

**Lahontan Gold Corp**  
An Exploration Stage Company



**Consolidated Financial Statements**  
**For the years ended December 31, 2025 and 2024**  
(expressed in United States dollars)



# Independent auditor's report

To the Shareholders of Lahontan Gold Corp.

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## Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Lahontan Gold Corp. and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

## What we have audited

The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of operations and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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## Basis for opinion

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

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

## Independence

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

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## Material uncertainty related to going concern

We draw attention to note 1 to the consolidated financial statements, which describes events or conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of impairment indicators of exploration and evaluation assets</b></p> <p>Refer to note 2 - Material accounting policies, note 3 - Critical accounting estimates and judgments and note 6 - Exploration and evaluation assets to the consolidated financial statements.</p> <p>The total book value of exploration and evaluation assets amounted to \$22.1 million as at December 31, 2025.</p> <p>Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgments regarding the following factors,</p>	<p>Our approach to addressing the matter included the following procedures, among others:</p> <ul style="list-style-type: none"><li>Assessed the judgment made by management in determining the impairment indicators, which included the following:</li><li>Obtained, for a sample of claims, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates.</li></ul>

## Key audit matter

## How our audit addressed the key audit matter

among others (i) the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration and evaluation assets are unlikely to be recovered in full from successful development or by sale. No impairment indicators were identified by management as at December 31, 2025.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation assets, (ii) the judgments by management in their assessment of indicators of impairment related to exploration and evaluation assets, and (iii) the high degree of subjectivity in performing procedures related to the judgments applied by management.

- Read board minutes and obtained budget approvals to evidence continued and planned substantive expenditures for further exploration and evaluation activities, which included evaluating the results of the current year work programs.
- Assessed whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount, based on evidence obtained in other areas of the audit.

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## Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Ontario

April 27, 2026

# Lahontan Gold Corp.

(An Exploration Stage Company)

## Consolidated Statements of Financial Position

(expressed in United States dollars)

	December 31, 2025 \$	December 31, 2024 \$
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	3,874,388	100,150
Amounts receivable	19,355	2,319
Prepaid expenses	108,602	46,012
	<u>4,002,345</u>	<u>148,481</u>
<b>Reclamation deposits</b> (note 4)	50,000	50,000
<b>Exploration and evaluation assets</b> (note 5)	22,112,451	19,179,509
	<u>22,162,451</u>	<u>19,229,509</u>
<b>Total assets</b>	<u>26,164,796</u>	<u>19,377,990</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	252,481	214,886
<b>Asset retirement obligation</b> (note 6)	313,221	293,357
<b>Deferred tax liability</b> (note 8)	1,006,142	983,023
	<u>1,319,363</u>	<u>1,276,380</u>
<b>Total liabilities</b>	<u>1,571,844</u>	<u>1,491,266</u>
<b>Shareholders' equity</b>		
<b>Capital stock</b> (note 7)	57,612,673	49,509,131
<b>Warrants</b> (note 7)	1,307,747	1,716,786
<b>Contributed surplus</b> (note 7)	10,910,623	9,875,962
<b>Accumulated deficit</b>	(45,299,768)	(43,168,166)
<b>Accumulated other comprehensive income (loss)</b>	61,677	(46,989)
	<u>24,592,952</u>	<u>17,886,724</u>
<b>Total shareholders' equity</b>	<u>24,592,952</u>	<u>17,886,724</u>
<b>Total liabilities and shareholders' equity</b>	<u>26,164,796</u>	<u>19,377,990</u>

Nature of operations and going concern (note 1)

Subsequent events (note 14)

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

Approved by the Board of Directors:

/s/ Kimberly Ann Arntson  
Director

/s/ Miranda Westiuk  
Director

# Lahontan Gold Corp.

(An Exploration Stage Company)

## Consolidated Statements of Operations and Comprehensive Loss

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(expressed in United States dollars)

	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
<b>Expenses</b>		
Promotion and investor relations	648,265	600,447
Regulatory authority and transfer agent fees	54,144	50,217
Legal, accounting and audit	68,883	42,722
Office, general and administrative	518,587	389,742
Share based compensation (note 7)	839,657	284,025
<b>Total expenses</b>	<u>(2,129,536)</u>	<u>(1,367,153)</u>
<b>Other income</b>		
Interest income	21,053	26,993
<b>Loss before tax</b>	(2,108,483)	(1,340,160)
Deferred income tax expense (note 8)	(23,119)	(19,345)
<b>Net loss for the year</b>	(2,131,602)	(1,359,505)
<b>Other comprehensive income (loss)</b>		
Foreign currency translation adjustment	108,666	(22,602)
<b>Total comprehensive loss for the year</b>	<u>(2,022,936)</u>	<u>(1,382,107)</u>
Loss per common share:		
Basic and diluted	(0.01)	(0.01)
Weighted average number of common shares outstanding:		
Basic and diluted	281,651,844	187,370,442

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

## Lahontan Gold Corp.

(An Exploration Stage Company)

### Consolidated Statements of Changes in Shareholders' Equity

(expressed in United States dollars)

	Capital stock		Warrants		Contributed surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
	#	\$	#	\$	\$	\$	\$	\$
<b>Balance, January 1, 2024</b>	148,722,901	47,978,537	44,755,102	1,658,616	8,886,490	(41,808,661)	(24,387)	16,690,595
Net loss for the year	-	-	-	-	-	(1,359,505)	-	(1,359,505)
Foreign currency translation adjustment	-	-	-	-	-	-	(22,602)	(22,602)
Total comprehensive loss for the year	-	-	-	-	-	(1,359,505)	(22,602)	(1,382,107)
Private placement of common shares and warrants (note 7)	57,500,000	1,946,250	28,750,000	579,539	-	-	-	2,525,789
Finder warrants (note 7)	-	(121,173)	3,695,586	121,173	-	-	-	-
Share issue costs	-	(294,483)	-	-	-	-	-	(294,483)
Expiry of warrants (note 7)	-	-	(4,444,444)	(642,542)	642,542	-	-	-
Stock option compensation charge (note 7)	-	-	-	-	346,930	-	-	346,930
<b>Balance, December 31, 2024</b>	206,222,901	49,509,131	72,756,244	1,716,786	9,875,962	(43,168,166)	(46,989)	17,886,724
Net loss for the year	-	-	-	-	-	(2,131,602)	-	(2,131,602)
Foreign currency translation adjustment	-	-	-	-	-	-	108,666	108,666
Total comprehensive loss for the year	-	-	-	-	-	(2,131,602)	108,666	(2,022,936)
Common shares issued for exploration property assets (note 5)	2,000,000	274,986	-	-	-	-	-	274,986
Non-brokered private placement of shares (note 7)	36,000,000	499,946	-	-	-	-	-	499,946
Non-brokered private placement of units (note 7)	59,371,568	2,704,436	29,685,784	609,753	-	-	-	3,314,189
Finder warrants (note 7)	-	(7,570)	192,734	7,570	-	-	-	-
Share issue costs	-	(79,319)	-	-	-	-	-	(79,319)
Exercise of warrants (note 7)	53,026,445	4,570,239	(53,026,445)	(1,018,365)	-	-	-	3,551,874
Expiry of warrants (note 7)	-	-	(550,000)	(7,997)	7,997	-	-	-
Stock option compensation charge (note 7)	-	-	-	-	1,081,761	-	-	1,081,761
Exercise of stock options (note 7)	1,500,000	140,824	-	-	(55,097)	-	-	85,727
<b>Balance, December 31, 2025</b>	358,120,914	57,612,673	49,058,317	1,307,747	10,910,623	(45,299,768)	61,677	24,592,952

