



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended
June 30, 2026 and 2025

(expressed in Canadian dollars)

Belo Sun Mining Corp.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Belo Sun Mining Corp.**Condensed Consolidated Interim Statements of Financial Position****(Expressed in Canadian dollars)**

	Notes	June 30, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents	\$	40,553,260	\$ 4,698,336
Prepaid expenses and sundry receivables	3	210,804	196,872
		40,764,064	4,895,208
Non-current assets			
Property, plant and equipment	4, 6	11,234,443	10,856,739
Term investment	5	194,396	167,557
Total Assets	\$	52,192,903	\$ 15,919,504
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities	7,14	\$ 2,311,008	\$ 1,958,031
		2,311,008	1,958,031
Equity			
Share capital	8	305,536,078	264,733,706
Share-based payments reserve	9	4,288,461	3,912,086
Contributed surplus	10	978,146	507,711
Accumulated other comprehensive income		2,282,206	1,776,152
Deficit		(263,202,996)	(256,968,182)
Total Equity		49,881,895	13,961,473
Total Liabilities and Equity	\$	52,192,903	\$ 15,919,504
Nature of operations and going concern	1		
Commitments and contingencies	15		
Approved on behalf of the Directors:			
<i>"Peter Nixon"</i>		<i>"Clovis Torres"</i>	
Director		Director	

Belo Sun Mining Corp.
Condensed Consolidated Interim Statements of Comprehensive Loss

(Expressed in Canadian dollars)

		Three months ended June 30,		Six months ended June 30,	
	Notes	2026	2025	2026	2025
Expenses					
Salaries, wages and consulting fees	14	856,410	1,621,097	1,841,722	2,401,248
Accounting, audit and tax fees		48,933	46,061	64,178	4,912
Legal fees		541,438	178,278	1,107,548	301,423
General and administration		745,889	208,239	1,141,747	397,641
Depreciation	6	12,180	9,092	23,057	18,216
Share-based payments	9,10	1,233,466	301,133	1,651,190	2,118,704
Exploration and evaluation expenses	4	968,624	388,363	1,395,124	749,991
Permitting costs		145,101	15,322	172,773	38,040
Foreign exchange loss (gain)		133,629	(18,353)	113,089	(67,376)
Loss from operations		(4,685,670)	(2,749,232)	(7,510,428)	(5,962,799)
Interest income		424,104	147,141	636,376	298,475
Interest expense		(170)	-	(170)	-
Net loss for the period		(4,261,736)	(2,602,091)	(6,874,222)	(5,664,324)
Other comprehensive (loss) income					
Items that may be reclassified to profit/loss:					
Exchange differences on translating foreign operations		271,607	(667,999)	506,054	(677,891)
Comprehensive loss for the period		\$ (3,990,129)	\$ (3,270,090)	\$ (6,368,168)	\$ (6,342,215)
Loss per share:					
Basic and diluted		\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding:					
Basic and diluted		567,952,075	466,850,248	538,340,300	466,783,463

Belo Sun Mining Corp.
Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

		Six months ended June 30,	
	Notes	2026	2025
Cash (used in) provided by operations:			
Net loss		\$ (6,874,222)	\$ (5,664,324)
Items not involving cash:			
Share-based payments	9,10	1,651,190	2,118,704
Depreciation	6	23,057	18,216
Interest income		(636,376)	(298,475)
Interest income received		294,631	293,425
Unrealized (gain) loss on foreign exchange		112,566	(190,617)
Working capital adjustments:			
Change in prepaid expenses and sundry receivables		(13,932)	(13,383)
Change in accounts payables and accrued liabilities		352,977	1,252,454
Net cash (used in) operating activities		(5,090,109)	(2,484,000)
Investing activities			
Expenditures on property, plant and equipment	4, 6	(34,112)	-
Net cash (used in) investing activities		(34,112)	-
Financing activities			
Stock option exercise	9	243,284	-
DSU payment	10	(1,800)	-
Private placement	8	41,343,000	-
Cost of issuance	8	(947,084)	-
Net cash provided by financing activities		40,637,400	-
Change in cash and cash equivalents		35,513,179	(2,484,000)
Cash and cash equivalents, beginning of the period		4,698,336	10,881,610
Effect of exchange rate on cash held		341,745	47,297
Cash and cash equivalents, end of the period		\$ 40,553,260	\$ 8,444,907
Cash and cash equivalents are comprised of:			
Cash in bank		\$ 37,968,639	\$ 6,830,224
Short-term money market instruments		2,584,621	1,614,683
		\$ 40,553,260	\$ 8,444,907

