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**PALISADES GOLDCORP LTD.**

**CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEARS ENDED  
DECEMBER 31, 2025 AND 2024

*(Expressed in thousands of Canadian Dollars unless otherwise noted)*

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# Independent Auditor's Report

To the Shareholders and the Board of Directors of  
Palisades Goldcorp Ltd.

## Opinion

We have audited the consolidated financial statements of Palisades Goldcorp Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. This matter was 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 this matter.

### **Valuation of Investments — Refer to Note 5 of the financial statements**

#### Key Audit Matter Description

The Company's investment portfolio, which includes publicly traded equities, warrants, and restricted investments, is measured at fair value through profit or loss. Level 1 investments are valued using quoted prices in active markets. Level 2 investments are measured using a Black-Scholes option pricing model that incorporates key valuation inputs including risk free interest rate, expected dividend yield, expected volatility and expected remaining life of the warrant, which are supported by observable market conditions.

We identified the valuation of the investment portfolio as a key audit matter due to its significance to the financial statements, the level of judgment involved in determining key valuation inputs, and the extent of audit effort required, including the involvement of our fair value specialists.

#### How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to valuation of investments included the following, among others:

- For Level 1 investments, we evaluated the fair value of publicly traded equities and restricted investments by comparing the prices used by management to independent market data; and
- For Level 2 investments, with the assistance of our fair value specialists, we evaluated the reasonableness of management's key valuation inputs, including expected volatility, by assessing their consistency with observable market information.

### Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the 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 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed 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.

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

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

In preparing the 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.

## Auditor's Responsibilities for the Audit of the 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 Canadian GAAS 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the 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 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 David Macdonald.

"/s/ Deloitte LLP"

Chartered Professional Accountants  
Vancouver, British Columbia  
March 31, 2026

**PALISADES GOLDCORP LTD.****Consolidated Statements of Financial Position***(Expressed in thousands of Canadian dollars except per share data)*

	Note	December 31, 2025 \$	December 31, 2024 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		1,269	207
Bullion	11	498	-
Receivables		13	-
Investments	5	212,108	4,118
Prepaid expenses and deposits		1,677	8
<b>Total current assets</b>		<b>215,565</b>	<b>4,333</b>
<b>Non-current assets</b>			
Non-current portion of investments	5	77,141	-
Restricted investments	5	58,870	-
Reclamation bonds	8	661	-
Property and equipment		182	-
Exploration and evaluation assets	8	8,882	-
Investment in New Found Gold Corp.	7	-	112,371
Deferred transaction costs		-	493
<b>Total non-current assets</b>		<b>145,736</b>	<b>112,864</b>
<b>Total Assets</b>		<b>361,301</b>	<b>117,197</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		3,079	389
Convertible debt payable	9	4,038	-
Non-convertible debt	9	8,753	-
<b>Total current liabilities</b>		<b>15,870</b>	<b>389</b>
<b>Non-current liabilities</b>			
Deferred tax liability	15	60,093	22,559
<b>Total non-current liabilities</b>		<b>60,093</b>	<b>22,559</b>
<b>EQUITY</b>			
Share capital	12	69,420	32,521
Equity portion of convertible debt	9	499	-
Contributed surplus	12	49,227	46,804
Retained earnings		166,192	14,924
<b>Total equity</b>		<b>285,338</b>	<b>94,249</b>
<b>Total Equity and Liabilities</b>		<b>361,301</b>	<b>117,197</b>

**NATURE OF OPERATIONS (Note 1)****COMMITMENTS AND CONTINGENCIES (Note 16)****SUBSEQUENT EVENTS (Note 19)**

These consolidated financial statements are authorized for issue by the Board of Directors on March 31, 2026. They are signed on the Company's behalf by:

"Gregor Gregersen" , Director

"Elizabeth Harrison" , Director

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

**PALISADES GOLDCORP LTD.****Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)***(Expressed in thousands of Canadian dollars except per share data)*

	Note	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
<b>Income (loss)</b>			
Net investment gains (losses)	5, 6	199,219	(2,124)
Net unrealized gains – restricted investments	5	38,426	-
Interest income		56	9
Total income (loss)		<u>237,701</u>	<u>(2,115)</u>
<b>Expenses (recoveries)</b>			
Loss associated with equity investment, net	7	19,957	90,476
General and administrative	10	6,919	1,949
Interest expense		1,549	4
Exploration costs	8	1,395	-
Foreign exchange loss		90	-
Total expenses		<u>29,910</u>	<u>92,429</u>
Settlement of legal claim		-	(15,555)
<b>Income (loss) before income taxes</b>		<u>207,791</u>	<u>(110,099)</u>
<b>Income tax recovery (expense)</b>			
Deferred tax	15	<u>37,534</u>	<u>(29,594)</u>
<b>Net income (loss) and comprehensive income (loss) for the year</b>		<u>170,257</u>	<u>(80,505)</u>
Income (loss) per share – basic	13	2.72	(1.68)
Income (loss) per share – diluted	13	2.62	(1.68)
Weighted average number of shares outstanding			
Basic	13	62,686,264	47,905,069
Diluted	13	65,134,194	47,905,069

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

**PALISADES GOLDCORP LTD.**  
**Consolidated Statements of Cash Flows**  
*(Expressed in thousands of Canadian dollars)*

	Note	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
<b>Cash flows from operating activities</b>			
Income (loss) for the year		170,257	(80,505)
Items not affecting cash:			
Investment losses (gains)	6	(199,219)	2,124
Net loss on restricted investments	6	(38,426)	-
Gain on loss of significant influence	7	(18,536)	-
Impairment loss on equity investment	7	35,357	72,218
Loss from equity investment	7	3,092	16,947
Loss on dilution of equity investment	7	45	1,311
Interest on debt	9	1,408	-
Deferred income tax expense (recovery)		37,534	(29,594)
Share-based compensation		2,423	-
Unrealized foreign exchange gain		(15)	-
Depreciation		4	-
Settlement of legal claim		-	15,552
Adjustments for:			
Proceeds on disposal of investments	5	287,095	7,525
Purchases of investments	5	(296,919)	(6,042)
Purchases of bullions		(498)	-
Decrease (increase) in prepaid expenses and deposits		(1,667)	11
Decrease in interest receivable		93	-
Increase in accounts payable and accrued liabilities		952	315
Increase in deferred transaction costs		-	(493)
<b>Net cash used in operating activities</b>		<b>(17,020)</b>	<b>(631)</b>
<b>Cash flows from investing activities</b>			
Cash received as part of acquisition of PIL		405	-
Transaction costs paid in PIL acquisition		(846)	-
<b>Net cash used in investing activities</b>		<b>(441)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from secured note	9	8,252	-
Proceeds from convertible debt, net of transaction costs	9	8,209	-
Private placement financing, net of issuance costs		2,482	-
Interest payments		(420)	-
<b>Net cash provided by financing activities</b>		<b>18,523</b>	<b>-</b>
<b>Net increase (decrease) in cash</b>		<b>1,062</b>	<b>(631)</b>
Cash at beginning of year		207	838
<b>Cash at end of year</b>		<b>1,269</b>	<b>207</b>

**SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (Note 14)**

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

**PALISADES GOLDCORP LTD.**

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except share and per share amounts)*

	Note	Number of shares	Amount \$	Equity portion of convertible debt \$	Treasury Shares \$	Contributed surplus \$	Retained earnings \$	Total equity \$
Balance at December 31, 2023		48,003,977	32,717	-	(196)	46,804	95,429	174,754
Shares cancelled		(100,000)	(196)	-	196	-	-	-
Net loss for the year		-	-	-	-	-	(80,505)	(80,505)
Balance at December 31, 2024		47,903,977	32,521	-	-	46,804	14,924	94,249
Shares issued in private placement		1,436,365	2,499	-	-	-	-	2,499
Share issuance costs		-	(17)	-	-	-	-	(17)
Shares issued to acquire PIL	4	15,127,294	30,255	-	-	-	-	30,255
Share-based compensation		-	-	-	-	2,423	-	2,423
Equity portion of convertible debt	9	-	-	499	-	-	-	499
Capital distribution	12	-	-	-	-	-	(18,989)	(18,989)
Shares issued for convertible note	9	3,356,129	4,162	-	-	-	-	4,162
Net income for the year		-	-	-	-	-	170,257	170,257
Balance at December 31, 2025		67,823,765	69,420	499	-	49,227	166,192	285,338

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

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

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### **1. NATURE OF OPERATIONS**

Palisades Goldcorp Ltd. (the “Company”) was incorporated on August 30, 2019 as Palisades Acquisitions Corp. under the Business Corporations Act in the Province of British Columbia. The address of the Company’s registered office is 25<sup>th</sup> Floor, 700 West Georgia St., Vancouver, British Columbia V7Y 1B3. On September 24, 2019 the Company changed its name to Palisades Goldcorp Ltd. On February 6, 2023, the Company completed an initial public offering and listed on the TSX Venture Exchange (“TSXV”) as a Tier 2 issuer under the symbol “PALI”.

The Company is a resource investment company and merchant bank focused on junior companies in the resource and mining sector and advancing and developing its own mineral projects. The Company seeks to acquire equity participation in pre-IPO and early-stage public resource companies with undeveloped or undervalued high-quality projects. The Company focuses on companies that are in need of financial resources to realize their full potential, are undervalued in capital markets and/or operate in jurisdictions with low to moderate local political risk. The Company also holds interests in mineral property exploration and development projects in Nevada, USA and Elliot Lake, Ontario, Canada.

### **2. BASIS OF PREPARATION**

#### **a) Statement of compliance**

The Company’s consolidated financial statements have been prepared in accordance with and using accounting policies in compliance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board (“IASB”) effective for the Company’s reporting for the years ended December 31, 2025 and 2024.

#### **b) Basis of presentation**

The consolidated financial statements have been prepared on a historical cost basis, except for investments measured at fair value, and are presented in Canadian dollars.

#### **c) Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, which except for Palisades Goldcorp Ltd., is from the date of acquisition of control on February 6, 2025 to December 31, 2025 (see Note 4). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a Company to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

**PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

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	Place of Incorporation	Principal activity
Palisades Goldcorp Ltd.	British Columbia, Canada	Investment company
Palisades Investments Ltd. (formerly Radio Fuels Energy Corp.) (“PIL”)	British Columbia, Canada	Investment company
Radio Fuels Resources Corp.	British Columbia, Canada	Holding company
2362907 Ontario Inc.	Ontario, Canada	Holding company
Made in America Ltd.	British Columbia, Canada	Holding company
Big Casino Corp.	Delaware, USA	Exploration company
Battle Mountain Gold LLC	Nevada, USA	Exploration company
Brownstone Ventures (US) Inc.	Delaware, USA	Exploration company

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At December 31, 2024, the Company had no subsidiaries, and the financial statements included accounts of one Company, being Palisades Goldcorp Ltd.

**d) Critical accounting judgments, estimates and assumptions**

The preparation of the financial statements in accordance with IFRS<sup>®</sup> Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty and judgment considered by management in preparing the consolidated financial statements are as follows:

(i) Asset acquisition versus business combination

Management applied judgment with respect to whether the acquisition of PIL (see Note 4) was an asset acquisition or a business combination. The assessment required management to assess the inputs, processes and outputs acquired at the time of acquisition. Pursuant to the assessment, PIL acquisition was determined to be an asset acquisition since no processes were acquired.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

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### (ii) Equity instruments issued in PIL acquisition

The Company issued equity instruments to acquire net assets of PIL (see Note 4). When shares (or other equity instruments) are issued without cash consideration, the transaction is recognized at the fair value of the assets received. In the event that the fair value of the assets cannot be reliably determined, the Company will recognize the transaction at the fair value of the equity instruments issued. In case of PIL acquisition, the value of the acquired exploration and evaluation assets could not be measured reliably. As a result, the Company estimated it based on the value of the consideration paid (Note 4).

### (iii) Impairment of exploration and evaluation assets

Management is required to assess impairment in respect to the Company's mineral property interests. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The carrying value of each exploration and evaluation asset is reviewed regularly for conditions that may suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Management determined that there were no indicators of impairment as at December 31, 2025. Refer to Note 8 for further information.

### (iv) Convertible debt

Significant judgment is required to determine if the entire amount of the convertible debt received should be classified as a liability or if the conversion feature should be classified as a component of equity. Based on the analysis of the terms of the secured convertible notes issued in May 2025 (Note 9), it was concluded that the conversions feature represents a component of equity. Refer to Note 9 for details of the valuation assessment performed at the date of the issuance and at December 31, 2025.

### (v) Determination of fair values

The determination of fair value requires judgment and is based on market information, where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

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The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring or disclosing the fair value, and to provide additional disclosure in connection therewith (Note 5).

