performance Rights were granted to Directors, staff and consultants of the Company. The Performance Rights convert into ordinary shares upon the achievement of the following milestone hurdles:

- Class A Performance Rights: Vest upon the Government of the Principality of Asturias delivering a positive formal outcome on the Company's Environmental Impact Assessment for the Salave Gold Project.
- Class B Performance Rights: Vest upon The Company receiving approvals from the Tapia Municipality for the Urban Planning & the Modification Permits for the Salave Gold Project.

Each milestone has a 2-year life from issue date. As at December 31, 2025, none of the performance rights have vested. The share price on grant date has been used to calculate the fair value of the performance rights. The fair value is \$1,507,924 and will be recognised over the estimated vesting period. During the current year, the Company recognized \$nil of share-based compensation expense, as the likelihood of vesting is less than probable. Refer to Note 6 for further details.

³ During the prior year, Executive Chairman Mr Dominic Roberts was awarded an incentive plan comprising of the issue of 5,000,000 performance rights that convert into ordinary shares upon the achievement of the following share price milestone hurdles:

- 2,500,000 Class A performance rights convert to shares upon issuance of an environmental Impact Assessment in relation to the Company's Salave Gold Project; and
- 2,500,000 Class B performance rights convert to shares upon issuance of upon issuance of the Tapia Urban Planning & Modification Permit in relation to the Company's Salave Gold Project

All performance rights expired, unvested on June 30, 2025. The share price on grant date has been used to calculate the fair value of the performance rights. The fair value is \$202,136. During the current year, the Company recognized \$nil of share-based compensation expense (2024: \$nil).

⁴ As part of Gabriel Chiappini's Chief Executive Officer appointment in March 2022, he was issued with a long-term incentive plan comprising of the issue of 5,000,000 performance rights that convert into ordinary shares upon the achievement of the following share price milestone hurdles:

- Tranche A: 1,500,000 performance rights convert to shares upon the Company's volume weighted average price of shares on ASX over 20 consecutive dates on which the Company's fully paid ordinary shares are traded exceeding AUD\$0.10;
- Tranche B: 1,500,000 performance rights convert to shares upon the Company's volume weighted average price of shares on ASX over 20 consecutive dates on which the Company's fully paid ordinary shares are traded exceeding AUD\$0.15; and
- Tranche C: 2,000,000 performance rights convert to shares upon the Company's volume weighted average price of shares on ASX over 20 consecutive dates on which the Company's fully paid ordinary shares are traded exceeding AUD\$0.20.

Each milestone has a 3-year milestone conversion date. As at March 3, 2025 the performance rights expired, unvested.

The fair value of the performance rights is \$293,499. During the current year, the Company recognised \$nil of share-based compensation expense in respect of these performance rights (2024: \$nil). The total fair value of the performance rights was expensed during FY23, as the milestones are market-based in nature. The performance rights were valued using the Trinomial Pricing Model, with the following inputs used:

| Tranche | A | B | C |
|------------------------------|--------------|--------------|--------------|
| Number of performance rights | 1,500,000 | 1,500,000 | 2,000,000 |
| Grant date | 3 March 2022 | 3 March 2022 | 3 March 2022 |
| Expiry date | 3 March 2025 | 3 March 2025 | 3 March 2025 |
| Risk-free rate | 1.499% | 1.499% | 1.499% |
| VWAP barrier | AUD\$0.10 | AUD\$0.15 | AUD\$0.20 |
| Stock volatility | 90% | 90% | 90% |
| Share price at grant date | AUD\$0.08 | AUD\$0.08 | AUD\$0.08 |
| Exercise price | \$nil | \$nil | \$nil |
| Fair value per right (AUD\$) | AUD\$0.072 | AUD\$0.064 | AUD\$0.057 |
| Fair value per right (\$) | \$0.067 | \$0.059 | \$0.052 |

Directors' Shares

The number of shares held by Directors during the current year is as follows:

| Director | As at December 31, 2024 | Movement during the year | | | As at December 31, 2025 |
|--------------------------------------|-------------------------|--------------------------|-----------------------------------|--------------------------|-------------------------|
| | | Acquired on market | Acquired from exercise of options | Other changes | |
| Non-Executive & Executive | | | | | |
| Dominic Roberts | 1,750,000 | - | - | - | 1,750,000 |
| Paul Cronin | 23,025,427 | 10,000,000 | 3,000,000 | (1,666,666) ² | 34,358,761 |
| Gabriel Chiappini | 3,164,035 | - | - | - | 3,164,035 |
| Alberto Lavandeira | 5,476,598 | 5,162,255 | 2,500,000 | - | 13,138,853 |
| Heidy Arocha ¹ | - | - | - | - | - |
| Total | 33,416,060 | 15,162,255 | 5,500,000 | (1,666,666) | 52,411,649 |

¹ Appointed as Non-Executive Director January 21, 2025 and resigned September 15, 2025.

² Gifted to a long time consultant to the Company.

Directors' Interests

The Directors' interests in shares and other securities in EMC Gold as at December 31, 2025 are detailed below:

| Director Non-Executive & Executive | Number of: | | |
|------------------------------------|-------------------|-------------------|--------------------|
| | Ordinary Shares | Options | Performance Rights |
| Dominic Roberts | 1,750,000 | 6,750,000 | 5,000,000 |
| Paul Cronin | 34,358,761 | 6,053,334 | 3,000,000 |
| Alberto Lavandeira | 3,164,035 | 6,750,000 | 3,000,000 |
| Gabriel Chiappini | 9,638,853 | 5,440,000 | 3,000,000 |
| Heidy Arocha ¹ | - | - | - |
| Total | 48,911,649 | 24,993,334 | 14,000,000 |

¹ Appointed as Non-Executive Director January 21, 2025 and resigned September 15, 2025.

Directors Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and applicable Canadian Company law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Canada governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report is signed in accordance with a resolution of the board of Directors and is signed on behalf of the Directors by:

Dominic Roberts

Dominic Roberts

Executive Chairman

March 27, 2026

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**EMC GOLD CORPORATION
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)**

**FOR THE YEARS ENDED
DECEMBER 31, 2025 AND 2024**

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INDEPENDENT AUDITOR'S REPORT

To the members of EMC Gold Corporation

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of EMC Gold Corporation and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, consolidated statement in changes of shareholders' equity and consolidated statement of cash flows for the years 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 financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Unlisted option liability

| Key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>EMC Gold Corporation granted unlisted options as part of a placement in 2024. These options have an exercise price fixed in Australian dollars, and the Company’s functional currency is the Canadian dollar. This results in a derivative liability under IFRS 9 <i>Financial Instruments</i>, as a variable amount of cash in the Company’s functional currency will be received on exercise of the unlisted options.</p> <p>Accordingly, the unlisted options issued as part of CDI financings are classified and accounted for as option derivatives, as they do not meet the fixed-for-fixed criteria under IAS 32. The option liability is fair valued using the Black-Scholes valuation model and must be revalued each time options are exercised and at each reporting date.</p> <p>This matter has been identified as a Key Audit Matter as it required significant auditor attention and included fair value estimates, judgments, and assumptions to be made, including inputs such as the option exercise price, expected life, volatility, risk-free interest, among others</p> | <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Inquiring whether there had been any changes or modifications to the option liability during the year; • Recalculating the revaluation of the Black-Scholes model and verified inputs, engaging a valuation specialist to review the volatility; • Considering the impact of options exercised during the year; • Assessing the accuracy of the change in fair value and recognition of the gain/loss; and • Considering the adequacy of disclosures within the half-year financial report, including the application of IFRS 9. |

Other information

Management is responsible for the other information. The other information comprises the Management 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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Responsibilities of management and those charged with governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 International Standards on Auditing 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 International Standards on Auditing, 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 units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Jarrad Prue.