Belo Sun Mining Corp.
Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Share-Based Payments Reserve	Accumulated Other Comprehensive Income	Deficit	Total
Balance, December 31, 2024	466,716,038	\$ 263,929,644	\$ 82,169	\$ 2,785,676	\$ 2,406,206	\$ (248,977,833)	\$ 20,225,862
Share-based compensation	-	-	881,600	1,237,104	-	-	2,118,704
Stock option expiry	-	-	-	(8,087)	-	8,087	-
Shares issued for settlement	4,068,000	813,600.00	-	-	-	-	813,600
Other comprehensive (loss)	-	-	-	-	(677,891)	-	(677,891)
Net loss	-	-	-	-	-	(5,664,324)	(5,664,324)
Balance, June 30, 2025	470,784,038	\$ 264,743,244	\$ 963,769	\$ 4,014,693	\$ 1,728,315	\$ (254,634,070)	\$ 16,815,951
Balance, December 31, 2025	470,784,038	\$ 264,733,706	\$ 507,711	\$ 3,912,086	\$ 1,776,152	\$ (256,968,182)	\$ 13,961,473
Share-based compensation	-	-	472,235	1,387,494	-	-	1,859,729
Private placement	96,146,511	41,343,000	-	-	-	-	41,343,000
Cost of issue	-	(947,084)	-	-	-	-	(947,084)
Stock option exercise	1,306,915	406,456	-	(163,172)	-	-	243,284
Stock option forfeiture	-	-	-	(208,539)	-	-	(208,539)
Stock option expired	-	-	-	(639,408)	-	639,408	-
DSUs forfeited	-	-	(1,800)	-	-	-	(1,800)
Other comprehensive gain	-	-	-	-	506,054	-	506,054
Net loss	-	-	-	-	-	(6,874,222)	(6,874,222)
Balance, June 30, 2026	568,237,464	\$ 305,536,078	\$ 978,146	\$ 4,288,461	\$ 2,282,206	\$ (263,202,996)	\$ 49,881,895

- See accompanying notes to these condensed consolidated interim financial statements -

Belo Sun Mining Corp.
Notes to the condensed consolidated interim financial statements
June 30, 2026 and 2025
(Expressed in Canadian dollars unless otherwise noted)

1. Nature of operations and going concern

Belo Sun Mining Corp. ("Belo Sun" or the "Company"), through its subsidiaries, is a gold exploration and development company engaged in the exploration and development of properties located in Brazil. The Volta Grande Gold project moved to the development stage in 2017 (Note 4). The other project is in the exploration and evaluation stage. The Company is a publicly listed company incorporated in the Province of Ontario. The Company's shares are listed on the Toronto Stock Exchange and trade under the symbol "BSX". The Company's shares are also listing on the OTCQB venture market and trade under the symbol "BSXGF". The Company's head office is located at 155 University Ave., Suite 720, Toronto, Ontario, Canada, M5H 3B7.

The Company incurred a loss of \$6,874,222 for the six months ended June 30, 2026 (\$5,664,324 for the six months ended June 30, 2026) and as at June 30, 2026 had an accumulated deficit of \$263,202,996 (December 31, 2025 - \$256,968,182) and working capital of \$38,453,056 as at June 30, 2026, including cash and cash equivalents of \$40,553,260 (December 31, 2025 – working capital of \$2,937,177 (including cash and cash equivalents of \$4,698,336)). The Company requires equity capital and/or financing for working capital and exploration and development of its properties as well as to repay its trade payables and current liabilities. As a result of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and financing to repay its current obligations, finance its exploration and development activities, and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will obtain the necessary financing in order to finance its exploration and development activities or to attain profitable levels of operations. Management has previously been successful in raising the necessary funding to continue operations in the normal course of operations. However, there is no assurance that the Company will continue to be successful in closing the offering of shares, be successful in raising sufficient financing, or achieve profitable operations, to fund its operating expenses, or the future exploration and development of its properties. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments to the carrying amount, or classification of assets and liabilities, if the Company was unable to continue as a going concern. These adjustments may be material.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and development and 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 Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, indigenous claims and non-compliance with regulatory and environmental requirements.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values. The Company's mining assets that are located outside of North America are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of contracts, expropriation and currency exchange fluctuations and restrictions.