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

# Lahontan Gold Corp.

(An Exploration Stage Company)

## Consolidated Statements of Cash Flows

(expressed in United States dollars)

	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Net loss for the year	(2,131,602)	(1,359,505)
Items not affecting cash:		
Accretion of asset retirement obligation (note 6)	12,215	11,597
Share based compensation (note 7)	839,657	284,025
Deferred income tax expense (note 8)	23,119	19,345
Changes in working capital items:		
Amounts receivable	(17,036)	626
Prepaid expenses	(62,590)	(9,258)
Accounts payable and accrued liabilities	(103,117)	(39)
	<u>(1,439,354)</u>	<u>(1,053,209)</u>
<b>Investing activities</b>		
Collateral deposit on surety bond (note 4)	-	(50,000)
Refund of reclamation deposits (note 4)	-	317,793
Exploration and evaluation assets (note 5)	(2,267,491)	(1,842,727)
	<u>(2,267,491)</u>	<u>(1,574,934)</u>
<b>Financing activities</b>		
Proceeds received upon financings, net of share issue costs (note 7)	3,786,596	2,301,998
Share issue costs	(51,780)	(70,692)
Exercise of warrants (note 7)	3,551,874	-
Exercise of stock options (note 7)	85,727	-
	<u>7,372,417</u>	<u>2,231,306</u>
Effect of exchange rate changes on cash and cash equivalents	<u>108,666</u>	<u>(22,602)</u>
<b>Net change in cash and cash equivalents</b>	<b>3,774,238</b>	<b>(419,439)</b>
<b>Cash and cash equivalents - Beginning of year</b>	<u>100,150</u>	<u>519,589</u>
<b>Cash and cash equivalents - End of year</b>	<u><b>3,874,388</b></u>	<u><b>100,150</b></u>

Supplemental cash flow information (note 13)

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

# Lahontan Gold Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

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(expressed in United States dollars)

## 1. Nature of operations and going concern

### Nature of operations

Lahontan Gold Corp. (referred to herein collectively with its subsidiaries as the "Company") is an exploration stage junior mining company engaged in the identification, acquisition, evaluation and exploration of mineral properties in Nevada, USA. The Company has not determined whether its properties contain mineral reserves that are economically recoverable. The recoverability of amounts recorded as exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

The Company's registered office is located at 410 West Georgia Street, Vancouver, BC, V6B 1Z3, Canada where it is domiciled.

### Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

For the year ended December 31, 2025, the Company generated a net loss of \$2,131,602 (year ended December 31, 2024 - net loss of \$1,359,505) and had negative cash flows from operating activities. As at December 31, 2025, the Company had a working capital surplus of \$3,749,864 (December 31, 2024 - deficit of \$66,405). Subsequent to year end, the Company closed a non-brokered private placement financing for gross proceeds of \$9,920,082 (CDN\$13,640,390). Additionally, the Company received \$2,069,208 (CDN\$2,832,147) from the exercise of common share purchase warrants and stock options (see note 14). Notwithstanding this additional \$11,989,290 of financing obtained subsequent to year end, the Company will require further additional funding based on its budgeted expenditures in order to be able to advance and retain mineral exploration property interests and to meet ongoing requirements for general operations beyond the twelve-month period from the date of approval of these financial statements in line with its strategic plan. These conditions raise material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern, and accordingly, the appropriateness of the use of the accounting principles applicable to a going concern. The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or disposition of properties in the future.

Management has been successful in obtaining sufficient funding for operating, capital and exploration requirements from the inception of the Company to date. There is no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to management.

These consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

## 2. Material accounting policies

### Basis of presentation and statement of compliance

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the CPA Canada Handbook – Accounting ("CPA Handbook") which incorporates International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These consolidated financial statements were approved for issue by the Company's Board of Directors on April 27, 2026.

### New standards and interpretations not yet adopted

#### IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, IFRS 18, Presentation and Disclosure in Financial Statements, was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, Presentation of Financial Statements, impacts the presentation of primary financial statements and notes, including the statement of losses where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The new standard will not impact the recognition or measurement of items in the consolidated financial statements but its impacts on presentation and disclosure are expected to be pervasive. The Company is currently assessing the impact of the new standard.

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

In May 2024, amendments to IFRS 9 Financial Instruments and IFRS 7, Financial Instruments: Disclosures were issued to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets), and; update the disclosures for equity instruments designated at fair value through other comprehensive income. The Company does not expect these amendments to have a material impact on its operations or consolidated financial statements.

## Lahontan Gold Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in United States dollars)

### Basis of measurement

These consolidated financial statements are expressed in United States dollars and are prepared using the historical cost convention.

### Principles of consolidation

Subsidiary	Ownership	Principal activity	Country of incorporation
100166543 Ontario Inc.	100%	Holding company	Canada
Gateway Gold Corp.	100%	Holding company	Canada
Lahontan Gold (US) Corp.	100%	Exploration	United States of America
Gateway Gold (USA) Corp.	100%	Exploration	United States of America

The Company's financial statements consolidate those of Lahontan Gold Corp. and each of its 100% wholly-owned subsidiaries. All inter-company balances and transactions are eliminated upon consolidation.

### Cash and cash equivalents

Cash and cash equivalents includes cash held in banks and investments which have a term to maturity at the time of purchase of 90 days or less and which are readily convertible into cash.

### Exploration and evaluation assets

Acquisition costs of mineral exploration properties together with direct exploration and development expenditures are capitalized and are carried at cost less any impairment loss recognized. These costs are capitalized on a project-by-project basis pending determination of the technical feasibility and commercial viability of the project. When commercial production is attained, these costs will be amortized. If properties are abandoned or it is determined that there is an impairment in value, the costs of the properties and related deferred expenditures will be written down to their estimated recoverable amount at that time. Costs incurred before the legal right to undertake exploration and evaluation activities on a project was acquired, are expensed in the consolidated statements of operations. Expenditures of a general nature are expensed to project generation and business development in the consolidated statements of operations.

Proceeds realized from the sale of mineral exploration property interests are credited against exploration and evaluation assets previously capitalized for each project. Any shortfall or excess is recorded as a loss or gain, respectively, in the consolidated statement of operations and comprehensive loss.