BDO Audit Pty Ltd

BDO



Jarrad Prue

Director

Perth, 27 March 2026

Consolidated Statement of Financial Position

(Expressed in Canadian dollars)

| | Note | As at December 31, 2025 | Restated as at December 31, 2024 | As at January 1, 2024 |
|---|------|-------------------------------|--|-----------------------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | | 4,836,397 | 1,444,580 | 464,265 |
| Receivables | 3 | 78,231 | 63,953 | 71,191 |
| Total current assets | | 4,914,628 | 1,508,533 | 535,456 |
| Non-current assets | | | | |
| Deposits | | 4,674 | 4,337 | 2,131 |
| Total non-current assets | | 4,674 | 4,337 | 2,131 |
| Total assets | | 4,919,302 | 1,512,870 | 537,587 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Accounts payable and accrued liabilities | 5 | 186,075 | 138,703 | 121,727 |
| Unlisted option liability | 9 | 2,485,650 | 2,803,703 | - |
| Total current liabilities | | 2,671,725 | 2,942,406 | 121,727 |
| Total liabilities | | 2,671,725 | 2,942,406 | 121,727 |
| Shareholders' equity | | | | |
| Share capital | 6 | 32,871,619 | 28,091,540 | 27,292,949 |
| Share premium reserve | 6 | 905,137 | 254,665 | - |
| Warrants | | - | - | 4,724,574 |
| Share based Payments Reserves | 6 | 996,992 | 1,290,490 | 6,303,548 |
| Foreign currency reserve | | 5,099 | 2,195 | 1,952 |
| Accumulated loss | | (32,531,270) | (31,068,426) | (37,907,163) |
| Total shareholders' equity | | 2,247,577 | (1,429,536) | 415,860 |
| Total liabilities and shareholders' equity | | 4,919,302 | 1,512,870 | 537,587 |

Notes:

1. Restated as per Note 2 Basis of Preparation – Restatement of Comparatives.

The consolidated statement of financial position should be read in conjunction with the notes.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Canadian dollars)

Year ended

| | Note | December 31, 2025 | December 31, 2024 |
|---|------|----------------------|----------------------|
| Income | | | |
| Interest income | | 5,944 | 6,372 |
| Other income | 4 | - | 126,500 |
| Total income | | 5,944 | 132,872 |
| Expenses | | | |
| Consulting | | (109,597) | (104,116) |
| Directors' fees | 8 | (391,947) | (335,605) |
| Exploration and evaluation costs | | (97,317) | (141,632) |
| Filing fees | | (44,278) | (32,955) |
| Foreign exchange loss | | (9,292) | (30,175) |
| General and administrative | | (316,026) | (241,488) |
| Professional fees | | (365,310) | (180,634) |
| Rent | | (14,328) | (12,406) |
| Shareholder communications | | (20,888) | (16,432) |
| Share-based compensation | 6, 8 | - | (448,065) |
| Transfer agent | | (10,383) | (8,416) |
| Travel and related | | (50,500) | (38,820) |
| Loss on fair value change of options liability | 9 | (332,420) | (1,889,088) |
| Total expenses | | (1,762,286) | (3,479,832) |
| Loss before income tax | | (1,756,342) | (3,346,960) |
| Income tax expense | | - | - |
| Net loss | | (1,756,342) | (3,346,960) |
| Other comprehensive loss | | | |
| Items that may be subsequently reclassified to profit or loss | | | |
| Foreign currency translation gain | | 2,905 | 243 |
| Comprehensive loss for the year, net of tax | | (1,753,437) | (3,346,717) |
| Basic and diluted loss per common share (cents) | 17 | (0.55) | (1.34) |

The consolidated statement of profit of Loss and comprehensive income should be read in conjunction with the notes.

Consolidated Statement of Cashflows

(Expressed in Canadian dollars)

Year ended

| | Note | December 31, 2025 | December 31, 2024 |
|---|------|----------------------|----------------------|
| Operating activities | | | |
| Loss for the year | | (1,756,342) | (3,346,960) |
| Adjustments for: | | | |
| Share-based compensation | 6,8 | - | 448,065 |
| Interest received | | (5,944) | (6,372) |
| Loss on fair value change to options liability | 9 | 332,420 | 1,889,088 |
| Foreign exchange loss | | 9,292 | 30,175 |
| Changes in non-cash working capital items: | | | |
| (Increase) / decrease in receivables | | (14,616) | 5,032 |
| Increase in accounts payable and accrued liabilities | | 47,373 | 16,977 |
| Net cash used in operating activities | | (1,387,817) | (963,995) |
| Investing activities | | | |
| Interest income | | 5,944 | 6,372 |
| Net cash provided by investing activities | | 5,944 | 6,372 |
| Financing activities | | | |
| Shares issued for cash, net | 6 | 4,265,954 | 1,805,896 |
| Shares issued upon exercise of options | 6 | 505,222 | 161,974 |
| Net cash provided by financing activities | | 4,771,176 | 1,967,870 |
| Effect of movement in exchange rates on cash held | | 2,513 | (29,932) |
| Net change in cash and cash equivalents | | 3,391,816 | 980,315 |
| Cash and cash equivalents at beginning of year | | 1,444,580 | 464,265 |
| Cash and cash equivalents at end of year | | 4,836,397 | 1,444,580 |
| Cash paid during the year for interest | | - | - |
| Cash paid during the year for taxes | | - | - |

The consolidated statement of cashflows should be read in conjunction with the notes.

Consolidated Statement of changes in Shareholders' Equity

(Expressed in Canadian dollars)

Year ended December 31, 2024

Share Capital

| | Number of shares | Amount | Warrants | Share based payment reserve | Foreign currency translation reserve | Deficit | Total |
|--|--------------------|-------------------|----------------|-----------------------------------|--|---------------------|--------------------|
| | No. | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance December 31, 2023 | 200,670,055 | 27,292,949 | 4,724,574 | 6,303,548 | 1,952 | (37,907,163) | 415,860 |
| Reclassification of expired reserve | - | - | (4,724,574) | (5,461,123) | - | 10,185,697 | - |
| Loss for the year | - | - | - | - | - | (4,031,646) | (4,031,646) |
| Foreign currency reserve | - | - | - | - | 243 | - | 243 |
| Total comprehensive loss for the year | - | - | - | - | 243 | (4,031,646) | (4,031,403) |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Shares issued (net of costs) | 95,329,340 | 1,805,897 | - | - | - | - | 1,805,897 |
| Shares issued upon exercise of options | 5,883,333 | 161,974 | - | - | - | - | 161,974 |
| Share-based compensation | - | - | - | 448,065 | - | - | 448,065 |
| Options liability (Note 9) | - | (1,169,280) | - | - | - | - | (1,169,280) |
| Balance, December 31, 2024 | 301,882,728 | 28,091,540 | - | 1,290,490 | 2,195 | (31,753,112) | (2,368,887) |
| Restatement ¹ | - | - | 254,665 | - | - | 684,686 | 939,351 |
| Balance December 31, 2024 | 301,882,728 | 28,091,540 | 254,665 | 1,290,490 | 2,195 | (31,068,426) | (1,429,536) |

¹ Restated as per Note 2 Basis of Preparation – Restatement of Comparatives.