2. Material accounting policies

a) Statement of compliance

These condensed consolidated interim financial statements of the Company and its subsidiaries have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These policies applied in these condensed consolidated interim financial statements are based on the International Financial Reporting Standards ("IFRS") issued and outstanding as at June 30, 2026. The policies set out in the Company's Annual Consolidated Financial Statements for the year ended December 31, 2025 were consistently applied to all the periods presented unless otherwise noted. The Board of Directors approved these condensed consolidated interim financial statements for issue on August 12, 2026.

b) Basis of preparation

These condensed consolidated interim financial statements were prepared under the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, and are presented in Canadian dollars. They have been prepared on a going concern basis assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business as they come due for the foreseeable future.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

c) New and future accounting policies

New accounting policies

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods commencing on or after January 1, 2026. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IFRS 7 and IFRS 9 - In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of nonrecourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Adoption of this new standard did not have a material impact on these condensed consolidated interim financial statements.

Belo Sun Mining Corp.
Notes to the condensed consolidated interim financial statements
June 30, 2026 and 2025
(Expressed in Canadian dollars unless otherwise noted)

2. Material accounting policies (continued)

c) New and future accounting policies (continued)

Future accounting standards not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2027. Many are not yet applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investment in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10, and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however, early adoption is permitted.

IFRS 18 – Presentation and Disclosure in Financial Statements (“IFRS 18”) were amended on April 9, 2024, replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 “Earnings per Share” were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

3. Prepaid expenses and sundry receivables

	June 30, 2026	December 31, 2025
Amounts receivables and other advances	\$ 55,836	\$ 37,272
Reimbursable court fees pending appeal	46,464	42,335
HST receivable	77,568	44,265
Prepaid insurance	30,936	73,000
	\$ 210,804	\$ 196,872

The Company has paid fees with respect to appeal proceedings which are expected to be reimbursed. The Company expects to be reimbursed the balance, R\$169,205 (\$46,464) (December 31, 2025: R\$169,205 (\$42,335)), upon successful judgment.

4. Mineral property development and exploration and development

The Company has determined that it has moved into the development stage for its Volta Grande Project upon receiving its construction license in February 2017 and awarding a contract for the first phase of EPC, despite the interim suspension of the license received in April 2017. The Company appealed the suspension and, in December 2017, received notice that the suspension would be upheld until an indigenous study was completed in accordance with regulatory guidelines. Since then, the Company's focus has been on completing the indigenous study and limited exploration work. The construction license expired and was to be renewed on February 2, 2020. The Company filed its renewal application in September 2019. The application is pending government approval.

The Volta Grande Gold Project comprises 4 mine concessions submitted, 1 application for public tender, 69 exploration permits, and 3 right to apply for mining concession permit extensions submitted and to be submitted in 2019, covering a total area of 154,851 hectares; it is located in municipalities including Senador José Porfírio, Anapu, Vitória do Zingu and Pacajá, in the southern region of Pará State in northern Brazil. The Volta Grande Project is located on the Xingu River, north of the Carajás mineral province, approximately 60 km southeast of the city of Altamira. Development costs have been capitalized effective February 2, 2017. The Company continues to incur costs that are not related to the development of the project, and these are expensed to the consolidated statement of comprehensive loss as exploration and evaluation expenses. Exploration and evaluation expenditures expensed immediately in the consolidated statement of comprehensive loss for the three and six months ended June 30, 2026 amounted to \$968,624 and \$1,395,124, respectively (three and six months ended June 30, 2025: \$388,363 and \$749,991, respectively). No amounts were capitalized to property, plant and equipment during the three and six months ended June 30, 2026 (\$Nil during the three and six months ended June 30, 2025) related to mine assets under construction.

Belo Sun Mining Corp.
Notes to the condensed consolidated interim financial statements
June 30, 2026 and 2025
(Expressed in Canadian dollars unless otherwise noted)

5. Term investment

The investment consists of a term deposit with Banco do Brasil SA to fund the potential amounts owing to Companhia de Pesquisa de Recursos Minerais ("CPRM"). As at June 30, 2026, the balance in this account was R\$707,923 (\$194,396) (December 31, 2025: R\$669,692 (\$167,557)) and the Company earned 11.5% in interest for the six months ended June 30, 2026 (December 31, 2025: 11.36%). During the six months ended June 30, 2026, the Company did not redeem any portion of the term investment (2025 - R\$1,600,000 (\$388,200)). The Company intends to retain the term deposit on maturity because it is to fund the potential amount owing to the CPRM, a Brazilian state-owned company (Note 15 (1)).