- Publicly-traded investments (i.e., securities of issuers that are public companies) include shares, options, and warrants which are traded in an active market, such as on a recognized securities exchange and for which no non-standard sales restrictions apply, and are presented at fair value based on quoted bid prices at the statement of financial position dates or the closing trade price on the last day the security traded if there were no trades at the statement of financial position dates. These are included in Level 1 in the fair value hierarchy (Note 5).
- Options and warrants, which are not actively traded on a recognized securities exchange, have no reasonable market value readily available. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value. The option pricing model requires an estimate of volatility, which is significant to the resultant estimated fair value. Options and warrants valued using an option pricing model are included in Level 2 in the fair value hierarchy (Note 5).
- Private company investments (securities of issuers that are not public companies) are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, fair value is reassessed based on company-specific developments, general market conditions, and the performance of comparable public companies, and is typically unchanged absent meaningful events or trends. Adjustments may occur following significant financings at new valuations, material corporate or operating developments, regulatory or permitting outcomes, exploration results, changes in management, or indicators of financial distress such as receivership or going-concern concerns. These valuations rely on management judgment, may not be realizable, and could differ from amounts ultimately received if the investments were sold, particularly given the absence of an active market.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

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### (vi) Income taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

### (vii) Existence of significant influence

An associate is an entity over which the investor has significant influence but not control and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20%, if the Company has the power to participate in the financial and operating policy decisions affecting the entity. The Company's share of the net assets and net earnings or loss is accounted for in the financial statements using the equity method of accounting. Any distributions received from the associate reduce the carrying amount of the investment. Significant judgment is required to determine whether significant influence exists. Based on the analysis of the shareholdings in New Found Gold Corp. ("New Found") and other factors such a representation on the Board and management, it was concluded that on June 3, 2025 the Company has lost its significant influence over New Found. As result, the Company has reclassified its investment in New Found from equity investments in associates (Note 7) to investments (Note 5) and restricted investments (Note 5) carried at fair value through profit and loss.

## **3. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies used in the preparation of these consolidated financial statements are set out below.

### **a) Foreign currencies**

The presentation and functional currency of the Company and its subsidiaries is considered to be the Canadian dollar. Transactions in currencies other than the Canadian dollar are recorded at the rates of exchange prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. As the Canadian dollar is the presentation and functional currency of all entities, net foreign exchange gains or losses are recorded in the consolidated statement of income (loss) in the period they are incurred.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

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*(Expressed in thousands of Canadian Dollars except per share amounts)*

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### **b) Exploration and evaluation assets**

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred. Once the legal right to explore has been acquired, the Company capitalizes the costs of acquiring rights or licenses, including those purchased from other parties or staked directly by the Company, until such time as the lease expires, it is abandoned, sold or considered impaired in value. Exploration and evaluation costs, including costs of surveying, exploratory drilling, sampling, materials, fuel, equipment rentals, payments to contractors, and rental or lease payments associated with mineral rights are expensed as incurred. Once the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and economically recoverable reserves are developed, any direct exploration costs of the related property are capitalized as development costs.

Exploration and evaluation properties are not amortized during the exploration and evaluation stage.

The Company does not have revenue from mining operations. From time to time, the Company may recognize gains or losses on the sale of exploration and evaluation assets in accordance with the terms of the purchase and sale agreements. Gains or losses are recognized when a mining option is executed and the cost is derecognized in accordance with the percentage interest sold.

At each reporting date, the carrying amounts of the Company's exploration and evaluation assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units ("CGU") to which the exploration activity relates. Each of the Company's properties is a separate CGU. Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### **c) Convertible debt**

The Company's convertible notes issued are classified as compound financial instruments, each comprised of both a financial liability component for the Company's obligation to deliver cash for the principal and interest as they become due, and an equity component for a conversion option that provides the holder the right to convert the principal into a fixed number of the Company's common shares.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

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On initial recognition, the fair value of the financial liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) and subsequently measured using the effective interest rate ("EIR") method until it is extinguished on conversion or redemption. The residual amount of gross proceeds is allocated to the equity component, reflecting the value of the holder's conversion option. The equity component is not subsequently remeasured.

Transaction costs are apportioned between the liability and equity components of the convertible notes, based on the allocation of the gross proceeds to the liability and equity components when the instruments are initially recognised.

Upon conversion, the carrying amount of a convertible note is reclassified to equity with no gain or loss recognized.

### **d) Financial instruments**

#### **(i) Classification**

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period. Financial assets and liabilities classified at amortized cost are measured at amortized cost using the effective interest method.

The following table sets out the classifications of the Company's financial assets and liabilities:

<b>Financial assets/liabilities</b>	<b>Classification under IFRS 9</b>
Cash	Amortized cost
Investments and restricted investments	FVTPL
Reclamation bonds	Amortized cost
Accounts payables	Amortized cost
Convertible notes	Amortized cost
Non-convertible debt	Amortized cost

IFRS Accounting Standards require an expected credit loss model for calculating the impairment of financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

#### **(ii) Recognition, derecognition and measurement**

Purchases and sales of investments are recognized on the settlement date. Financial assets at fair

## **PALISADES GOLDCORP LTD.**

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value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the consolidated statements of income and comprehensive income. Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9, Financial Instruments.

Subsequent to initial recognition, all investments are remeasured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the consolidated statements of income (loss) within net investment gains (losses) in the period in which they arise.

### (iii) Reclassification of investments

The Company would only reclassify a financial asset when the Company changes its business model for managing the financial asset. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new carrying value.

There were no reclassifications of financial assets during the years ended December 31, 2025 and 2024.

### (iv) Fair value of financial derivatives

Investments in options and warrants that are not traded on a recognized securities exchange do not have a readily available market value. When there are sufficient and reliable observable market inputs, an option pricing model is used; if no such market inputs are available, the warrants and options are valued using alternative methods representing fair value, such as intrinsic value.

### (v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position 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 assets and settle the liabilities simultaneously. There was no offsetting of financial instruments as at December 31, 2025 and 2024.

## **e) Net investment gains or losses**

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and unrealized gains and losses in the value of investments are reflected in the statements of income (loss) as part of net investment gains (losses).

Upon disposal of an investment, previously recognized unrealized gains or losses are reversed to recognize the full realized gain or loss in the period of disposition. All transaction costs associated with the acquisition and disposition of investments are expensed to the statements of income (loss)

## **PALISADES GOLDCORP LTD.**

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as incurred.