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of changes in Shareholders' Equity

(Expressed in Canadian dollars)

Year ended December 31, 2025

Share Capital

| | Number of shares | | Amount | Share premium reserve | Share based payment reserve | Foreign currency translation reserve | Deficit | Total |
|--|--------------------|-------------------|----------------|-----------------------|-----------------------------|--------------------------------------|--------------------|-------|
| | No. | \$ | | | | | | |
| Balance December 31, 2024 | 301,882,728 | 28,091,540 | 254,665 | 1,290,490 | 2,195 | (31,068,426) | (1,429,536) | |
| Reclassification of expired reserve | - | - | - | (293,498) | - | 293,498 | - | |
| Loss for the year | - | - | - | - | - | (1,756,342) | (1,756,342) | |
| Foreign currency translation reserve | - | - | - | - | 2,904 | - | 2,904 | |
| Total comprehensive income for the year | - | - | - | (293,498) | 2,904 | (1,462,844) | (1,753,438) | |
| Transactions with owners in their capacity as owners: | | | | | | | | |
| Shares issued (net of costs) (Note 6) | 79,887,349 | 4,265,954 | - | - | - | - | 4,265,954 | |
| Shares issued upon exercise of options (Note 6) | 19,116,667 | 514,125 | 650,472 | - | - | - | 1,164,597 | |
| Balance, December 31, 2025 | 400,886,744 | 32,871,619 | 905,137 | 996,992 | 5,099 | (32,531,270) | 2,247,577 | |

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1. NATURE OF OPERATIONS AND GOING CONCERN

EMC Gold Corp. (the “Company”) (previously Black Dragon Gold Corp.) was incorporated under the laws of the Province of British Columbia on August 20, 2007 and is classified as a junior mining issuer with the Australian Securities Exchange (the “ASX”). The Company is domiciled in Canada, and the head office address is Level 1, 10 Outram Street, West Perth, Western Australia 6005. The registered and records office address is Suite 2200 – 1021 West Hastings Street, Vancouver, BC V6E 0C3. The legal form of the Company is limited by shares.

The Group incurred a loss of \$1,756,342 (2024: loss of \$3,346,960) in the year and had a net asset position of \$2,247,576 at the balance sheet date (2024: \$1,429,536 net liability position). The Company had operating cash outflows of \$1,387,817 in the year (2024: \$963,995).

These consolidated financial statements were approved for issue by the Board of Directors on March 27, 2026.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realisable value of its assets may be materially less than the amounts recorded in these financial statements.

The consolidated financial statements for the years presented do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

The preparation of consolidated financial statements requires the use of certain critical accounting estimates and the exercise of management’s judgement in applying the Company’s accounting policies. Areas involving a high degree of judgement or complexity and areas where assumptions and estimates are significant to the Company’s consolidated financial statements are discussed below.

The Company’s consolidated financial statements for the year ended December 31, 2025 have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The Group financial statements are presented in Canadian Dollars (“\$”, “CAD\$”) which is the Group’s presentational currency.

Restatement of comparatives

The Company identified an error and has determined to restate the fair value of the unlisted options liability as at December 31, 2024. The restatement of the unlisted options liability is necessary to align the financial statements with the requirements of IFRS 9 / IAS32, which mandates that the unlisted options liability be measured at fair value. The restatement will impact the financial statements with the following adjustments:

- The loss on fair value change of options liability for the year ended December 31, 2024 from \$2,573,774 to \$1,889,088.
- The share premium reserve as at December 31, 2024 from nil to \$254,665.
- The unlisted options liability as at December 31, 2024 from \$3,743,054 to \$2,803,703.
- The restated loss per share is 1.34 cents for the year ended December 31, 2024.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The impact of any new or amended Accounting Standards that are not yet mandatory is not known.

Use of estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

The Company also makes estimates as to when performance conditions for stock options will be met. The determination of whether or not the achievement of performance milestones for stock options likely requires management to consider factors such as the likelihood of an employee or consultant remaining with the Company until requisite performance is achieved as well as external factors such as government regulations, financial market developments and industry trends which influence the milestones.

Additionally, factors internal to the Company, such as the financial and strategic support for the achievement of the milestone must be considered. This determination is subject to significant judgement and changes to any of these factors or management's interpretation thereof, may result in expenses being recognized or previously recognized expense being reversed. The assumptions and models used for estimating fair value for share-based payment transactions are discussed in Note 6.

Income taxes

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Exploraciones Mineras del Cantabrico S.L. ("EMC") and Marlee Gold Pty Ltd ("Marlee Gold"). EMC is a mining company in Asturias, Spain. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Exploration and evaluation expenditure

Costs related to the acquisition and exploration and evaluation of mineral properties are recognized in profit or loss as incurred. Exploration expenditures are the costs of exploring for mineral resources other than those occurring at existing operations and projects and comprise geological and geophysical studies, exploratory drilling, sampling and resource development. Evaluation expenditures include the cost of conceptual and feasibility studies and evaluation of mineral resources at existing operations.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited within profit or loss.

Loss per share

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

Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity. Common shares issued for consideration other than cash, are valued based on their trading value at the date the shares are issued.

The Company uses the residual value method with respect to the measurement of shares and warrants/unlisted options issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The balance, if any, is allocated to the attached warrants/unlisted options. Any fair value attributed to the warrants is recorded as reserves.

Options issued in a currency, other than the Company's functional currency, are considered a derivative. This is because a variable amount of cash in the Company's functional currency will be received on exercise of the unlisted options. The unlisted options are valued using the Black-Scholes option pricing model. Any foreign exchange gains or losses will be recorded in profit or loss or other comprehensive income at each reporting date. Stock options granted in accordance with IFRS 2 *Share-based payments*, are compensatory and are not included in this treatment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company is the Canadian dollar, its subsidiaries, EMC and Marlee Gold have a functional currency of Euros and Australian dollar, respectively. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*. The Company's presentation currency is Canadian Dollars.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the financial position reporting date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the period.

The Company translates the assets and liabilities of subsidiaries with functional currencies other than the Canadian dollar into Canadian dollars at the exchange rate in effect on the reporting date. The results of operations of those entities are translated into Canadian dollars at the average exchange rates in effect during the reporting period. We recognize the foreign currency differences which arise from translation in other comprehensive loss (income). When the Company disposes of an entity in its entirety, or partially such that the Company has lost control, the Company reclassifies the cumulative amount in the foreign currency reserve related to that operation to profit or loss as part of the gain or loss on disposal.

Financial instruments

Classification

Financial assets are classified at initial recognition as either: measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ('OCI').

Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL. The Group's financial liabilities include trade and other payables and the option liability.

Measurement

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in profit or loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Impairment

The Company assesses on a forward looking basis the expected credit losses ("ECL") associated with financial assets measured at amortized cost, contract assets and debt instruments carried at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less any allowances for expected credit losses. Trade and other receivables are generally due for settlement within 120 days.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and in any event when the debt is more than 60 days overdue.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Methods used to distribute the products or provide the services; and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by IFRS 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other

business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “all other segments”.