Although the Company has taken steps to verify title to the exploration properties in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the validity of the Company's titles. Property titles may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

### Impairment of non-financial assets

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash generating unit is reviewed for impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash generating unit level. Impairment reviews for exploration and evaluation assets are carried out on a property by property basis.

An impairment loss is recognized for the amount by which the asset or cash generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is the higher of its fair value less cost to dispose and its value in use. To determine the value in use, management determines a suitable interest rate and estimates expected future cash flows from each asset or cash generating unit. An impairment loss is recognized immediately in the consolidated statements of operations. Prior impairments of non-financial assets are reviewed for possible reversal at each reporting date.

### Asset retirement obligation

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation and restoration work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying value of the asset, as soon as the obligation to incur such costs arises. Risk-free discount rates using pre-tax rates that reflect the time value of money are used to calculate the net present value. The Company records a provision for environmental rehabilitation in the financial statements when it is incurred and capitalizes this amount as an increase in the carrying amount of the related asset. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate, for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. Subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

### Share capital and equity-settled share-based payments

Share issue costs are recorded as a reduction of share capital when the related shares are issued.

Share capital issued for non-monetary consideration including exploration property assets and other goods or services is measured at the fair values of the property or goods and services received, unless the fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the property or goods and services received, the Company determines their value indirectly by reference to the fair value of the equity instruments granted at an amount based on the most recent price of Company shares.

## Lahontan Gold Corp.

(An Exploration Stage Company)

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

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(expressed in United States dollars)

### Share capital and equity-settled share-based payments (continued)

The Company grants stock options to certain officers, directors, employees and consultants of the Company. The vesting period and life of stock options is determined by the Company's Board of Directors at the time of grant. Each vesting tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value of each tranche is measured at the date of grant using the Black-Scholes option pricing model. Compensation cost related to stock options is charged to expense or is capitalized to exploration and evaluation assets when related to direct exploration activities. Compensation cost is recognized over the tranche's vesting period by increasing contributed surplus based on the number of awards expected to vest. The number of awards expected to vest is reviewed at least annually, with any impact being recognized immediately.

### Foreign currency translation

#### *Functional and presentation currency*

The functional currency of Lahontan Gold Corp. (the parent entity), 1000 Ont. and Gateway Gold Corp. is the Canadian dollar. The functional currency of Lahontan Gold (US) Corp. and Gateway Gold (USA) Corp. is the United States dollar. The presentation currency of the Company is the United States dollar.

#### *Transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at each statement of financial position date. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transactions. Foreign exchange gains or losses on translation to the functional currency of an entity are recorded in the consolidated statements of operations and comprehensive loss as foreign exchange gain or loss.

#### *Consolidation*

For entities with a functional currency different from the presentation currency, translation to the presentation currency is required. Assets and liabilities are translated into the presentation currency at the rate of exchange at the consolidated statement of financial position date. Equity balances are translated at the rates of exchange at the transaction dates. Income and expenses are translated at the exchange rates at the dates of the transactions. All resulting exchange differences arising from translation to the presentation currency are recognized in other comprehensive income (loss).

### Income taxes

Income tax comprises current and deferred tax, when applicable. Income tax is recognized in the consolidated statements of operations and comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred income tax assets and liabilities are presented as non-current.

### Loss per common share

Loss per common share is calculated based upon the weighted average number of common shares outstanding during the year. As the Company incurred a net loss for the years ended December 31, 2025 and 2024, the diluted number of common shares outstanding excludes all contingently issuable shares as they have an anti-dilutive effect for the periods presented.

### Financial instruments

#### *Recognition*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of a financial instrument.

#### *Classification*

Financial assets are classified into one of the following specified categories: amortized cost, fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI).

The Company's cash and cash equivalents, restricted cash and accounts receivable, excluding sales taxes, are classified as financial assets measured at amortized cost. The Company's marketable securities, which are equity investments held for trading, are classified as FVTPL. Transaction costs are expensed as incurred. Accounts payable and accrued liabilities and loan payable are classified as financial liabilities and are measured at amortized cost. All financial assets and liabilities measured at amortized cost use the effective interest rate method with interest income/expenses being recorded in the consolidated statements of loss and comprehensive loss, as applicable.

#### *Measurement*

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Subsequent to initial measurement, financial assets at FVTPL are carried at fair value, with changes in fair value recognized in the Company's statement of loss and comprehensive loss.

#### *Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported on the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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### 3. Critical accounting estimates and judgments

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. The most significant items requiring the use of management estimates and valuation assumptions are related to exploration and evaluation assets; the asset retirement obligation, the valuation of warrants and stock options; and, the ability of the Company to continue as a going concern.

#### Exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

At the end of each reporting period, the Company assesses each of its exploration and evaluation assets to determine whether any indicators of impairment or indicators of a reversal of a previously recorded impairment exists. Judgment is required in determining whether these indicators exist, including factors such as: the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and for evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation assets are unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated, which is considered to be the higher of the fair value less costs to sell and value in use. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances. These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Company's assets and earnings may occur during the subsequent periods.

During the year ended December 31, 2025, management determined that there were no indicators of impairment with respect to its exploration and evaluation assets.

#### Asset retirement obligation

The determination of provisions for environmental rehabilitation and reclamation obligations arising from the Company's exploration and evaluation activities requires the use of estimates and management judgment. Future reclamation costs in relation to changes in estimates are accrued based on management's best estimate at the end of each period of the discounted cash costs expected to be incurred. Accounting for reclamation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation work required to comply with existing laws and regulations. These estimates are dependent upon labor and materials costs, known environmental impacts, the effectiveness of rehabilitation measures, inflation rates, and pre-tax interest rates that reflect a current market assessment of time value for money and the risk specific to the obligation. The Company also estimates the timing of the outlays, which is subject to change depending on exploration results and future plans.

Actual reclamation costs incurred may differ from those amounts estimated by management. Moreover, future changes to environmental laws and regulations could increase the extent of reclamation work required to be performed by the Company, therefore increasing future costs.

#### Valuation of stock options and warrants

The estimation of share-based payment costs and the value of warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The model used by the Company is the Black-Scholes valuation model. The Company has made estimates as to the volatility of its own common shares, the expected life of share options and warrants granted and the time of exercise of those instruments.

The Company allocates values to share capital and to warrants according to their fair value using the proportional method when the two are issued together as a unit. The Company uses the Black-Scholes valuation model to determine the fair value of warrants issued.

#### Going concern

These consolidated financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions. Further information regarding going concern is outlined in note 1.