### **f) Income taxes**

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

#### **(i) Current tax**

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

#### **(ii) Deferred tax**

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

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### **g) Earnings and loss per share**

The Company presents basic and diluted earnings and loss per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share does not adjust the earnings or loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

### **h) New and amended IFRS Accounting Standards not yet effective**

Certain new accounting standards or interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards and interpretations are not expected to have a material impact on the Company's consolidated financial statements, except for IFRS 18 "Presentation and Disclosure in Financial Statements".

IFRS 18 includes requirements for all entities applying IFRS Accounting Standards for the presentation and disclosure of information in financial statements and has an effective date of January 1, 2027. The effects of the adoption of IFRS 18 on the Company's consolidated financial statements have not yet been determined.

## **4. ACQUISITION OF PIL**

On February 6, 2025, the Company completed the acquisition of all the issued and outstanding shares of Palisades Investments Ltd. (formerly Radio Fuels Energy Corp.) ("PIL") and subsidiaries by way of a plan of arrangement under the Canada Business Corporations Act. Under the terms of the arrangement agreement, each PIL share was exchanged for 0.060538 of the Company's common shares, which resulted in the Company issuing 15,127,294 shares with a total fair value of \$30,255 to former shareholders of PIL. In addition, each PIL warrant outstanding is now exercisable for 0.060538 of the Company's shares. The Palisades warrants began trading on the TSX Venture Exchange on February 10, 2025 under the symbol "PALI.WT". As a result of the acquisition, the Company obtained control over PIL assets, including its investment portfolio and mineral property portfolio. The Company incurred \$846 in legal fees in connection with the acquisition.

The transaction was accounted for as an asset acquisition. Since the consideration was mainly in the form of equity instruments, the transaction was accounted for under IFRS 2 Share-based payment.

The fair value of the acquired cash, receivables, prepaid expenses, investments, reclamation bonds, property and equipment, accounts payable and accrued liabilities, and margin overdraft was based on their estimated fair values on the acquisition date. The value of the acquired exploration and evaluation assets could not be measured reliably. As a result, the Company determined the total value of the consideration paid and allocated the difference between the value of consideration paid and the value of other net identifiable assets acquired to exploration and evaluation assets.

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The warrants issued to the former shareholders of PIL were determined to have minimal value.

The purchase price allocation is summarized below:

Value of equity instruments issued	\$ 30,255
Transaction costs	846
<b>Total consideration</b>	<b>31,101</b>
<b>Assets</b>	
Cash	405
Receivables	106
Prepaid expenses	2
Investments	23,108
Exploration and evaluation assets (Note 8)	8,882
Reclamation bonds	642
Property and equipment	190
Other assets	3
<b>Liabilities</b>	
Accounts payable and accrued liabilities	(543)
Margin overdraft	(1,694)
<b>Total net assets acquired</b>	<b>\$ 31,101</b>

### **5. FINANCIAL INSTRUMENTS HIERARCHY AND INVESTMENTS**

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

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

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The Company's investments according to the fair value hierarchy are as follows as at December 31, 2025:

	Level 1	Level 2	Level 3	Total fair value
<b>Investments</b>	\$	\$	\$	\$
Equities, current	45,338	-	4,365	49,703
Warrants, current	-	162,405	-	162,405
Total investments, current	45,338	162,405	4,365	212,108
Equities, non-current <sup>1</sup>	77,141	-	-	77,141
Restricted shares, non-current <sup>1,2</sup>	58,870	-	-	58,870
Total	181,349	162,405	4,365	348,119
Investments denominated in foreign currencies	4,387	3,725	467	8,579
% denominated in foreign currencies	2%	2%	11%	2%

1. New Found shares classified as non-current assets.

2. New Found shares held as security against debt obligations.

The Company's investments according to the fair value hierarchy are as follows as at December 31, 2024:

	Level 1	Level 2	Level 3	Total fair value
<b>Investments</b>	\$	\$	\$	\$
Equities	2,796	-	-	2,796
Warrants	-	1,322	-	1,322
Total Investments	2,796	1,322	-	4,118
Investments denominated in foreign currencies	-	-	-	-

During the year ended December 31, 2025, \$781 of warrants were reclassified from Level 1 to Level 2 due to a lack of available and readily accessible market data. There were no movements between levels during the year ended December 31, 2024.

Warrants held by the Company are classified at fair value through profit or loss, with any gains or losses arising on remeasurement recognized in profit or loss. Within Level 2, the Company includes warrants that do not have readily accessible market data which are valued using the Black-Scholes option pricing model with assumptions including risk free interest rate, expected dividend yield, expected volatility and expected remaining life of the warrant which are supported by observable market conditions. The warrants have varying expiry dates ranging from January 2026 to December 2030. Refer to Note 17 for information on sensitivities of the Company's investments and volatility input estimates.

## PALISADES GOLDCORP LTD.

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Within Level 3, the Company includes private company investments which are not quoted on an exchange. The key assumptions used in the valuation of these investments include, but are not limited to, the value at which a recent financing was done by the investee, company-specific information, and review of adjusted net book values. A +/- 10% change on the fair value of these investments will result in a corresponding +/- \$47 (December 31, 2024 - \$Nil) change to the total fair value of these investments. The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments.

The following tables represent the changes in fair value measurements of financial instruments.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Balance, December 31, 2024	2,796	1,322	-	4,118
Reclassification of New Found <sup>1</sup>	92,413	-	-	92,413
Acquired in PIL acquisition	18,539	4,569	-	23,108
Purchases of investments <sup>2</sup>	292,571	-	4,348	296,919
Sales of investments <sup>2</sup>	(287,095)	-	-	(287,095)
Net gains on investments <sup>2</sup>	81,895	155,733	17	237,645
Transfer between Level 1 to Level 2	(781)	781	-	-
Return of capital transaction (Note 12)	(18,989)	-	-	(18,989)
Balance, December 31, 2025	181,349	162,405	4,365	348,119

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Balance, December 31, 2023	3,823	1,908	1,993	7,724
Purchases of investments <sup>2</sup>	5,842	200	-	6,042
Sales of investments <sup>2</sup>	(6,173)	(1,005)	-	(7,178)
Net gains (losses) on investments <sup>2</sup>	(696)	219	(1,993)	(2,470)
Balance, December 31, 2024	2,796	1,322	-	4,118

1. New Found shares reclassified to Investments, non-current and Restricted investments as a result of loss of significant influence.
2. Includes both equity and warrant investments.