6. Property, plant and equipment

Cost	Vehicles	Furniture & equipment	Mining equipment	Mine assets under construction	Land	Total
Balance, December 31, 2024	\$ 241,873	\$ 1,932,884	\$ 818,469	\$ 4,441,717	\$ 11,322,021	\$ 18,756,964
Additions	27,702	17,134	-	-	-	44,836
Disposals	(165,412)	-	-	-	-	(165,412)
FX adjustment	54,400	(128,506)	(67,130)	-	(537,420)	(678,656)
Balance, December 31, 2025	158,563	1,821,512	751,339	4,441,717	10,784,601	17,957,732
Additions	-	34,112	-	-	-	34,112
FX adjustment	5,831	112,183	32,462	-	396,573	547,049
Balance, June 30, 2026	\$ 164,394	\$ 1,967,807	\$ 783,801	\$ 4,441,717	\$ 11,181,174	\$ 18,538,893
<i>Accumulated depreciation and impairment</i>						
Balance, December 31, 2024	\$ 241,873	\$ 1,902,861	\$ 774,098	\$ 4,441,717	\$ -	\$ 7,360,549
Charge for the year	3,254	22,351	12,701	-	-	38,306
Disposals	(165,412)	-	-	-	-	(165,412)
FX adjustment	54,567	(137,058)	(49,959)	-	-	(132,450)
Balance, December 31, 2025	134,282	1,788,154	736,840	4,441,717	-	7,100,993
Charge for the period	1,877	14,829	6,351	-	-	23,057
FX adjustment	17,477	130,461	32,462	-	-	180,400
Balance, June 30, 2026	\$ 153,636	\$ 1,933,444	\$ 775,653	\$ 4,441,717	\$ -	\$ 7,304,450
Net book value, December 31, 2025	\$ 24,281	\$ 33,358	\$ 14,499	\$ -	\$ 10,784,601	\$ 10,856,739
Net book value, June 30, 2026	\$ 10,758	\$ 34,363	\$ 8,148	\$ -	\$ 11,181,174	\$ 11,234,443

No development costs were incurred or capitalized to mine assets under construction during the three and six months ended June 30, 2026 (December 31, 2025: \$nil). Depreciation for the three and six months ended June 30, 2026 was \$12,180 and \$23,057, respectively (three and six months ended June 30, 2025: \$9,092 and \$18,216, respectively). Since the mining property is in the development stage, the mine assets under construction are not amortized.

Belo Sun Mining Corp.
Notes to the condensed consolidated interim financial statements
June 30, 2026 and 2025
(Expressed in Canadian dollars unless otherwise noted)

7. Accounts payable and accrued liabilities

	June 30, 2026	December 31, 2025
Mineral properties suppliers and contractors	\$ 618,331	\$ 422,531
Property taxes	1,419,029	1,224,692
ANM taxes	1,297	1,181
Corporate payables	217,171	184,627
Audit and other accruals	55,180	125,000
	\$ 2,311,008	\$ 1,958,031

8. Share capital

As at June 30, 2026 and December 31, 2025, the Company's authorized number of common shares was unlimited without par value and an unlimited number of special shares. The special shares have the same features as the common shares with the exception that the special shares take preference over the common shares in the event of liquidation, dissolution or winding up of the Company. The special shares are entitled to the same dividend rights as common shares. No special shares are outstanding.

	Number of Shares	Amount
Balance, December 31, 2024	466,716,038	\$ 263,929,644
Shares issued as settlement	4,068,000	813,600
Cost of issue	-	(9,538)
Balance, December 31, 2025	470,784,038	\$ 264,733,706
Private placement	96,146,511	41,343,000
Cost of issue	-	(947,084)
Option exercise	1,306,915	406,456
Balance, June 30, 2026	568,237,464	\$ 305,536,078

On June 27, 2025, the Company issued 4,068,000 common shares as settlement with a director of the Company of \$813,600 termination fees, including HST. The fair value of the common shares at the time of settlement was \$0.20 per share, resulting in the issuance of 4,068,000 shares to settle the liability. The termination fees were recorded in consulting fees in the consolidated statement of comprehensive loss. There was no gain or loss recorded in the consolidated statement of comprehensive loss as a result of this settlement.