### 4. Reclamation deposits

The Company's reclamation deposits were comprised of bonds held by the Nevada Bureau of Land Management Nevada State Office ("BLM") with respect to the Santa Fe, Moho and Redlich projects. During the year ended December 31, 2024, the Company paid a \$50,000 collateral deposit to a third party insurance company who placed a surety bond with the BLM to cover any future reclamation costs related to the Company's Santa Fe, Moho and Redlich projects. As a result, the BLM provided a full cash refund of \$317,793 related to prior reclamation bonds to the Company. At December 31, 2025, the Company's reclamation deposits were as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Collateral deposit on surety bond	50,000	50,000

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### 5. Exploration and evaluation assets

	Santa Fe (Nevada, USA)	West Santa Fe (Nevada, USA)	Moho (Nevada, USA)	Redlich (Nevada, USA)	Total
	\$	\$	\$	\$	\$
<b>Balance, January 1, 2024</b>	<b>13,146,720</b>	<b>150,598</b>	<b>2,863,520</b>	<b>993,163</b>	<b>17,154,001</b>
Claim staking and renewal fees	103,307	51,328	25,264	16,124	196,023
Cash option payments	61,162	40,000	15,000	15,000	131,162
Personnel and consultants	379,469	63,860	5,500	-	448,829
Exploration management and support	117,207	-	-	-	117,207
Field office rent, storage and telecommunication	96,706	146	-	-	96,852
Travel and accommodation	12,293	456	-	-	12,749
Drilling and related	249,114	-	-	-	249,114
Geological	66,956	-	-	-	66,956
Geochemistry analysis	539	-	-	-	539
Technical reports and special consulting	110,028	7,550	-	-	117,578
Vehicle costs and fuel	158,528	362	-	-	158,890
Security and equipment	356	-	-	-	356
Environmental	435,484	-	-	-	435,484
Field equipment	35,740	36	-	-	35,776
Change in asset retirement obligation estimate	(41,574)	-	(351)	(82)	(42,007)
<b>Balance, December 31, 2024</b>	<b>14,932,035</b>	<b>314,336</b>	<b>2,908,933</b>	<b>1,024,205</b>	<b>19,179,509</b>
Claim staking and renewal fees	97,703	51,375	25,264	16,124	190,466
Share and cash consideration for property claims	325,486	-	-	-	325,486
Cash option payments	257,792	45,000	15,000	15,000	332,792
Personnel and consultants	695,792	105,563	-	-	801,355
Exploration management and support	109,577	-	-	-	109,577
Field office rent, storage and telecommunication	100,043	-	-	-	100,043
Travel and accommodation	14,199	156	-	-	14,355
Drilling and related	343,016	78,530	-	-	421,546
Geological	11,007	-	-	-	11,007
Geochemistry analysis	57,129	-	-	-	57,129
Technical reports and special consulting	7,019	-	-	-	7,019
Vehicle costs and fuel	138,423	36	-	-	138,459
Security and equipment	433	-	-	-	433
Environmental	352,783	1,019	-	-	353,802
Field equipment	61,608	216	-	-	61,824
Change in asset retirement obligation estimate	7,570	-	64	15	7,649
<b>Balance, December 31, 2025</b>	<b>17,511,615</b>	<b>596,231</b>	<b>2,949,261</b>	<b>1,055,344</b>	<b>22,112,451</b>

#### Santa Fe, Nevada, USA

The Company holds a 100% beneficial interest in the Santa Fe project which is comprised of 411 unpatented mining claims, 67 unpatented millsite claims and 24 patented mining claims covering an area of 28.3 square kilometres. The Santa Fe project is located 12 kilometres east of the town of Luning in Mineral County, Nevada, USA.

#### Acquisition of York claims

On October 22, 2025, the Company completed the acquisition of 27 unpatented lode mineral claims ("York Claims") from Emergent Metals Corp. ("Emergent"), adding approximately 2.1 square kilometres of mineral rights to the Santa Fe project. Consideration payable for the acquisition of these mineral claims comprised of: (i) payment of \$10,000 upon signing the term sheet (paid in August 2025); (ii) upon signing the definitive agreement, the Company issued the vendor a \$50,000 promissory note, with a 1% per month interest rate, which was payable within six months of signing of the definitive agreement (paid November 25, 2025); and, (iii) upon signing the definitive agreement, the Company issued 2,000,000 common shares to the vendor on October 22, 2025.

Additionally, the Company granted the vendor a 1% net smelter return royalty ("NSR royalty") on the 27 mineral claims. The Company may purchase the NSR royalty at any time before October 22, 2028 for \$500,000. After October 22, 2028 and before October 22, 2032, the Company may purchase the NSR royalty for \$1,000,000.

#### Mining Lease and Option to Purchase Agreement

On March 17, 2021 the Company entered into a property purchase agreement with Andoria Resources Pty Ltd. and its subsidiary Andoria Resources US Corp. with respect to 45 unpatented mining claims that now form part of the Santa Fe project. Consideration provided under the terms of the agreement consisted of 196,500 common shares of the Company issued upon closing of the transaction. These common shares were valued at CDN\$0.30 per share for a total value of \$47,280. Additionally, the Company assumed the obligations of a Mining Lease and Option to Purchase Agreement (the "MLOPA") with GenGold2 LLC relating to 15 of the property claims. Minimum cash payments payable to GenGold2 LLC under the terms of the MLOPA are as follows:

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<u>Minimum payment due date</u>	<u>Amount \$</u>
October 15, 2020	10,000
April 15, 2021	15,000
October 15, 2021	35,000
October 15, 2022	50,000
October 15, 2023	75,000
October 15, 2024	50,000
June 15, 2025	50,000
October 15, 2025 and October 15 of each succeeding year	150,000

All minimum cash payments under the terms of the MLOPA have been made up to the date of these consolidated financial statements and the MLOPA remains in good standing.

The claims are subject to a NSR royalty of 2% when the average price of gold is less than \$1,600 per ounce and 3% when the average price of gold is equal to or greater than \$1,600 per ounce. Cumulative minimum cash payments made prior to commercial production are creditable against any NSR royalty obligation. The MLOPA also provides an option to acquire a 100% interest in the claims, subject to the NSR royalty, for a cash payment of \$2,000,000. Both the minimum payment and option payment amounts are subject to adjustment for increases in the United States Consumer's Price Index.

### Other NSR Royalties

A total of 46 of the Santa Fe project claims, including all patented claims, are subject to a 1.25% net smelter return ("NSR") royalty interest. The NSR royalty applies to all ore mineral, metals and materials produced from the claims after the first 67,886 ounces of gold and 147,157 ounces of silver.

### West Santa Fe, Nevada, USA

During May 2023, the Company signed a binding term sheet and on July 18, 2023, the Company concluded a definitive Lease with Option to Purchase Agreement ("Agreement") with a wholly-owned subsidiary of Emergent to acquire the West Santa Fe gold-silver exploration project located 13 km west of the Company's Santa Fe project in Nevada, USA. The Agreement defines the terms and conditions pursuant to which the Company will be granted an option (the "Option") to acquire a 100% interest in the 11.8 square kilometre West Santa Fe property which is comprised of 147 unpatented mining claims.