3. RECEIVABLES

| | December 31, 2025 \$ | December 31, 2024 \$ |
|----------------------------|----------------------------|----------------------------|
| Current | | |
| Value-Added Tax receivable | 57,332 | 42,394 |
| GST receivable | 1,712 | 1,297 |
| Other Receivable | 19,187 | 20,262 |
| | 78,231 | 63,953 |
| Non-current | | |
| Deposits | 4,674 | 4,337 |
| | 4,674 | 4,337 |
| Total receivables | 82,905 | 68,290 |

4. EXPLORATION AND EVALUATION EXPENDITURE

Although the Company has taken steps to verify title to its mineral property in which it has an interest, these procedures do not guarantee the Company’s title. Its property may be subject to prior agreements or transfers and title may be affected by undetected defects. Further, we make judgements for properties where concessions terms have expired, and a renewal application has been made and is awaiting approval. We use judgement as to whether the concession renewal application is probable to be received, but ultimately this is beyond our control. If a renewal application is not approved, we could lose rights to those concessions.

Salave Gold Project

The Salave Project is comprised of 30-year-term mining concessions over the resource area in the province of Asturias, Spain.

The Company’s application for the re-zoning, from agricultural to industrial, of the land required for the planned surface infrastructure was accepted by the Tapia de Cassariego municipality in April 2024. Seven months later the Municipality convened an extraordinary plenary session and rejected the application. The Company’s legal advisors dispute the grounds upon which the application was rejected and subsequently have challenged the decision before the High Court of Justice in Asturias.

On December 17, 2024, the Principality of Asturias adopted a new law on strategic investments, the Proyectos de Interés Estratégico Regional (“PIER”). This law was drafted with the specific intent of both de-bottlenecking and accelerating economically important projects within the Principality and the Salave Gold Project fulfills all of its investment, employment and environmental requirements. Appropriately, the Company applied to be considered for strategic status on 30 December 2024. On July 25, 2025 the Principality of Asturias SEKUENS Agency, the body charged with evaluation the Strategic Project applications, announced that the Project application will be available for public consultation for twenty working days, from July 28 until August 25, 2025. The process followed the independent compilation of results from detailed opinion polls carried out in the Asturias region and more specifically Tapia de Casareigo municipality in which Salave is located. Results determined that Salave would have majority support of more than 63% of the community, provided the Company complies with its legal obligations and stated commitments. Almost two thirds of those polled

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showed little or no confidence that the region would be able to offer job opportunities in the future. Overwhelmingly, the community asked to see sustainable development through investment, quality job creation and alignment with the objectives of the Municipal Council. This research is particularly valuable given the Municipality's population declined 9 per cent in the decade to 2024, and for the first time in its history there are more retired people than employed people living in the community.

On November 3, 2025 the Company announced it had withdrawn its application for the Salave Gold Project to be declared a Project of Strategic Investment. By withdrawing the application, the Company preserves the right to submit a new application in the near future. Any future submission would include additional documentation, incorporating potential enhancements to the Project and unequivocal evidence of its strategic value for both the local area and the wider region. These additions are expected to strengthen both the quantitative and qualitative criteria that are assessed by the Principality of Asturias when considering their approval as a Project of Strategic Interest.

Marlee Gold Project

During the prior year the Company successfully negotiated the 100% sale of its Padbury Gold assets located in the North Yilgarn Craton near Meekatharra to Parbo Resources. Tenements sold were Padbury Gold (E51/1942) and Padbury Gold Extension (E51/1969). Cash consideration of AUD\$150,000 (excluding GST) was received during the prior year CAD\$126,500 net income has been recognised within the Consolidated Statement of Loss and Comprehensive Loss for the prior year, net of legal costs associated with the transaction. The Company retains the 115km² Ivan Well tenement (E69/3818) further north-east towards Wiluna in the northern Goldfields, which still offers early-stage exploration potential for untested gold anomalism.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | December 31, 2025 | December 31, 2024 |
|---------------------------------|------------------------------|------------------------------|
| | \$ | \$ |
| Accounts payable | 144,987 | 117,528 |
| Accrued liabilities | 39,321 | 21,175 |
| Due to related parties (Note 8) | 1,767 | - |
| Total | 186,075 | 138,703 |

6. SHARE CAPITAL AND RESERVES

Authorized:

Unlimited number of common shares with no par value.

Share Capital

During the current year, 19,116,667 options with an exercise price of \$0.03 (AUD\$0.03) and expiry date of June 14, 2027, were converted to fully paid shares, raising \$514,125 (AUD\$663,485). \$8,903 (AUD\$10,000) of which was received in late December 2024.

On November 24, 2025, the Company completed a private placement to certain high net worth Spanish investors, issuing 79,887,349 Chess Depository Interest ('CDI's') at \$0.054 (AUD\$0.059) per CDI, raising \$4,265,954 (AUD\$4,688,681) (net of costs).

A summary of the Company's share capital as at December 31, 2025 and December 31, 2024 is as follows:

| | December 31, 2025 | December 31, 2024 |
|----------------------------|------------------------------|------------------------------|
| Shares on issue | 36,546,977 | 31,742,060 |
| Issuance costs | (3,675,358) | (3,650,520) |
| Total share capital | 32,871,619 | 28,091,540 |

Reconciliation of movement in issued capital

| | Number of shares | \$ |
|--|-----------------------------|-------------------|
| Balance as at January 1, 2024 | 200,670,055 | 27,292,949 |
| Shares issued (tranche #1) | 25,097,620 | 445,499 |
| Shares issued (tranche #2) | 41,750,000 | 759,403 |
| Shares issued | 28,481,720 | 648,094 |
| Shares issued upon exercise of options | 5,883,333 | 161,974 |
| Share issuance costs | - | (47,099) |
| Unlisted option liability (Note 9) | - | (1,169,280) |
| Balance as at December 31, 2024 | 301,882,728 | 28,091,540 |
| Shares issued upon exercise of options | 19,116,667 | 514,125 |
| Shares issued | 79,887,349 | 4,290,792 |
| Share issuance costs | - | (24,838) |
| Balance as at December 31, 2025 | 400,886,744 | 32,871,619 |

Share based Payments Reserve

The Share-based Payments Reserve represents the cumulative fair value of equity-settled share-based payment transactions recognised in accordance with IFRS 2 Share-based Payment. Amounts are recognised over the vesting period based on the fair value of the awards at grant date and reflect the portion of the awards for which the related service and performance conditions have been met.

This reserve is not distributable and will be transferred within equity when the underlying options or rights are exercised, forfeited, or lapse.

| | 2025 | 2024 |
|--|----------------|------------------|
| | \$ | \$ |
| Balance as at beginning of the year | 1,290,490 | 6,303,548 |
| Reclassification of expired options / performance rights | (293,498) | (5,461,123) |
| Options granted to Directors | - | 448,065 |
| Balance as at end of the year | 996,992 | 1,290,490 |

Share Premium Reserve

The Share Premium Reserve includes the equity premium arising from the issue of shares with free-attaching options. These options carry an exercise price denominated in Australian Dollars, and in accordance with applicable accounting standards, the equity component attributable to these instruments is recognised within this reserve. The reserve represents the excess of the fair value of the shares issued over their nominal value, together with the equity portion of the option component at the date of issue.