On February 24, 2026, the Company closed a non-brokered private placement financing, issuing 96,146,511 common shares of the Company for gross proceeds of \$41,343,000. La Mancha Investments S.a.r.l. ("La Mancha") subscribed to 50,587,226 common shares of the Company as part of the private placement. La Mancha's participation constituted a related party transaction and as a result of the acquisition of these shares, La Mancha is now a Control Person of the Company (defined as a shareholder that holds or controls 20% or more of the issuer's shares). All common shares issued in connection with this private placement are subject to a statutory hold period until June 25, 2026.

Belo Sun Mining Corp.
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9. Share-based payments reserve

The Company has adopted a Share incentive Option Plan (the “Plan”), whereby the number of common shares reserved for issuance under the Plan is equivalent to up to 10% of the issued and outstanding shares of the Company. The Share Incentive Plan allows the Board or the Compensation Committee to grant long-term incentives to Directors, officers, employees, eligible contractors and others consistent with the provisions of the Share Incentive Plan. Awards granted under the Share Incentive Plan may consist of Stock Options, RSUs, DSUS and PSUs (together, the “Awards”). Each Award is subject to the terms and conditions set forth in the Share Incentive Plan and to those other terms and conditions specified by the Board or the Compensation Committee.

Stock options

Each employee share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

	Number of Options	Weighted average exercise prices	Carrying amount
December 31, 2024	10,004,979	\$0.40	\$ 2,785,676
Granted	24,173,477	\$0.23	2,931,919
Forfeited	(30,000)	\$0.24	(4,615)
Expired/cancelled	(3,250,000)	\$0.80	(1,800,894)
December 31, 2025	30,898,456	\$0.23	\$ 3,912,086
Granted	2,342,495	\$0.94	1,387,494
Exercised	(1,306,915)	\$0.19	(163,172)
Forfeited	(283,333)	\$0.27	(208,539)
Expired/cancelled	(2,290,000)	\$0.56	(639,408)
June 30, 2026	29,360,703	\$0.28	\$ 4,288,461

The following stock options were outstanding as at June 30, 2026:

Number outstanding	Number exercisable	Grant date	Expiry date	Exercise price	Black-Scholes inputs			
					Expected volatility	Expected life (yrs)	Expected dividend yield	Risk-free interest rate
5,243,698	5,243,698	11-Apr-23	11-Apr-28	\$ 0.08	103%	5	0%	3.06%
124,366	124,366	03-May-23	03-May-28	\$ 0.07	104%	5	0%	2.87%
9,901,667	6,726,451	03-Feb-25	03-Feb-30	\$ 0.24	126%	5	0%	2.62%
10,000,000	-	23-Jun-25	23-Jun-30	\$ 0.22	122%	5	0%	2.85%
1,248,477	186,451	17-Jul-25	17-Jul-30	\$ 0.31	120%	5	0%	3.10%
500,000	-	29-Aug-25	29-Aug-30	\$ 0.27	120%	5	0%	2.88%
1,760,955	-	26-Feb-26	26-Feb-31	\$ 1.16	126%	5	0%	2.62%
145,662	-	07-Mar-26	07-Mar-31	\$ 1.02	1%	5	0%	2.95%
435,878	-	22-May-26	22-May-31	\$ 1.26	124%	5	0%	3.20%
29,360,703	12,280,966			\$ 0.28				

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(Expressed in Canadian dollars unless otherwise noted)

9. Share-based payments reserve (continued)

During the three and six months ended June 30, 2026, 435,878 and 2,342,495 stock options were granted. The Company recorded \$897,168 and \$1,178,955, respectively, in stock-based compensation expense for the three and six months ended June 30, 2026 (three and six months ended June 30, 2025: 10,000,000 and 21,675,000 options were granted, and \$301,133 and \$1,237,104 in stock-based compensation expense was recorded). The weighted average life of the outstanding options at June 30, 2026 is 3.52 years (December 31, 2025: 3.79 years).

The unvested stock options for the February 3, 2025 grant vest in three equal installments annually on the anniversary of the grant, with the first tranche vesting on the grant date.

The unvested stock options for the June 23, 2025 grant vest once the Volta Grande Project is considered construction-ready from a permitting and legal standpoint, provided a valid installation permit is in force at the time of vesting, regardless of whether any legal proceedings has been initiated. The Company estimates that the conditions will be met by December 31, 2026. As at June 30, 2026, these conditions have not been met and the options have not vested.

559,353 of the unvested stock options for the July 17, 2025 grant vest in three equal installments annually on the anniversary of the grant, with the first tranche vesting on the grant date. The remaining 689,124 of unvested stock options for the July 17, 2025 grant vest once the Volta Grande Project is considered construction-ready from a permitting and legal standpoint, provided a valid installation permit is in force at the time of vesting, regardless of whether any legal proceedings has been initiated. The Company estimates that the conditions will be met by December 31, 2026. As at June 30, 2026, these conditions have not been met and the options have not vested.