The Agreement requires the Company to make option payments totalling \$1.8 million over a seven-year period, as follows: \$10,000 upon signing of the binding term sheet (paid in May 2023); \$20,000 on the first anniversary of the Agreement (paid in August 2024); \$25,000 on each of the second and third anniversaries (second anniversary paid in August 2025); \$30,000 on each of the fourth and fifth anniversaries; \$40,000 on the sixth anniversary and \$1,620,000 on the seventh anniversary of the Agreement. At the Company's discretion, up to 50% of the annual option payments can be made in common shares of the Company.

In addition, the Company shall incur \$1,400,000 of claim maintenance and exploration costs on West Santa Fe as follows:

<u>Work commitment due date</u>	<u>Amount \$</u>
December 31, 2024	150,000
December 31, 2025	150,000
December 31, 2026	200,000
December 31, 2027	200,000
December 31, 2028	200,000
December 31, 2029	250,000
July 18, 2030	250,000

Any excess expenditures, in any year, under the work commitments scheduled above, can be credited against subsequent work commitment expenditures in a future year. As at December 31, 2025, the Company has exceeded its work commitment under the Agreement.

Upon exercise of the Option, Emergent shall transfer 100% of its interest in the mineral claims to the Company within 30 days. As part of the transfer, the Company will grant a 1% NSR royalty in favor of Emergent over the twelve claims it acquired from Nevada Sunrise LLC. Additionally, eighteen claims forming part of the property are subject to an underlying 2% NSR royalty with an annual advance minimum royalty payment of \$20,000 (paid June 2025). This underlying agreement has a one-mile area-of-interest whereby 90 adjacent claims added by Emergent are also subject to this 2% NSR royalty. Annual advance minimum royalty payments are creditable against any future royalty payments. One-half (1%) of this underlying NSR royalty can be repurchased for \$500,000 prior to June 15, 2028. In addition, the Company will grant a 1.5% NSR royalty in favor of Emergent for the remaining 27 claims acquired not subject to a NSR royalty listed above. The Company will have the right to purchase one-half (0.75%) of this 1.5% NSR royalty for \$200,000 prior to July 18, 2028 or for \$500,000 on or after July 18, 2028.

During May 2023, the Company staked an additional 95 unpatented lode mining claims covering an area of 7.9 square kilometres. A total of 88 of these claims fall inside the one-mile area-of-interest referred to above and are therefore subject to a 2% NSR royalty. The addition of the 95 claims increased the West Santa Fe project to a total of 242 unpatented lode mining claims covering 19.7 square kilometres.

### Moho and Redlich, Nevada, USA Property Purchase Agreement

The Company acquired interests in the Moho and Redlich exploration property assets located in Nevada, USA through the reverse takeover transaction with Lahontan. Lahontan had previously acquired the properties from KA Gold LLC and its subsidiary Pyramid Gold (US) Corp. At the time of the reverse takeover transaction, these properties had a cost of \$2,585,056. Of this total cost, \$1,856,523 was allocated to the Moho project interest and \$728,533 was allocated to the Redlich project interest based on estimates of the relative fair values of each project. Both projects are subject to underlying option agreements providing rights to earn a 100% interest in each project. The Company has assumed the obligations under the terms of these option agreements. Details with respect to the Moho and Redlich projects and the related underlying option agreements are described below.

### Moho, Nevada, USA

The Moho project is comprised of a total of 119 unpatented mining claims located in Mineral County, Nevada. Of this total, nine claims are subject to the Moho Option Agreement dated May 26, 2017 with subsidiaries of Gold Royalty Corp.; 50 claims are subject to the Mining Lease and Option to Purchase Agreement dated August 30, 2017 with Minquest Ltd. ("Minquest"); and, 60 claims are held directly.

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### Moho Option Agreement, Gold Royalty Corp.

The Moho Option Agreement provided an exclusive option to purchase a 100% interest in nine claims forming part of the Moho project. A final option payment was completed during August 2021 to acquire a 100% interest in these nine claims. The Company is responsible for annual claim maintenance costs.

Following the final option payment and exercise of the option, Gold Royalty Corp. retains a 2.5% NSR royalty on the nine claims. On the first three anniversaries of the option exercise, the Company was obligated to pay advance minimum royalty ("AMR") payments of \$15,000 per year (\$15,000 paid in September 2025). On the fourth anniversary and each year thereafter, the Company would pay AMR payments of \$25,000 annually. A total of \$60,000 related to payments under the option agreement and 80% of all AMR payments made are creditable toward future NSR amounts payable.

Additionally, the Moho Option Agreement defines an area-of-interest ("AOI") being a one-mile distance from the outermost perimeter of the nine property claims. Any additional property claims added in the AOI are subject to a 2% NSR royalty (the "AOI Royalty"). Both the 50 claims subject to the Minquest option agreement and the 35 claims held directly by the Company fall within the AOI and are subject to the AOI Royalty in favour of Gold Royalty Corp. If a third party royalty exists on any of the AOI claims, the AOI Royalty would be reduced such that the total royalty burden does not exceed 3%. The Company has a right to buy-down 1% of the NSR royalty on the 9 claims along with 1% of the AOI Royalty for a total amount of \$1,000,000.

### Mining Lease and Option to Purchase Agreement, Minquest

The Mining Lease and Option to Purchase Agreement provides an exclusive option to purchase a 100% interest in 50 claims forming part of the Moho project. A total of \$112,250 in minimum option payments, from execution of the agreement and including the final \$35,000 option payment during September 2021, have previously been made. On October 3, 2022, the Company signed an amendment to the Mining Lease and Option to Purchase Agreement that provided an extension of the agreement to March 31, 2023 and amended the payments in order to exercise the option. A payment of \$193,875 was made on November 3, 2022 as follows: (i) \$129,875 in cash; and (ii) 800,000 common shares of the Company at a deemed value of \$64,000. A final cash option payment of \$193,875 was paid during March 2023 to acquire a 100% interest in these 50 claims. Annual exploration work commitments of \$50,000 per annum during the five-year term of the agreement were required and have been met based on expenditures completed to date. The Company is responsible for annual claim maintenance costs. Following exercise of the option, Minquest retains a 1.5% NSR royalty.

### Redlich, Nevada, USA

The Redlich project is comprised of 76 unpatented mining claims located in Esmeralda County, Nevada. These 76 claims were subject to the Redlich Option Agreement dated May 26, 2017 with subsidiaries of Gold Royalty Corp. A final option payment was completed during August 2021 to acquire a 100% interest in these 76 claims. The Company is responsible for annual claim maintenance costs.

Following the final option payment and exercise of the option, Gold Royalty Corp. retains a 2.5% NSR royalty. On the first three anniversaries of the option exercise, the Company was obligated to pay AMR payments of \$15,000 per year (\$15,000 paid in September 2025). On the fourth anniversary and each year thereafter, the Company would pay AMR payments of \$25,000 annually. A total of \$60,000 related to payments under the option agreement and 80% of all AMR payments made are creditable toward future NSR amounts payable. The Company has a right to buy-down 1% of the NSR royalty for \$1,000,000.