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At December 31, 2025, the Company held 19,000,000 unrestricted shares of New Found with a carrying value of \$77,141 (\$Nil at December 31, 2024) and 14,500,000 of restricted shares with a carrying value of \$58,870 held as security against existing debt obligations (\$Nil at December 31, 2024). The New Found shares are classified as a long-term investment to reflect management's intend to not actively transact on these investments, including buying or selling New Found shares for short term gains. The Company views the investment in New Found as distinct and separate from its other equity and warrant investments. The Company may, from time to time, sell portions of the New Found shares for capital management purposes, but otherwise does not expect to realize these assets or actively trade them for short term profits within its normal operating cycle.

### *Restricted Investments*

As at December 31, 2025, the Company has a total of 14,500,000 shares of New Found pledged against the outstanding debt with a carrying value of \$58,870 (Note 9). The Company recognized an unrealized gain on restricted investments of \$38,426 in the consolidated statement of income during the year ended December 31, 2025 (December 31, 2024 - \$Nil).

## **6. NET INVESTMENT GAINS (LOSSES)**

Net investment gains (losses) consist of the following:

	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
Net realized gains disposal of investments	10,130	347
Net change in unrealized gains (losses) on investments	189,089	(2,471)
<b>Net investment gains (losses)</b>	<b>199,219</b>	<b>(2,124)</b>

## **7. INVESTMENT IN NEW FOUND GOLD**

At December 31, 2024, the investment in New Found represented 21.64% of New Found's issued and outstanding common shares. The companies also had a director and officer in common, being the Director and Executive Chairman.

On June 3, 2025, upon completion of a private placement financing by New Found, the Company's % ownership in New Found has decreased to 19.69%. The companies also no longer have any directors or officers in common. As a result, it was concluded that the Company lost its significant influence over New Found on June 3, 2025. The Company has reclassified its investment in New Found from investments in associates to investments at fair value through profit or loss (Note 5).

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The following table illustrates the summarised financial information of the Company's investment in New Found as at June 3, 2025 and December 31, 2024:

	June 3, 2025 \$	December 31, 2024 \$
<b>Summarised Statement of Financial Position</b>		
Current assets	13,983	29,751
Non-current assets	333,865	496,883
Current liabilities	(5,934)	(7,379)
Non-current liabilities	(69)	(69)
Net Assets	341,845	519,186
The Company's ownership interest	21.61%	21.64%
Share of New Found's net assets	73,877	112,352
<b>Summarised Statement of Loss and Comprehensive Loss</b>		
Revenues	-	-
Loss from continuing operations	(14,300)	(75,681)
Post-tax loss from discontinued operations	-	-
Net loss and comprehensive loss for year	(14,300)	(75,681)
Share of New Found's loss for the period	(3,092)	(16,947)

The Company performed an impairment assessment on its investment in New Found at each period end. The assessment was based on the review of the recent share price history, review of the industry statistics and assessment of the current market conditions. At March 31, 2025, it was concluded that the investment in New Found was impaired and should be written-down to its estimated fair value of \$75,059. An impairment loss of \$35,357 was included in loss from equity investment on the consolidated statements of income (loss) during the year ended December 31, 2025. During the year ended December 31, 2024, the Company recognized an impairment loss on its investment in New Found of \$72,218, which was included in loss from equity investment on the consolidated statements of income (loss) for the year.

Loss from equity investment in New Found, net, is summarized in the table below:

	December 31, 2025 \$	December 31, 2024 \$
Gain on loss of significant influence	18,536	-
Impairment loss on equity investment	(35,357)	(72,218)
Loss from equity investment	(3,092)	(16,947)
Loss on dilution of equity investment	(44)	(1,311)
	(19,957)	(90,476)

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The following table illustrates the movement in investment in associate for the years ended December 31, 2025 and 2024:

<b>Net Carrying amount – December 31, 2023</b>	<b>\$ 218,400</b>
Transferred in settlement of legal claim	(15,553)
Share of loss from operations of associate	(16,947)
Loss on dilution of equity interest	(1,311)
Impairment loss	(72,218)
<b>Net Carrying amount – December 31, 2024</b>	<b>\$ 112,371</b>
Share of loss from operations of associate	(3,092)
Loss on dilution of equity interest	(44)
Impairment loss	(35,357)
Reclassified to investments (Note 5)	(51,231)
Reclassified to restricted investments (Note 5, 9)	(22,647)
<b>Net Carrying amount – December 31, 2025</b>	<b>\$ -</b>

The estimated fair value of investment in New Found was \$92,413 at June 3, 2025 (2024 - \$112,371). As a result, the Company recognized a gain on its loss of significant influence of \$18,536 upon reclassification of its investment in New Found from equity investments to investments and restricted investments carried at fair value through profit or loss.

## 8. EXPLORATION AND EVALUATION ASSETS

As a result of the acquisition of PIL (Note 4), the Company acquired a mineral property portfolio. The fair value of each project at the acquisition date was determined based on historical spending on each project and was subject to management's judgment. The schedule below summarizes the carrying costs of exploration and evaluation assets as at December 31, 2025:

<b>Exploration and evaluation assets</b>	
End of year, December 31, 2023 and 2024	\$ -
Acquired in PIL acquisition (Note 4):	
Iron Point	5,795
Lewis-Hilltop	3,087
End of year, December 31, 2025	\$ 8,882

Exploration and evaluation costs incurred during the year ended December 31, 2025 totaled \$1,395 and consisted of geological consulting and claim maintenance fees.

### *Lewis-Hilltop Project*

On February 6, 2025, through the acquisition of PIL and its subsidiary Made in America, the Company became party to an option agreement to earn a 100% interest in additional claims in the Lewis mining project area. The remaining outstanding payment under this option agreement is US\$250 due on March 28, 2026. The claims are subject to a 1% net smelter return ("NSR") royalty.

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### *Iron Point Project*

On February 6, 2025, through the acquisition of PIL and its subsidiary Made in America, the Company became party to an option agreement to earn a 100% interest in additional patented Claims (Silver King). Required payments under the agreement are US\$12 annually on October 24, 2025 through 2027 with a US\$120 payment on October 24, 2028. The Company granted a 2% NSR upon commencement of commercial production for minerals from these claims. The Company has the option of purchasing half of the 2% NSR for US\$1,000.

As at December 31, 2025, the Company has \$661 for reclamation bonds on deposit with the Bureau of Land Management (“BLM”). These bonds provide surface reclamation coverage for operations conducted by the Company on lands administered by the BLM. These bonds are fully refundable when the deposit is no longer needed.

### *Eco Ridge*

On February 6, 2025, through the acquisition of PIL, the Company acquired 100% ownership of the Eco Ridge Project, near Elliot Lake, Ontario, Canada, which has an NI 43-101 resource of 39.9Mlbs of U308 Eq indicated and 67.2 Mlbs of U308 Eq inferred.