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This reserve is not distributable and will be adjusted when the related options are exercised, lapse, or expire. Any movements arising from the settlement or forfeiture of these foreign-denominated options are transferred to the appropriate equity accounts in the period in which they occur.

| | 2025 | 2024 |
|---|----------------|----------------|
| | \$ | \$ |
| Balance as at beginning of the year | 254,665 | - |
| Movement during the year upon exercise of options | 650,472 | 254,665 |
| Balance as at end of the year | 905,137 | 254,665 |

Stock options

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants, to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

A summary of the status of the Company's stock options as at December 31, 2025 and 2024 is as follows:

| | Number of options | Weighted Average Exercise Price |
|---------------------------------------|-------------------|---------------------------------|
| Outstanding, December 31, 2023 | 11,893,332 | \$0.18 |
| Options granted to Directors | 20,000,000 | AUD\$0.07 |
| Free attaching options issued | 66,847,620 | AUD\$0.03 |
| Expired | (5,160,000) | AUD\$0.096 |
| Exercised | (5,883,333) | AUD\$0.03 |
| Outstanding, December 31, 2024 | 87,697,619 | \$0.05 |
| Exercised | (19,116,667) | AUD\$0.03 |
| Outstanding, December 31, 2025 | 68,580,952 | \$0.06 |

A summary of the number of common shares reserved pursuant to the Company's options outstanding as at December 31, 2025 is as follows:

| Expiry Date | Number of options outstanding | Exercise price | Number of options exercisable |
|--------------------|-------------------------------|----------------|-------------------------------|
| September 24, 2027 | 5,983,333 | \$0.24 | 5,983,333 |
| October 22, 2027 | 416,666 | \$0.24 | 416,666 |
| February 7, 2028 | 333,333 | \$0.33 | 333,333 |
| June 14, 2027 | 41,847,620 | AUD\$0.03 | 41,847,620 |
| January 8, 2028 | 20,000,000 | AUD\$0.07 | 20,000,000 |
| Total | 68,580,952 | | 68,580,952 |

2025

Options granted or expired during the year ended December 31, 2025

During the current year, 19,116,667 options with an exercise price of \$0.03 (AUD\$0.03) and expiry date of June 14, 2027, were converted to fully paid shares, raising \$514,125 (AUD\$663,485). \$8,903 (AUD\$10,000) of which was received in late December, 2024.

2024

Options granted or expired during the year ended December 31, 2024

On December 20, 2024, 20 million unlisted options were granted to Directors. The options have an exercise price of AUD\$0.07 and an expiry date of January 8, 2028. The options vested immediately upon grant and were valued at \$448,065 using the Black-Scholes option pricing model with the following assumptions:

| | |
|-------------------------|------------|
| Stock price | AUD\$0.045 |
| Risk-free interest rate | 3.92% |
| Expected volatility | 100% |
| Expected life (years) | 3 |
| Expected dividend | nil |

The following options expired during the 2024 year:

- 4,160,000 options with an exercise price of AUD\$0.096, and expiry date of September 7, 2024
- 1,000,000 options with an exercise price of AUD\$0.098, and expiry date of July 6, 2024

Performance Rights

2025

Performance Rights granted or expired during the year ended December 31, 2025

At the Company's Annual General Meeting, held on December 31, 2025, 9,250,000 Class A Performance Rights and 9,250,000 Class B Performance Rights were granted to Directors, staff and consultants of the Company. The Performance Rights convert into ordinary shares upon the achievement of the following milestone hurdles:

- Class A Performance Rights: Vest upon the Government of the Principality of Asturias delivering a positive formal outcome on the Company's Environmental Impact Assessment for the Salave Gold Project.
- Class B Performance Rights: Vest upon The Company receiving approvals from the Tapia Municipality for the Urban Planning & the Modification Permits for the Salave gold Project.

Each milestone has a 2 year life from issue date. As at December 31, 2025 none of the performance rights have vested. The share price on grant date has been used to calculate the fair value of the performance rights. The fair value is \$1,507,924 and will be recognised over the estimated vesting period. During the current year, the Company recognized \$nil of share-based compensation expense, as the likelihood of vesting is less than probable.

During 2025, the following performance rights expired, unvested;

- Consultants' 1,000,000 performance rights, issued in 2024 and detailed below, expired on June 30, 2025.
- Dominic Robert's 5,000,000 performance rights, issued in 2024 and detailed below, expired on June 30, 2025.
- Jose Dominguez's 5,750,000 performance rights, and detailed below, expired on June 30, 2025

- As part of Gabriel Chiappini’s Chief Executive Officer appointment in March 2022, he was issued with a long-term incentive plan comprising of the issue of 5,000,000 performance rights that convert into ordinary shares upon the achievement of the following share price milestone hurdles:
 - Tranche A: 1,500,000 performance rights convert to shares upon the Company’s volume weighted average price of shares on ASX over 20 consecutive dates on which the Company’s fully paid ordinary shares are traded exceeding AUD\$0.10;
 - Tranche B: 1,500,000 performance rights convert to shares upon the Company’s volume weighted average price of shares on ASX over 20 consecutive dates on which the Company’s fully paid ordinary shares are traded exceeding AUD\$0.15; and
 - Tranche C: 2,000,000 performance rights convert to shares upon the Company’s volume weighted average price of shares on ASX over 20 consecutive dates on which the Company’s fully paid ordinary shares are traded exceeding AUD\$0.20.

Each milestone has a 3-year conversion date. As at March 3, 2025 the performance rights expired, unvested.

The fair value of the performance rights is \$293,499. During the current year, the Company recognised \$nil of share-based compensation expense in respect of these performance rights (2024: \$nil). The total fair value of the performance rights has been expensed during FY23, as the milestones are market-based in nature. The performance rights were valued using the Trinomial Pricing Model, with the following inputs used:

| Tranche | A | B | C |
|------------------------------|--------------|--------------|--------------|
| Number of performance rights | 1,500,000 | 1,500,000 | 2,000,000 |
| Grant date | 3 March 2022 | 3 March 2022 | 3 March 2022 |
| Expiry date | 3 March 2025 | 3 March 2025 | 3 March 2025 |
| Risk-free rate | 1.499% | 1.499% | 1.499% |
| VWAP barrier | AUD\$0.10 | AUD\$0.15 | AUD\$0.20 |
| Stock volatility | 90% | 90% | 90% |
| Share price at grant date | AUD\$0.08 | AUD\$0.08 | AUD\$0.08 |
| Exercise price | \$nil | \$nil | \$nil |
| Fair value per right (AUD\$) | AUD\$0.072 | AUD\$0.064 | AUD\$0.057 |
| Fair value per right (\$) | \$0.067 | \$0.059 | \$0.052 |

2024

Performance Rights granted or expired during the year ended December 31, 2024

On June 6, 2024, at a Special Meeting of Shareholders, two consultants of the Company were granted 250,000 Class A performance rights and 250,000 Class B performance rights, each. The performance rights convert into ordinary shares upon the achievement of the following share price milestone hurdles:

- 500,000 Class A performance rights convert to shares upon issuance of an environmental Impact Assessment in relation to the Company’s Salave Gold Project; and
- 500,000 Class B performance rights convert to shares upon issuance of the Tapia Urban Planning & Modification Permit in relation to the Company’s Salave Gold Project

Each milestone had a conversion date of November 22, 2024. The performance rights expired, unvested. During FY24, the Company recognized \$nil of share-based compensation expense.