## 6. Asset retirement obligation

Reclamation costs have been estimated based on the Company's interpretation of current regulatory requirements and measured with the most reliable information available. Management's estimate is determined based on the net present value of estimated future cash expenditures for reclamation activities. Reclamation costs are capitalized to mineral properties dependent on the nature of the asset related to the obligation. Future changes to those regulations and standards, as well as changes resulting from operations, may result in actual reclamation costs differing from the estimate. Details of the Company's reclamation performance obligation can be found in Note 5. The Company's asset retirement obligation arises from its obligation to undertake site reclamation and remediation in connection with the Santa Fe, Moho and Redlich projects.

The estimated costs of reclamation are based on current regulatory requirements using prescribed third-party contractor rates with a 10% contingency. The estimated asset retirement obligation liability at the reporting date utilizes the following assumptions: (i) total undiscounted amount of inflation adjusted future reclamation costs at December 31, 2025 was \$394,820 (December 31, 2024 - \$399,063); (ii) weighted average risk-free interest rate of 4.17% (December 31, 2024 - 4.58%) and a long-term inflation rate of 2.75% (December 31, 2024 - 2.56%); and (iii) expected timing of risk adjusted cash outflows required to settle the obligation will be incurred over the period through 2033. The Company's asset retirement obligation is as follows:

	\$
<b>Balance, January 1, 2024</b>	323,767
Accretion of asset retirement obligation	11,597
Change in asset retirement obligation estimate	<u>(42,007)</u>
<b>Balance, December 31, 2024</b>	293,357
Accretion of asset retirement obligation	12,215
Change in asset retirement obligation estimate	<u>7,649</u>
<b>Balance, December 31, 2025</b>	<u>313,221</u>

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### 7. Capital stock

#### a) Common shares

Authorized share capital of the Company consists of an unlimited number of common shares, having no par value.

##### **Common shares issuances during fiscal 2025**

During the year ended December 31, 2025, the Company issued a total of 53,026,445 common shares pursuant to the exercise of 53,026,445 common share purchase warrants for gross proceeds of \$3,551,874 (CDN\$4,954,576).

During the year ended December 31, 2025, the Company issued a total of 1,500,000 common shares pursuant to the exercise of 1,500,000 stock options for gross proceeds of \$85,727 (CDN\$120,000).

On November 25, 2025, the Company closed a non-brokered private placement issuing a total of 16,665,868 units at CDN\$0.15 per unit for gross proceeds of \$1,771,566 (CDN\$2,499,880). Each unit consisted of one common share of the Company and one-half common share purchase warrant with a total of 8,332,934 warrants issued. Each warrant issued entitles the holder to purchase one common share of the Company at a price of CDN\$0.25 per share until November 25, 2027. In connection with the private placement, the Company paid eligible finders cash commissions of \$20,047 (CDN\$28,910) and an aggregate of 192,634 finders' warrants. Each finders' warrant entitles the holder to acquire one common share of the Company on the same terms and conditions as the warrants issued as part of the units sold in the private placement. These finders' warrants were valued at \$7,570.

On October 22, 2025, the Company issued a total of 2,000,000 common shares related to the acquisition of the York claims (see note 5) valued at \$274,986.

On April 30, 2025, the Company closed a non-brokered private placement issuing a total of 42,705,700 units at CDN\$0.05 per unit for gross proceeds of \$1,542,623 (CDN\$2,135,285). Each unit consisted of one common share of the Company and one-half common share purchase warrant with a total of 21,352,850 warrants issued. Each warrant issued entitles the holder to purchase one common share of the Company at a price of CDN\$0.08 per share until April 30, 2027. In connection with the private placement, the Company paid eligible finders cash commissions of \$4,991 (CDN\$6,900).

On February 4, 2025, the Company closed a private placement issuing a total of 36,000,000 common shares at CDN\$0.02 per share for gross proceeds of \$499,946 (CDN\$720,000).

##### **Common share issuances during fiscal 2024**

On April 30, 2024, the Company closed a brokered private placement issuing a total of 57,500,000 units at CDN\$0.06 per unit for gross proceeds of \$2,525,789 (CDN\$3,450,000). Each unit consisted of one common share of the Company and one-half transferrable common share purchase warrant with a total of 28,750,000 warrants issued. Each warrant issued entitles the holder to purchase one common share of the Company at a price of CDN\$0.10 per share until April 30, 2027. In connection with the private placement, the Company paid eligible finders cash commissions of \$158,108 (CDN\$215,915) and an aggregate of 3,695,586 finders' warrants. Each finders' warrant entitles the finders to acquire one common share of the Company at a price of CDN\$0.06 until April 30, 2027. These finders' warrants were valued at \$121,173.

#### b) Warrants

##### **Warrant issuances during fiscal 2025**

During November 2025, the Company issued 8,525,668 warrants in connection with a private placement. These warrants are callable by the Company in the event that the closing price at which the common shares of the Company trade on the TSX Venture Exchange (or any such other stock exchange in Canada as the common shares may trade at the applicable time) exceed CDN\$0.35 for ten consecutive trading days at any time after March 25, 2025. The Company may provide written notice to holders of the warrants requiring the holder of the warrants to exercise the warrants within 30 business days following the date of delivery of such written notice. Subsequent to year end, on April 21, 2026, the Company exercised its right to accelerate the expiry date of these warrants to June 3, 2026.

During April 2025, the Company issued 21,352,850 warrants in connection with a private placement. These warrants are callable by the Company in the event that the closing price at which the common shares of the Company trade on the TSX Venture Exchange (or any such other stock exchange in Canada as the common shares may trade at the applicable time) exceed CDN\$0.12 for ten consecutive trading days at any time after August 31, 2025. The Company may provide written notice to holders of the warrants requiring the holder of the warrants to exercise the warrants within 30 business days following the date of delivery of such written notice. On September 5, 2025, the Company exercised its right to accelerate the expiry date of these warrants to October 21, 2025.

##### **Warrants exercised during fiscal 2025**

During the year ended December 31, 2025, a total of 53,026,445 warrants were exercised for gross proceeds of \$3,551,874 (CDN\$4,954,576). These warrants were collectively valued at \$1,018,365.

##### **Warrants expired during fiscal 2025**

On October 21, 2025, a total of 550,000 common share purchase warrants exercisable at \$0.08 expired.

##### **Warrant issuances during fiscal 2024**

During April 2024, the Company issued 28,750,000 warrants and 3,695,586 finders' warrants in connection with a private placement.

##### **Warrants expired during fiscal 2024**

On April 5, 2024, a total of 4,444,444 warrants exercisable at CDN\$0.65 expired.