### *Other Nevada Projects*

The Company also maintains additional projects in Nevada which resulted from the acquisition of PIL and have no carrying value, including Mill Creek, Carico Lake, Horse Mountain, Hilltop South, Buffalo Valley, and Crescent Valley.

## **9. DEBT**

The carrying value of the Company’s debt as of December 31, 2025 is presented below:

	<b>December 31, 2025</b>
<b>Description</b>	<b>\$</b>
Convertible Note B	4,038
Secured Note	8,753
	<b>12,791</b>

### *Convertible Notes*

On May 21, 2025, the Company completed a non-brokered private placement of secured convertible notes (the “Convertible Notes”) for aggregate gross proceeds of \$8,324. The Company issued two Convertible Notes, each in the principal amount of \$4,162, to a company controlled by a significant shareholder of the Company (see Note 9). The Convertible Notes accrue interest at 10% per annum payable every six months. Upon agreement of the Company and holder, the interest payment may be payable in common shares of the Company.

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In accordance with the adjustment provision contained in the Convertible Notes, as a result of the Return of Capital Transaction, the Convertible Notes are convertible at a price of \$1.24 per share (reduced from \$1.50 per share which was in effect before the Return of Capital Transaction).

The Company has the option to repay the Convertible Notes at any time prior to maturity without penalty upon obtaining consent from the holder.

Convertible Note A is for a period of 6 months and can be extended for two additional periods of 6 months upon agreement of the Company and holder, and subject to the prior approval of TSX Venture Exchange. Convertible Note B is for a period of 12 months and may be extended for an additional 12-month period upon agreement of the Company and holder, and subject to the approval of the TSX Venture Exchange.

Each Convertible Note became secured by 6,650,000 New Found shares during the second quarter of 2025 when the Company ceased to hold at least 20% of the issued and outstanding shares of New Found. On June 3, 2025, the Company's holding of the issued and outstanding share of New Found decreased to 19.69% and, as a result, the Company pledged 13,300,000 of its New Found shares as security for its obligations under the terms of the Convertible Notes.

For Convertible Note A, \$4,023 of the gross proceeds was allocated to the liability component to reflect its fair value on initial recognition. This was calculated as the present value of the contractual principal and interest payments over the term of the notes at an EIR of 19.6%. The residual amount of \$138,900 was allocated to the equity component to reflect the value of the holder's conversion option. Transaction costs incurred of \$57 were allocated to the liability and equity components in proportion to the allocation of the gross proceeds with \$55 and \$2 allocated to the liability and equity components, respectively. On December 10, 2025, 3,356,129 common shares of the Company were issued to settle Convertible Note A. Upon conversion of Convertible Note A, 6,650,000 New Found shares were released as pledged security and returned to the Company.

For Convertible Note B, \$3,794 of the gross proceeds was allocated to the liability component to reflect its fair value on initial recognition. This was calculated as the present value of the contractual principal and interest payments over the term of the notes at an EIR of 21.1%. The residual amount of \$367 was allocated to the equity component to reflect the value of the holder's conversion option. Transaction costs incurred of \$57 were allocated to the liability and equity components in proportion to the allocation of the gross proceeds with \$52 and \$5 allocated to the liability and equity components, respectively.

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The continuity of the Convertible Notes issued for the year ended December 31, 2025 is presented below:

	<b>Note A</b>	<b>Note B</b>	<b>Total</b>
<b>Convertible notes</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Gross proceeds from issuance of convertible notes	4,162	4,162	8,324
Amount allocated to equity component	(139)	(367)	(506)
Fair value of liability component at inception	4,023	3,795	7,818
Portion of transaction costs allocated to liability component	(55)	(52)	(107)
Interest expense	404	503	907
Repayment of interest	(210)	(208)	(418)
Conversion to common shares	(4,162)	-	(4,162)
Carrying amount of liability component - December 31, 2025	-	4,038	4,038

*Secured Note*

On July 30, 2025, the Company received a loan (the “Secured Note”) for gross proceeds of \$8,252. The Secured Note bears interest at 15% per annum, accruing annually from the date of issuance. The Secured Note is for a period of twelve months and is secured by 7,850,000 New Found shares. The Secured Note was issued to a company controlled by a significant shareholder of the Company (Note 11).

The continuity of the Secured Note issued for the period ended December 31, 2025 is presented below:

	<b>Total</b>
<b>Secured Note</b>	<b>\$</b>
Gross proceeds from issuance of secured note	8,252
Accrued interest expense	501
Carrying amount of liability - December 31, 2025	8,753

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### **10. GENERAL AND ADMINISTRATIVE EXPENSES**

During the years ended December 31, 2025 and 2024, the Company recognized the following general and administrative expenses:

	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
Consulting and salaries	2,542	954
Share-based compensation	2,423	-
Professional fees	1,347	719
Corporate development	274	133
Office and administration	199	93
Other	134	50
	6,919	1,949

### **11. RELATED PARTY BALANCES AND TRANSACTIONS**

All transactions with related parties have occurred in the normal course of operations, are on terms and conditions that are similar to transactions with unrelated parties, and are measured at the amount of consideration paid or received. A summary of the Company's related party transactions is as follows:

#### *Debt*

During the year ended December 31, 2025, the Company issued the Convertible Notes and the Secured Note to a company controlled by a significant shareholder of the Company (Note 9).

#### *Purchase of Bullion*

During the year ended December 31, 2025, the Company purchased gold, platinum and silver bullion with a total value of \$498, which approximates its market value at the date of the acquisition, from Silver Bullion SG, a company with shareholders that serve as directors of Palisades. There are no ongoing contractual commitments resulting from these transactions with related parties and the Company would be subject to customary transaction fees when such bullion is sold.

#### *Key Management Personnel Compensation*

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, or companies owned or controlled by them.

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	Year ended December 31, 2025	Year ended December 31, 2024
	\$	\$
Short-term employee benefits	989	830
Termination benefits <sup>(1)</sup>	540	-
Share-based compensation	1,170	-
<b>Total</b>	<b>2,699</b>	<b>830</b>

(1) Termination benefit associated with former CFO, Bassam Moubarak.

Under the terms of their management agreements, certain officers of the Company are entitled to six to 12 months of base pay in the event of their agreements being terminated without cause.

At December 31, 2025, included in accounts payable and accrued liabilities was \$45 payable to directors and officers (December 31, 2024 - \$23). Related party payables are unsecured, non-interest bearing and have no specified terms of repayment.