On December 20, 2024 the same two consultants were granted a further 250,000 Class A performance rights and 250,000 Class B performance rights with the same milestone hurdles. Each milestone had a

milestone conversion date of June 30, 2025. The share price on grant date has been used to calculate the fair value of the performance rights (\$40,427). The performance rights expired on June 30, 2025, unvested. During FY24 and FY25, the Company recognized \$nil of share-based compensation expense.

On December 20, 2024, Executive Chairman, Domonic Roberts was issued 5,000,000 performance rights that convert into ordinary shares upon the achievement of the following share price milestone hurdles:

- 2,500,000 Class A performance rights convert to shares upon issuance of an environmental Impact Assessment in relation to the Company's Salave Gold Project; and
- 2,500,000 Class B performance rights convert to shares upon issuance of upon issuance of the Tapia Urban Planning & Modification Permit in relation to the Company's Salave Gold Project

Each milestone had a June 30, 2025 conversion date. The share price on grant date was used to calculate the fair value of the performance rights (\$202,136). The performance rights expired on June 30, 2025, unvested. The Company recognized \$ nil of share-based compensation expense for FY25 and FY24.

On December 20, 2024, General Manager, Jose Dominguez was issued 5,750,000 performance rights that convert into ordinary shares upon the achievement of the following share price milestone hurdles:

- 5,750,000 Class A performance rights convert to shares upon issuance of an environmental Impact Assessment in relation to the Company's Salave Gold Project

The milestone had a June 30, 2025 conversion date. The share price on grant date has been used to calculate the fair value of the performance rights (\$232,456). The performance rights expired on June 30, 2025, unvested. The Company recognized \$ nil of share-based compensation expense for FY25 and FY24.

7. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Cash and cash equivalents consist of \$4,836,397 (2024: \$1,444,580) of cash and \$nil (2024: nil) in cash equivalents.

There were 99,004,016 shares and 18,500,000 performance rights (granted) were issued in the current year (2024: 101,212,673 shares, 66,847,620 unlisted options, 20,000,000 unlisted options (granted) and 12,750,000 performance rights were issued). 19,116,667 options were exercised during the current year (2024: 5,883,333 options exercised). Refer Note 6.

Within operating cashflow was \$97,317 of exploration and evaluation expenditure during the current year (2024: \$141,632).

8. RELATED PARTY TRANSACTIONS

The Company considers personnel with the authority and responsibility for planning, directing and controlling the activities of the Company to be key management personnel.

Transactions with key management personnel

The following amounts were incurred with respect of key management personnel being the Chief Executive Officer, Directors, and the Chief Financial Officer of the Company:

| | 2025 | 2024 |
|--|----------------|----------------|
| | \$ | \$ |
| Management and consulting fees – Chief Executive Officer & Executive Chairman, Company Secretary | 231,388 | 215,876 |
| Directors' fees | 160,559 | 119,729 |
| Management and consulting fees – Chief Financial Officer | 70,289 | 70,481 |
| Wages and salary | 108,180 | 99,685 |
| Total short-term employee benefits | 570,416 | 505,771 |
| Total long-term employee benefits | - | - |
| Post-employment benefits | - | - |
| Termination benefits | - | - |
| Share-based payments | - | 448,065 |
| Total | 570,416 | 953,836 |

As at December 31, 2025, included in accounts payable and accrued liabilities for unpaid standard directors' fees is \$nil (2024 - \$nil) that is due to directors, officers and companies controlled by directors or officers. \$1,767 (EUR1,095) was owed to Non-Executive Director Ms Aroche, who resigned September 15, 2025, for reimbursement of travel related costs. This has been paid in January 2026.

The Company has an agreement with Invictus Energy Ltd ('Invictus'), and entity related to Mr Gabriel Chiappini, whereby the Company rents one office and one car bay at a cost of \$1,214 (AUD\$1,326) plus GST from Invictus per calendar month. The arrangement is for no fixed term and can be cancelled by either party by providing one months' notice. One month's rent was owed as at December 31, 2025 (December 31, 2024: \$nil). Mr Chiappini is a Non-Executive Director and Company Secretary of Invictus.

9. OPTIONS LIABILITY

As detailed in Note 6, the Company issued unlisted options with an exercise price in Australian dollars. As the functional currency of the Company is the Canadian dollar, the listed options issued as part of the financings completed during the prior year (FY24), are classified and accounted for as an unlisted options liability. As at December 31, 2025 the fair value of these unlisted options was \$2,485,650 (2024: \$2,803,703). The fair value of these unlisted options on initial grant date was \$1,169,280, valued using the Black-Scholes Pricing model with the following assumptions:

| | |
|---------------------------------|------------|
| Risk-free interest rate | 3.65% |
| Expected life of listed options | 3.25 years |
| Expected annualized volatility | 100% |
| Expected dividend | Nil |

The following assumptions were used to calculate the fair value of the unlisted options as at December 31, 2025:

| | |
|---------------------------------|-------------------------------|
| Share price | AUD 8.9 cents (CAD 8.2 cents) |
| Exercise price | AUD 3 cents (CAD 3 cents) |
| Expected life of listed options | 1.45 years |
| Expected annualized volatility | 100% |
| Expected dividend | Nil |

The change in fair value resulted in a loss of \$332,420 and is recognizable in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2025 (2024: \$1,889,088 loss).

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

The inputs used in making fair value measurements are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly;
- Level 3 - Inputs that are not based on observable market data.

The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value because of the short-term nature of these instruments. Cash and cash equivalents are measured at fair value using Level 1 inputs.

Other than the listed options liability, the Company does not carry any financial instruments at FVTPL.

Financial instruments measured at fair value on the consolidated statements of financial position are summarized in levels of fair value hierarchy as follows:

| | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|----------------------------|---------------|---------------|---------------|-------------|
| 2025 | | | | |
| Cash and cash equivalents | 4,837,397 | - | - | 4,837,397 |
| Unlisted options liability | - | 2,485,650 | - | 2,485,650 |
| 2024 | | | | |
| Cash and cash equivalents | 1,444,580 | - | - | 1,444,580 |
| Unlisted options liability | - | 2,803,703 | - | 2,803,703 |

The Company has exposure to the following risks from its use of financial instruments:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligations. The Company's cash and cash equivalents are held at large financial institutions and it believes it has no significant credit risk. The Company's receivables are due from the Government of Canada, Government of Spain, and Government of Australia, and are therefore considered to have no significant credit risk.

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Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. As at December 31, 2025, the Company had current assets of \$4,914,628 (December 31, 2024: \$1,508,533) to settle current liabilities of \$186,075 (excluding the unlisted option liability of \$2,485,650) (December 31, 2024: \$138,703 (excluding the unlisted option liability of \$2,803,703)) which either have contractual maturities of less than 30 days and are subject to normal trade terms or are due on demand. The Company is exposed to liquidity risk.

Market risk

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

a) Interest rate risk

Interest rate risk is the risk due to variability of interest rates. The Company is exposed to interest rate risk on its bank accounts. The income earned on the bank accounts are subject to the movements in interest rates. The Company has cash balances and no-interest bearing debt, therefore, interest rate risk is nominal.

b) Foreign currency risk

The Company's functional currency is the Canadian dollar. The Company raises funds in both Australian Dollars and Euros. The Company funds certain operations, exploration and administrative expenses in Canada, Australia and Spain by using funds held in predominantly Australian dollars and EUROS. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Based on the Company's Euro, AUD, USD, and GBP denominated financial instruments at December 31, 2025, a 10% change in exchange rates between the Canadian dollar, Euro, AUD, USD, and GBP would result in a change of \$234,000 in foreign exchange gain or loss (December 31, 2024: \$244,000).