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### b) Warrants (continued)

At December 31, 2025, details with respect to outstanding warrants were as follows:

Number	Exercise price	
	CDN\$	Expiry
954,464	0.06	April 30, 2027
35,876	0.08	September 1, 2026
11,079,834	0.10	April 30, 2027
262,525	0.11	February 28, 2026
16,143,750	0.12	September 1, 2026
12,056,200	0.18	February 28, 2026
8,525,668	0.25	November 25, 2027
<u>49,058,317</u>	0.15	

The fair value of warrants has been estimated using the Black-Scholes option pricing model at the grant date and this value has been presented as a separate component of shareholders' equity. The Company has determined expected volatility related to analysis of comparable companies in the mineral exploration sector. The assumptions used for the valuation of warrants issued during fiscal 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Expected life in years	2.0	3.0
Expected volatility	104% - 109%	101%
Risk-free interest rate	2.40% - 2.47%	4.18%
Dividend yield	Nil	Nil

### c) Compensation options

On April 5, 2024, a total of 429,290 compensation options exercisable at CDN\$0.45 per unit expired. At December 31, 2025, there were no compensation options outstanding. No compensation options were issued during fiscal 2025 or 2024.

### d) Stock options

In connection with the Amalgamation with 765 BC in April 2022, the Company's Board of Directors approved a new stock option plan which is a 10% rolling plan (the "Plan") under which the maximum number of stock options issuable under the Plan is equal to 10% of the Company's outstanding common shares from time to time. Eligible participants in the Plan include directors, officers, employees and consultants to the Company. Stock option exercise prices, vesting periods and the term to expiry are determined by the Board of Directors at the time of grant. The Plan replaced the private company stock option plan which was approved on August 15, 2020 by the Company's Board of Directors. In connection with the Amalgamation and public listing transaction with 765 BC, all previously outstanding stock options were replaced with Resulting Issuer stock options.

#### **Stock options granted during fiscal 2025**

On November 25, 2025, the Board of Directors approved the grant of 9,900,000 stock options to directors, officers and consultants of the Company. These stock options are exercisable at CDN\$0.15; expire November 25, 2030; and, were immediately vested.

On April 30, 2025, the Board of Directors approved the grant of 10,675,000 stock options to directors, officers and consultants of the Company. These stock options are exercisable at CDN\$0.08; expire April 30, 2030; and, were immediately vested.

#### **Stock options granted during fiscal 2024**

On May 8, 2024, the Board of Directors of the Company approved the grant of 9,100,000 stock options to directors, officers and consultants. These stock options are exercisable at CDN\$0.08; expire May 8, 2029; and, were immediately vested.

#### **Stock options exercised during fiscal 2025**

During the year ended December 31, 2025, the Company issued a total of 1,500,000 common shares pursuant to the exercise of 1,500,000 stock options for gross proceeds of \$85,727 (CDN\$120,000). These stock options were collectively valued at \$55,097.

#### **Stock options expired during fiscal 2025**

On October 22, 2025, a total of 2,750,000 stock options exercisable at \$0.30 expired.

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**d) Stock options (continued)**

Activity with respect to stock options is summarized as follows:

	Number	Weighted- average exercise price CDN \$
<b>Balance, January 1, 2024</b>	11,995,000	0.32
Granted	9,100,000	0.08
Forfeited	<u>(5,185,000)</u>	0.26
<b>Balance, December 31, 2024</b>	15,910,000	0.12
Granted	20,575,000	0.11
Exercised	(1,500,000)	0.08
Expired	(2,750,000)	0.30
Forfeited	<u>(585,000)</u>	0.13
<b>Balance, December 31, 2025</b>	<u>31,650,000</u>	0.15

The following table summarizes information relating to outstanding and exercisable stock options as at December 31, 2025:

Exercise price CDN\$	Number of options outstanding	Weighted- average remaining contractual life (years)	Number of options exercisable	Expiry date
0.08	6,500,000	3.4	6,500,000	May 8, 2029
0.08	10,025,000	4.3	10,025,000	April 30, 2030
0.15	9,900,000	4.9	9,900,000	November 26, 2030
0.18	2,275,000	2.2	2,275,000	March 16, 2028
0.45	<u>2,950,000</u>	1.3	<u>2,950,000</u>	April 8, 2027
	<u>31,650,000</u>	3.9	<u>31,650,000</u>	

During the year ended December 31, 2025, the Company recorded a total value of \$1,081,761 (2024 - \$346,930) with respect to stock options. Share based compensation amounts are included in shareholders' equity as contributed surplus and are included in share based compensation expense in the statement of operations and comprehensive loss; or, is capitalised to exploration and evaluation assets. During the year ended December 31, 2025, the Company capitalised a total value of \$242,104 (2024 - \$62,905) to exploration and evaluation assets.

The values of stock options are determined using the Black-Scholes option pricing model. The assumptions used for the valuation of stock options issued during fiscal 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Expected volatility	105% - 109%	101%
Expected option life (in years)	5.0	5.0
Risk-free interest rate	2.67% - 2.72%	3.68%
Expected dividend yield	Nil	Nil
Weighted-average exercise price	CDN\$0.11	CDN\$0.08
Weighted-average market price at grant date	CDN\$0.10	CDN\$0.07
Weighted-average fair value	CDN\$0.07	CDN\$0.05

The Company determined expected volatility related to analysis of comparable companies in the mineral exploration sector.

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**8. Income taxes**

Income taxes differ from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates to loss before income taxes as follows:

	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
Loss before income taxes	(2,108,483)	(1,340,160)
Statutory rate	26.50%	26.50%
Expected recovery of income tax	558,748	355,142
Permanent differences	222,509	75,267
Foreign tax rate difference	(92,196)	(84,247)
Effect of exchange rate differences	(81,884)	121,440
Share issue costs recorded in equity	69,870	73,060
Origination and reversal of temporary differences	(700,166)	(560,007)
Deferred income tax expense	(23,119)	(19,345)

Statutory tax rates presented above reflect the combined Canadian federal and provincial income tax rates enacted as at the Company's fiscal year ends. Significant components of the Company's deferred income tax assets and liabilities are as follows:

	December 31, 2025 \$	December 31, 2024 \$
<b>Deferred income tax assets and liabilities</b>		
Non-capital loss carry forwards	10,672,859	10,090,723
Asset basis differences	(1,698,384)	(1,472,740)
Share issue costs	129,119	179,313
Net deferred income tax assets not recognized	(10,109,736)	(9,780,319)
Deferred tax liability	(1,006,142)	(983,023)

As at December 31, 2025 the Company has tax losses for income tax purposes which may be used to reduce future taxable income. The income tax benefit, if any, of these losses have not been recorded in these consolidated financial statements because of the uncertainty of their recovery. The future expiration and potential tax benefit of the losses are as follows:

Years of expiry	Canada \$	United States \$	Total \$
2026 - 2030	2,912,524	10,497,594	13,410,118
2031 - 2035	156,993	13,726,369	13,883,362
2036 - 2040	146,707	10,155,215	10,301,922
2041 - 2045	3,989,085	7,351,545	11,340,630
	7,205,309	41,730,723	48,936,032

The ability to use U.S. loss carry forwards in the future is subject to certain limitations under provisions of the Internal Revenue Code, including Section 382, which relates to a 50% change in control of ultimate shareholders over a three year period, and is further dependent upon the Company attaining profitable operations. Ownership changes, as defined, may have occurred in prior years for Gateway Gold (USA) Corp. and the U.S. tax losses related to Gateway Gold (USA) Corp. may be subject to limitation under Section 382. Accordingly, the Company's ability to use these losses may be limited or these losses may expire un-utilized. Losses incurred to date may be further limited if a subsequent change in control occurs.