### *Transactions with Significant Shareholder*

During the year ended December 31, 2025 the Company completed several borrowing arrangements with a company controlled by a significant shareholder of the Company (Note 9). As approved by the Company's shareholders at the meeting held on August 27, 2025, the significant shareholder became a "control person" under applicable securities laws following the settlement of Convertible Note A in common shares and, as of December 31, 2025, held approximately 21.02% of the issued and outstanding common shares on a non-diluted basis.

## **12. SHARE CAPITAL**

### *Authorized Share Capital*

At December 31, 2025 and 2024, the authorized share capital comprised an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

### *Details of Common Shares Issued/Re-Purchased in 2025 and 2024*

On February 6, 2025, the Company issued 15,127,294 common shares with a total fair value of \$30,255 to acquire all of the issued and outstanding shares of PIL (see Note 4).

On March 4, 2025, the Company completed a non-brokered private placement financing consisting of 1,436,365 common shares of the Company at a price of \$1.74 per common share for aggregate gross proceeds of \$2,499. The Company paid \$17 in filing fees as part of share issuance costs.

On December 10, 2025, the Company issued 3,356,129 common shares with a fair value of \$4,162 upon the conversion of Convertible Note A.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

There were no shares issued during the year ended December 31, 2024. During the year ended December 31, 2024, the Company cancelled and returned to treasury 100,000 of its previously repurchased shares.

### *Return of Capital Transaction*

On September 17, 2025, the Company completed a return of capital transaction (the “Return of Capital Transaction”) by way of a court-approved plan of arrangement in which each common shareholder of the Company of record as at the close of business on September 15, 2025 received 0.1052 common shares of New Found. The Return of Capital Transaction resulted in the distribution of 6,781,919 common shares of New Found with a value of \$18,989.

### *Warrants*

The continuity of warrants for the year ended December 31, 2025 and 2024 is as follows:

	<b>Number of warrants</b>	<b>Weighted average exercise price \$</b>
December 31, 2023	356,983	2.48
Expired	(356,983)	2.48
December 31, 2024	-	-
Issued <sup>1</sup>	31,903,511	0.40 <sup>1</sup>
December 31, 2025	31,903,511	0.40 <sup>1</sup>

<sup>1</sup> The warrants are exercisable at \$0.40 for each 0.060538 common share of the Company.

At December 31, 2025, warrants outstanding have a weighted average remaining life of 0.96 years (December 31, 2024 – Nil).

### *Stock Option Plan*

The Company has a share purchase option compensation plan that allows it to grant share purchase options to its officers, directors, employee and service providers based on the maximum number of eligible shares not exceeding 10% in the aggregate of the Company’s outstanding common shares at the time of grant.

**PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)**Stock Options*

The continuity of stock options for the year ended December 31, 2025 and 2024 is as follows:

	Number of options	Weighted average exercise price \$
December 31, 2023	4,201,000	4.20
Granted	-	-
December 31, 2024	4,201,000	4.20
Granted	6,085,000	1.24
Expired/cancelled	(4,271,000)	4.15
December 31, 2025	6,015,000	1.22

At December 31, 2025, stock options outstanding have a weighted average remaining life of 4.50 years (December 31, 2024 – 3.09 years).

As at December 31, 2025, the following stock options were outstanding and exercisable:

Date of expiry	Number of options outstanding	Number of options exercisable	Exercise price \$	Weighted average remaining contractual life (years)
June 6, 2030	5,165,000	4,745,000	1.24	4.40
September 1, 2030	775,000	77,500	1.24	4.70
November 10, 2030	75,000	7,500	1.54	4.90
	6,015,000	4,830,000	1.24	4.50

Options were priced based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

	Year ended December 31, 2025	Year ended December 31, 2024
Risk-free interest rate	2.94%	-
Expected option life in years	5	-
Expected share price volatility <sup>1</sup>	67%	-
Grant date share price	\$1.14	-
Fair value of share purchase options granted	\$0.59	-
Expected forfeiture rate	Nil	-
Expected dividend yield	Nil	-

1. The expected share price volatility is based on the average historical share price of comparable companies over the life of the option.

**PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)***13. BASIC AND DILUTED EARNINGS (LOSS) PER COMMON SHARE**

The following table sets forth the computation of basic and diluted income (loss) per share:

	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
Net income (loss) and comprehensive income (loss) for the year	170,257	(80,505)
Convertible debt interest after tax	662	-
	170,919	(80,505)
Weighted average common shares:		
Basic	62,686,264	47,905,069
Effect of convertible debt (Note 9)	2,059,652	-
Effect of share options (Note 12)	388,279	-
Diluted	65,134,194	47,905,069
Basic income (loss) per share	2.72	(1.68)
Diluted income (loss) per share <sup>1</sup>	2.62	(1.68)

1. Diluted income per common share for the year ended December 31, 2025 did not include the effect of the Company's warrants as their effect were anti-dilutive. Diluted loss per share for the year ended December 31, 2024 did not include the effect of the Company's warrants and options as their effect were anti-dilutive.

**14. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

The following table sets forth the non-cash investing and financing activities not already disclosed in the consolidated statements of cash flows:

	Year ended December 31, 2025 \$	Year ended December 31, 2024 \$
Non-cash investing and financing activities:		
Investment in New Found transferred on settlement of legal claim	-	15,553
Net assets acquired in PIL acquisition (Note 4)	32,180	
Non-cash capital distribution of investments	(18,989)	-
Conversion of Convertible Note (Note 9)	4,162	-
Cash received for interest	56	8
Cash paid for interest	141	3

**PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)***15. INCOME TAXES**

The reconciliation of the combined Canadian federal and provincial income tax expense and pre-tax net profit is as follows:

	2025	2024
	\$	\$
Income before income taxes	207,794	(110,099)
Combined federal and provincial statutory income tax rate	27.00%	27.00%
Expected income tax expense (recovery)	56,104	(29,727)
Permanent differences	2,497	3
Change in estimate	(15,948)	(5)
Equity distribution – tax rate impact of related gain	(5,127)	-
Other	7	135
Income tax recovery	37,533	(29,594)

Deferred taxes reflect the net tax effects of differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2025	2024
	\$	\$
Deferred income tax liabilities		
Investments, including investment in associate	(64,662)	(28,094)
Investments held for distribution	(166)	-
Deferred income tax assets		
Non-capital losses carryforward	4,464	5,488
Other	271	47
Net deferred tax liability	(60,093)	(22,559)

As at December 31, 2025, the Company has Canadian non-capital loss carry forwards of \$16,483 (\$20,327 at December 31, 2024) which may be carried forward and applied against future income for Canadian income tax purposes, subject to final determination by tax authorities, expiring between 2041 and 2045.