11. CAPITAL MANAGEMENT

The Company's capital structure consists of shareholders' equity. The Company's objective when managing capital, which is unchanged from 2024, is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing, selling assets, and incurring debt. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, high liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the year. The Company will need to raise additional capital by obtaining equity financing, selling assets and incurring debt to develop its business.

The Company is not subject to any capital restrictions.

12. SEGMENT INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition, exploration of exploration and evaluation assets located in Spain and Australia.

13. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

| | 2025 | 2024 |
|--|-------------|-------------|
| | \$ | \$ |
| Loss for the year | (1,756,342) | (3,346,960) |
| Income tax using the Company's domestic tax rate of 27% (2024: 27%) | (474,000) | (904,000) |
| Change in statutory, foreign tax, foreign exchange rates and other | (566,000) | (130,000) |
| Permanent differences | 90,000 | 631,000 |
| Adjustment to prior year tax provision versus statutory tax returns | (6,000) | (52,000) |
| Change in unrecognized deductible temporary differences | 956,000 | 455,000 |
| Total income tax expense (benefit) | - | - |

The significant components of the Company's temporary differences and tax losses that have not been recognized on the consolidated statements of financial position are as follows:

| Temporary Differences | 2025 | Expiry Date | 2024 | Expiry Date |
|--|------------|--------------------|------------|--------------------|
| | \$ | Range | \$ | Range |
| Exploration and evaluation assets | 20,350,000 | No expiry date | 18,881,000 | No expiry date |
| Property and equipment | 101,000 | No expiry date | 94,000 | No expiry date |
| Share issue costs | 54,000 | 2046 to 2049 | 44,000 | 2045 to 2048 |
| Non-capital losses available for future periods | 30,845,000 | 2028 to indefinite | 28,587,000 | 2028 to indefinite |

Tax attributes are subject to review, and potential adjustment, by tax authorities.

14. INTERESTS IN OTHER ENTITIES

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in Note 1:

| Name | Country of Incorporation | Class of Share | Equity holding | |
|---|-----------------------------|-------------------|----------------------|----------------------|
| | | | December 31, 2025 | December 31, 2024 |
| Exploraciones Mineras del Cantábrico | Spain | Ordinary | 100% | 100% |
| Marlee Gold Pty Ltd | Australia | Ordinary | 100% | 100% |

15. CONTINGENT LIABILITIES/ASSETS

There were no contingent liabilities as at December 31, 2025 (2024: nil).

16. COMMITMENTS

Exploration and evaluation commitments

Exploration and evaluation expenditure contractually committed to as at year end is as follows:

| | December 31, 2025 | December 31, 2024 |
|--|------------------------------|------------------------------|
| | \$ | \$ |
| Not later than 1 year | 33,886 | 33,000 |
| Later than 1 year but not later than 2 years | - | - |
| | 33,886 | 33,000 |

17. LOSS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

The calculation of basic loss per share at the reporting date was based on the loss attributable to ordinary shareholders of \$1,756,342 (2024: loss of \$3,346,960) and a weighted average number of ordinary shares outstanding during the current financial year of 318,307,863 (2024: 248,475,929) shares calculated as follows:

| | 2025 | 2024 |
|--|-------------|-------------|
| Loss for the year (\$) | (1,756,342) | (3,346,960) |
| Weighted average number of ordinary shares (basic and diluted) | 318,307,863 | 248,475,929 |
| Basic and diluted loss per share (cents) | (0.55) | (1.35) |

Diluted loss per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Potential ordinary shares are not considered dilutive, thus diluted gain/(loss) per share is the same as basic gain/(loss) per share.

18. SUBSEQUENT EVENTS

The 18,500,000 performance rights granted to Directors, staff and Consultants at the Company's Annual General Meeting on December 31, 2025, were issued on January 28, 2026. Refer to Note 6 for details.

On February 12, 2026, 3,750,000 options with an exercise price of AUD\$0.03 and expiry date of June 14, 2027, were converted to fully paid shares, raising \$108,444 (AUD\$112,500).

On March 3, 2026, 1,500,000 options with an exercise price of AUD\$0.03 and expiry date of June 14, 2027, were converted to fully paid shares, raising \$43,555 (AUD\$45,000).

Other than the above, no matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results or state of affairs of the Group in future financial years.

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Director's Declaration

In the Directors' opinion;

- a) The accompanying financial statements set out on pages 21 to 43 and the notes to the financial statements:
 - i) give a true and fair view of the Group's financial position as at December 31, 2025 and of its performance, as represented by the results of its operations, change in equity and cash flows, for the year ended on that date; and
 - ii) complying with International Standards on Auditing and other mandatory professional reporting standards:
- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable
- c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration is in accordance with a resolution of Directors for the year ended December 31, 2025.

Signed on its behalf by:

Dominic Roberts

Dominic Roberts – Executive Chairman

Gabriel Chiappini

Gabriel Chiappini – Non-Executive Director

Annual Mineral Resources Statement

A summary of the Company's annual review of its Mineral Resources is in the Executive Director's Review.

As at December 31, 2025, the Company's Mineral Resource holdings was comprised of the following.

Salave Gold Project in Asturias, Spain

The Mineral Resource Estimate for Salave Gold was prepared by Bara Consulting (UK) Ltd and noted below:

| Resource classification | Tonnes (Mt) | Au grade (g/t) | Au contained metal (Moz) |
|-----------------------------|-------------|----------------|--------------------------|
| Measured | 1.6 | 3.82 | 0.20 |
| Indicated | 11.3 | 2.90 | 1.06 |
| Measured + Indicated | 13.0 | 3.01 | 1.25 |
| Inferred | 4.1 | 2.34 | 0.31 |

Table 1: Salave MRE statement, JORC 2012 (as of 1 February 2025)

Notes:

- *Classification of the MRE has been set out in accordance with the requirements set out in the JORC Code (2012 Edition); for more details refer to ASX announcement March 31, 2025, Appendix 2, Technical Summary.*
- *The MRE tonnes and grade stated is that material that is constrained by conceptual Mine Shape Optimiser (MSO) shapes produced by incorporation of the following parameters; gold price of US\$2,405/oz², mining recovery of 100%, mining dilution of 0%, processing recovery of 97%, mining cost of US\$55/t, processing cost of US\$25/t, general and administration (G&A) costs of US\$5/t, and a royalty of US\$2.5/t, reflecting RPEEE, and a cut-off grade of 1.45 g/t Au (at 80% payability).*
- *All density values were interpolated into the block model from density sampling data using Inverse Distance Weighting (IDW), raised to the second power, except for the CHL and SER domains where a single density value of 2.67 t/m³ was used. The average interpolated density is 2.67 t/m³.*
- *Tonnes are quoted as rounded to the nearest 100,000 tonnes and contained metal to the nearest 10,000 ounces to reflect these as estimates.*
- *Rows and columns may not add up exactly due to rounding.*
- *Mineral Resources that are not Ore Reserves do not have proven economic viability.*
- *The quantity and grade of Inferred Resources are based on data that are insufficient to allow geological and grade continuity to be confidently interpreted such that they may be classified as Indicated or Measured Mineral Resources. Whilst it is the opinion of the Competent Person that it would be reasonable to expect that Inferred Mineral Resources might be upgraded to Indicated Mineral Resources following additional exploration, it should not be assumed that such upgrading would occur.*
- *The Competent Person responsible for the preparation of the MRE is Mr. Galen White, BSc. (Hons), FAusIMM, FGS.*

For full details regarding the Salave MRE please refer to the Bara Consulting (UK) Ltd technical report titled "Salave Gold Project Mineral Resource Update for Black Dragon Gold." on the Company's website, www.emcgold.com.au

The Company has ensured that the Mineral Resources quoted are subject to thorough governance arrangements and internal controls. The Mineral Resource estimates were prepared by independent specialist resource and mining consulting group Bara Consulting (UK) Ltd. The Company understands that Bara Consulting (UK) Ltd is an experienced consulting group which applies best practice in modelling and estimation methods. Bara Consulting (UK) Ltd has also undertaken reviews of the underlying information used to generate the resource estimation. In addition, the Company's management carries out regular

reviews and audits of internal processes and external consultants that have been engaged by the Company.