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### 9. Related party transactions and compensation of key management

Key management of Company includes the Chief Executive Officer and President; Vice President, Exploration; Chief Financial Officer; Corporate Secretary; and directors of the Company. Compensation awarded to key management, which is the portion included in the results of the consolidated financial statements, is summarized as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
Salaries and accrued compensation	696,073	491,629
Stock-based compensation	892,133	306,900
	<u>1,588,206</u>	<u>798,529</u>

As at December 31, 2025, a total of \$42,981 (December 31, 2024 - \$3,291) is included in accounts payable and accrued liabilities with respect to amounts due to key executive management for service contract obligations and expenses. In addition to the above, a company controlled by the Company's Chief Executive Officer and Vice President, Exploration, charged the Company for services related to exploration personnel costs, field vehicles and equipment, field office rent, utilities and related field office expenses in the amount of \$237,413 during the year ended December 31, 2025 (2024 - \$254,593). A direct family member of the Company's Chief Executive Officer provided consulting services to the Company and was paid \$120,150 in consulting fees during the year ended December 31, 2025 (2024 - \$74,500). A company controlled by the Company's Chief Financial Officer also provides bookkeeping, accounting and administration services to the Company. For the year ended December 31, 2025, a total of \$29,530 (2024 - \$24,235) was charged for these services. For the year ended December 31, 2025, under the terms of a service contract with the Company's Chief Executive Officer, the Company reimbursed \$29,298 (2024 - \$29,298) for medical insurance coverage.

The Company has management service agreements with each of its Chief Executive Officer, Chief Financial Officer and Vice President, Exploration which provide for payments upon termination in certain circumstances. With respect to termination without cause, the Chief Executive Officer and Vice President, Exploration would be entitled to a payment equal to one year's compensation and the Chief Financial Officer would be entitled to a payment equal to three month's compensation. The service agreements also provide that under certain conditions, including a change in control of the Company, that the Chief Executive Officer and Vice President, Exploration would be entitled to a payment equivalent to two year's compensation and the Chief Financial Officer would be entitled to a payment equal to one year's compensation.

### 10. Financial instruments and risk management

#### Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The carrying amounts reported in the consolidated statements of financial position for cash and cash equivalents, amounts receivable, reclamation deposits, accounts payable and accrued liabilities approximate their fair values based on the immediate or short-term maturities of these financial instruments.

#### Financial risk management objectives

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk and market risks. Where material, these risks are reviewed and monitored.

#### **Credit risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consists of cash and cash equivalents. The Company's cash is held at major Canadian and United States financial institutions. The maximum exposure to credit risk is equivalent to the carrying amount. As at December 31, 2025, the Company does not consider any of its financial assets to be impaired.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through monitoring cash outflows due in its day-to-day business and by regular cash flow forecasting of cash requirements to fund exploration projects and operating costs. As at December 31, 2025, the Company's liabilities included accounts payable and accrued liabilities of \$252,481 all of which are due within normal trade terms of generally 30 days (see note 1, going concern).

#### **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. While market risk may include a number of components, only currency risk is applicable to the Company.

#### **Currency risk**

The Company's cash is held in Canadian dollar and United States dollar accounts. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates with respect to the United States dollar. As at December 31, 2025, the Company held cash in United States dollars of \$156,723 (2024 - \$23,699). The Company has not utilized derivative instruments to reduce its exposure to foreign currency risk.

All of the Company's cash based operating expenses were denominated in the relevant functional currency; therefore, operating costs were not affected by exchange rate changes during the years presented in these financial statements. The Company's property and exploration costs are primarily denominated in United States dollars.

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### 11. Segmented information

The Company presents and discloses segmented information based on information that is regularly reviewed by the Company's President and CEO who is the chief operating decision-maker. The President and CEO has primary responsibility for allocating resources to the Company's operating segments and assessing their performance. The Company's operations comprise one reportable segment being the exploration and development of mineral resource properties. The Company's corporate and administrative offices are in Canada. The Company's reclamation deposits and exploration and evaluation assets all relate to the Company's property interests located in Nevada, USA.

### 12. Capital management

The Company's capital structure is comprised of shareholders' equity. The Company is not subject to externally imposed capital requirements. The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations and to finance its exploration activities and general corporate costs (see note 1, going concern).

The Company monitors its capital structure using future forecasts of cash flows, particularly those related to its exploration programs.

The Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above. To manage the capital structure, the Company may adjust its exploration programs, operating expenditure plans, or issue new common shares and warrants. The Company's capital management objectives have remained unchanged over the periods presented in these consolidated financial statements.

### 13. Supplemental cash flow information

Non-cash transactions not reflected in the consolidated statements of cash flows are as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
Common shares issued for acquisition of exploration property assets (notes 5 and 7)	274,986	-
Exploration expenditures included in accounts payable and accrued liabilities	140,712	161,883
Stock option compensation charge capitalised to exploration and evaluation assets	242,104	62,905
Change in asset retirement obligation estimate	7,649	(42,007)

### 14. Subsequent events

#### **Exercise of common share purchase warrants**

Subsequent to December 31, 2025, the Company issued a total of 17,337,423 common shares pursuant to the exercise of 17,337,423 common share purchase warrants for gross proceeds of \$1,955,368 (CDN\$2,676,147).

#### **Exercise of stock options**

Subsequent to December 31, 2025, the Company issued a total of 4,914,705 common shares pursuant to the exercise of 6,100,000 stock options for gross proceeds of \$113,840 (CDN\$156,000).

#### **Closing of a non-brokered private placement for units**

During March and April 2026, the Company closed a non-brokered private placement issuing a total of 33,269,244 units at CDN\$0.41 per unit for gross proceeds of \$9,920,082 (CDN\$13,640,390). Each unit consisted of one common share of the Company and one-half common share purchase warrant with a total of 16,634,622 warrants issued. Each whole warrant issued entitles the holder to purchase one common share of the Company at a price of CDN\$0.60 per share for a period of two years from date of issuance; provided, however, that should the closing price at which the common shares trade on the TSX Venture Exchange (or any such other stock exchange in Canada as the common shares may trade at the applicable time) exceed CDN\$1.00 for ten consecutive trading days at any time following the date that is four months and one day after the date of issuance, the Company may accelerate the warrant term such that the warrants shall expire on the date which is 30 business days following the date a press release is issued by the Company announcing the reduced warrant term.

In connection with the private placement, the Company paid eligible finders cash commissions of \$584,600 (CDN\$804,401) and an aggregate of 1,961,954 finders' warrants. Each finders' warrant entitles the holder to acquire one common share of the Company at a price of CDN\$0.41 per common share from the date of issuance.