As at December 31, 2025, the Company has unrecognized temporary differences of \$14,176 (\$Nil at December 31, 2024). Management has determined that it is not probable that sufficient taxable profits of the appropriate nature will be available in future periods against which the related deferred tax assets can be utilized. Accordingly, no deferred tax assets have been recognized.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

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### **16. COMMITMENTS AND CONTINGENCIES**

From time to time, the Company may be involved in various legal actions, claims, investigations, or tax audits related to its business. Management does not believe, based on currently available information, that contingencies related to any pending matters will have a material adverse effect on the Company's financial position, although a contingency could be material to the Company's results of operations or cash flows for a particular period depending on the results of operations and cash flows for such period. Regardless of the outcome, such matters can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources, and other factors.

#### *Tax Audit*

The Company is subject to an ongoing tax audit by the relevant taxation authorities in respect of the deductibility of certain expenses claimed in prior periods. The audit remains in progress as at the reporting date and the final outcome cannot presently be reliably determined. Based on management's assessment of the facts and circumstances currently available, including consultation with external advisors, management considers it unlikely that the resolution of this matter will result in a material liability to the Company. Accordingly, no provision has been recognized in the accompanying financial statements as at the reporting date. Should new information become available or the circumstances change, management will reassess its position and recognize a provision if and when it becomes probable that an outflow of resources will be required and the amount can be reliably estimated.

#### *Share Appreciation Rights Incentive*

During the year ended December 31, 2025, the Company entered into a share appreciation rights incentive plan (the "SAR Incentive") with the chief executive officer of its Made In American Gold Corp. ("MIAG") subsidiary which provides the executive with an incentive bonus based on the equity valuation of MIAG, subject to performance-based fair market value milestones, time-based vesting conditions, and customary adjustments for acquisitions and capitalization changes. Until a qualifying transaction occurs for the spin-out, public listing, or acquisition transaction of MIAG, any accrued SAR Incentive represents a cash-settled obligation of the Company. At December 31, 2025, the Company recorded \$343 for the SAR Incentive within accrued liabilities.

### **17. FINANCIAL RISK MANAGEMENT**

The Company thoroughly 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, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

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### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is not exposed to significant credit risk on its cash since they are placed with major financial institutions that have high credit ratings. The credit risk exposure of the Company's investments is represented by their values disclosed. There have been no changes in management's methods for managing credit risk since December 31, 2024.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company generates cash flow primarily from proceeds from the disposition of its investments and interest income. The Company invests in junior resource companies, which can at times be relatively illiquid. If the Company decides to dispose of securities of a particular issuer, it may not be able to do so at the time at favourable prices, or at all. Additionally, the amounts at which the Company's private company investments could be disposed of currently may differ from their carrying values since there is no active market to dispose of these investments. The Company has also relied on the issuance of shares to fund its activities and may require doing so again in the future.

There were no changes in management's methods for managing liquidity risk since December 31, 2024.

At December 31, 2025, the Company recorded cash of \$1,269 (December 31, 2024 - \$207) and investments in equities of \$126,844 (December 31, 2024 - \$2,796), which are available to discharge current liabilities of \$15,870 (December 31, 2024 - \$389).

### *Market risk*

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is focused on junior companies in the resource and mining sector. Changes in the future pricing and demand of these commodities can have a material impact on the market value of the investments. The nature of such investments is normally dependent on the invested company being able to raise additional capital to further development and to determine the commercial viability of its resource properties. The value of each investment is also influenced by the outlook of the issuer and by general economic and political conditions. Management mitigates the risk of loss resulting from this concentration by monitoring the trading value of the investments on a regular basis. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

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There were no changes in management's methods for managing market risk since December 31, 2024. The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer, although the Company's investment activities are concentrated on junior companies in the resource and mining sector. The Company also requires approval from the board of directors for purchases of investments over a certain cost threshold.

A 5% change in the future pricing and trading value of the Company's investments (with all other variables held constant) as at December 31, 2025, would change the Company's total comprehensive income by \$13,549. A 10% change in the volatility used within the Black-Scholes option pricing model in valuing investments in warrants (with all other variables held constant) as at December 31, 2025 would change the Company's total comprehensive income by \$13,648.

*(i) Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risks.

*(ii) Foreign exchange risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company may have financial instruments denominated in foreign currencies such as the U.S. dollar and the Australian dollar. A change in the foreign exchange rate of the Canadian dollar versus another currency may increase or decrease the value of its financial instruments.

The Company does not hedge its exposure to fluctuations in foreign exchange rates.

There were no changes in management's methods for managing currency risk since December 31, 2024.

A 5% change in the exchange rate of the Company's investments held in foreign currencies relative to the Canadian dollar would change the Company's total comprehensive income (loss) by \$444.

## **PALISADES GOLDCORP LTD.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

*(Expressed in thousands of Canadian Dollars except per share amounts)*

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### **18. CAPITAL MANAGEMENT**

The Company manages its cash and common shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue its investment strategies, growth initiatives and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash. The Company's investment policy is to keep its cash treasury on deposit in an interest bearing Canadian chartered bank account. The Company will require capital resources to carry its plans and operations through its current operating period.

The Company is not subject to externally imposed capital requirements.

There were no changes in management's approach to capital management since the year ended December 31, 2024.

### **19. SUBSEQUENT EVENTS**

#### *Promissory Note*

On January 9, 2026, the Company entered into a short-term unsecured promissory note (the "Promissory Note") for gross proceeds of US\$7,500,000 with a company controlled by a significant shareholder of the Company. The Promissory Note accrued interest at 15% per annum, matured 30 days from the date of issuance, and was extended by one month on each of February 9, 2026 and March 9, 2026.

#### *Acquisition of Undercover Gold*

On February 18, 2026, the Company, through its wholly owned subsidiary, MAIG, completed the acquisition of 100% of the issued and outstanding shares of Undercover Gold Inc. ("Undercover"), which holds the South Cortez and South Tonkin mineral properties in Nevada, USA. As consideration, Undercover shareholders received a total of 1,642,710 common shares of MIAG, representing 10% equity interest in MIAG upon closing.

#### *Secured Note*

On March 2, 2026, the Company settled the \$8,252 Secured Note early and without penalty and 7,850,000 New Found shares were released from security upon repayment of the loan.