The Annual Mineral Resources statement above is based on and fairly represents information and supporting documentation prepared by a competent person or persons. The Annual Mineral Resource statement as a whole has been approved by Douglas Turnbull, P. Geo., a consultant to EMC Gold, a Professional Geologist and a member of the Association of Professional Geoscientists of Ontario. Douglas Turnbull, has provided prior written consent to the issue of the Annual Mineral Resource statement in the form and context in which it appears in this annual report.

Corporate governance statement

The Company's corporate governance statement for the year ended December 31, 2025 is available on the Company's website at <https://www.emcgold.com> – Investors- Corporate Governance Statement.

Shareholdings

The issued capital of the Company as at March 5, 2026 was 406,136,744 fully paid ordinary shares. All issued ordinary shares carry one vote per share and carry the rights to dividends.

Distribution of Ordinary Shares

Range of Units as of March 5, 2026

| Range | Total holders | Units | % Units |
|------------------|---------------|--------------------|---------------|
| 1 - 1,000 | 31 | 6,763 | 0.00 |
| 1,001 - 5,000 | 29 | 110,759 | 0.03 |
| 5,001 - 10,000 | 82 | 683,761 | 0.17 |
| 10,001 - 100,000 | 190 | 8,346,359 | 2.06 |
| 100,001 Over | 153 | 396,989,102 | 97.74 |
| Total | 485 | 406,136,744 | 100.00 |

| Unmarketable Parcels | Minimum parcel size | Holders | Units |
|---|---------------------|---------|--------|
| Minimum A\$ 500.00 parcel at A\$ 0.20 per unit | 2,500 | 32 | 10,044 |

Substantial shareholders as at March 5, 2026

As at March 5, 2026 there were four shareholders who held a substantial shareholding within the meaning of the Australian Corporations Act. A person has a substantial holding if the total votes that they or their associates have relevant interests in is five per cent of more of the total number of votes.

| Name | Shares | % of issued capital |
|------------------------------------|------------|---------------------|
| GRUPO CARREIRA INVESTMENTS SLU | 56,669,069 | 13.95 |
| CITICORP NOMINEES PTY LIMITED | 43,957,931 | 10.82 |
| HSBC CUSTOMDY NOMINEES (AUSTRALIA) | 30,965,410 | 7.62 |
| MR PAUL DAVID CRONIN | 22,686,526 | 5.59 |

Top 20 Shareholders as at March 5, 2026

| Rank | Name | Shares | % Shares |
|------|---|--------------------|--------------|
| 1 | CITICORP NOMINEES PTY LIMITED | 43,957,931 | 10.82 |
| 2 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 30,965,410 | 7.62 |
| 3 | GRUPO CARREIRA INVESTMENTS SLU | 29,787,349 | 7.33 |
| 4 | GRUPO CARREIRA INVESTMENTS SLU | 26,881,720 | 6.62 |
| 5 | MR PAUL DAVID CRONIN | 22,686,526 | 5.59 |
| 6 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 18,038,839 | 4.44 |
| 7 | SANCHEZ Y LAGO SL | 15,000,000 | 3.69 |
| 8 | MR ALBERTO ARSENIO LAVANDEIRA ADAN + MRS MARIA ANGELICA GARCIA INFANZON | 13,138,853 | 3.24 |
| 9 | OCEANIC CAPITAL PTY LTD | 11,692,820 | 2.88 |
| 10 | BNP PARIBAS NOMS PTY LTD | 11,690,750 | 2.88 |
| 11 | NINCRO SUPER PTY LTD <THE HILLVIEW 52 SUPER A/C> | 8,690,710 | 2.14 |
| 12 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 8,682,788 | 2.14 |
| 13 | MR PAUL DAVID CRONIN | 8,333,334 | 2.05 |
| 14 | CARRIL ESTEBANEZ GRANDA SL | 8,200,000 | 2.02 |
| 15 | TRABAJOS SALENSE SL | 8,200,000 | 2.02 |
| 16 | PAYZONE PTY LTD <ST BARNABAS SUPER A/C> | 6,178,575 | 1.52 |
| 17 | ASTURAOG SOLUTIONS FERRO SL | 6,100,000 | 1.50 |
| 18 | LOGISTICA DEL CANTABRICO SL | 6,100,000 | 1.50 |
| 19 | NINCRO SUPER PTY LTD <THE HILLVIEW 52 S/F A/C> | 5,165,000 | 1.27 |
| 20 | BUPRESTID PTY LTD <HANLON FAMILY SUPER A/C> | 4,550,000 | 1.12 |
| | Total | 294,040,605 | 72.40 |

Voting Rights

The Company is incorporated under the legal jurisdiction of British Columbia, Canada. To enable companies such as the Company to have their securities cleared and settled electronically through CHES, Depository Instruments called CHES Depository Interests (CDIs) are issued. Each CDI represents one underlying ordinary share in the Company (Share). The main difference between holding CDIs and Shares is that CDI holders hold the beneficial ownership in the Shares instead of legal title. CHES Depository Nominees Pty Limited (CDN), a subsidiary of ASX, holds the legal title to the underlying Shares.

Pursuant to the ASX Settlement Operating Rules, CDI holders receive all of the economic benefits of actual ownership of the underlying Shares. CDIs are traded in a manner similar to shares of Australian companies listed on ASX.

CDIs will be held in uncertificated form and settled/transferred through CHES. No share certificates will be issued to CDI holders. Each CDI is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

If holders of CDIs wish to attend and vote at the Company's general meetings, they will be able to do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, the Company as an issuer of CDIs must allow CDI holders to attend any meeting of the holders of Shares unless relevant English law at the time of the meeting prevents CDI holders from attending those meetings.

In order to vote at such meetings, CDI holders have the following options:

- (i) instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's Share Registry prior to the meeting; or
- (ii) informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or
- (iii) converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process.

As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.

As each CDI represents one Share, a CDI Holder will be entitled to one vote for every CDI they hold. Proxy forms, CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI holders by the Company.

These voting rights exist only under the ASX Settlement Operating Rules, rather than under British Columbia Law. Since CDN is the legal holder of the applicable Shares and the holders of CDIs are not themselves the legal holder of their applicable Shares, the holders of CDIs do not have any directly enforceable rights under the Company's articles of association.

As holders of CDIs will not appear on our share register as the legal holders of shares of ordinary shares they will not be entitled to vote at our shareholder meetings unless one of the above steps is undertaken.