1,250,000 of the unvested stock options for the August 29, 2025 grant vest once the Volta Grande Project is considered construction-ready from a permitting and legal standpoint, provided a valid installation permit is in force at the time of vesting, regardless of whether any legal proceedings have been initiated. 250,000 of these stock options had an additional performance condition that stated if the performance condition was not met by January 31, 2026, these 250,000 stock options would be terminated. This performance condition was not met by the specified deadline and as a result, these options were terminated. 500,000 options were cancelling on July 5, 2026. The Company estimates that the performance conditions for the remaining outstanding options will be met by December 31, 2026. As at June 30, 2026, these conditions have not been met and the options have not vested.

The unvested stock options for the February 26, 2026 grant vest 12 months from the grant date.

The unvested stock options for the March 7, 2026 grant vest 12 months from the grant date.

The unvested stock options for the May 22, 2026 grant vest when the Board of Directors of the Company has determined that the Volta Grande Gold Project has achieved construction-ready status from a permitting and legal standpoint, and a definitive feasibility study for the Volta Grande Gold Project has been completed and filed in accordance with applicable securities laws.

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10. Contributed surplus

Deferred Share Unit Incentive Plan

In 2016, the Company approved and adopted a Deferred Share Unit ("DSU") incentive plan. In accordance with the terms of the plan, officers, directors and employees of the Company may be granted DSUs. Each vested DSU held shall be redeemed by the Company at the time that the holder ceases to be an officer, director or employee of the Company. The DSUs can be redeemed, at the election of the Company, in cash or in shares of the Company, either held in treasury (subject to shareholder approval) or purchased in the secondary market by a trustee. If the holder of a DSU ceases to be an officer, director or employee of the Company prior to vesting, other than in the event of a change of control, the DSUs shall be deemed cancelled. In the event of a change of control, or termination without cause, each DSU shall automatically vest and be redeemed.

As at June 30, 2026, 15,807,196 DSU's were outstanding (December 31, 2025: 14,919,427).

As at June 30, 2026, 12,368,250 shares are held in trust with an independent trustee at a total recorded cost of \$4,808,040 (December 31, 2025: 12,368,250 shares at a cost of \$4,808,040) which is included in contributed surplus. The Company is the beneficiary of the shares held and the Company has full control of these shares. Vesting charges are applied against contributed surplus.

On February 7, 2025, 2,150,000 DSUs were granted to various officers, directors and consultants of the Company with a value per DSU of \$0.235, where one-third vested immediately on grant, one-third vests on February 7, 2026, and the final third vest on February 3, 2027.

On July 17, 2025, 193,677 DSUs were granted to various directors of the Company with a value per DSU of \$0.27, where the DSUs vest every twelve months in three equal installments with the first installment vesting on the date of grant.

On February 26, 2026, 987,585 DSUs were granted to various officers and directors of the Company with a value per DSU of \$1.22, where the DSUs vest twelve months from the grant date.

On March 7, 2026, 33,517 DSUs were granted to a director of the Company with a value per DSU of \$1.18, where the DSUs vest twelve months from the grant date.

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10. Contributed surplus (continued)

The following table displays the vesting activity for outstanding DSUs:

	Vested	Unvested	Total
December 31, 2024	14,739,750	-	14,739,750
Granted	716,667	1,627,010	2,343,677
Forfeited	(3,000)	(16,000)	(19,000)
Paid out	(2,145,000)	-	(2,145,000)
December 31, 2025	13,308,417	1,611,010	14,919,427
Granted	-	1,021,102	1,021,102
Vested, previously granted	773,226	(773,226)	-
Cancelled	(133,333)	-	(133,333)
June 30, 2026	13,948,310	1,858,886	15,807,196

Anticipated future vesting:

February 6, 2027	708,666
July 17, 2026	64,559
July 17, 2027	64,559
February 26, 2027	987,585
March 7, 2027	33,517

During the three and six months ended June 30, 2026, \$336,298 and \$472,235, respectively, was recorded as share-based compensation expense related to vested DSUs on the consolidated statements of comprehensive loss (three and six months ended June 30, 2025: \$nil and \$881,600, respectively).

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11. Operating segments

Geographical information

The Company operates in Canada where its head office is located and in Brazil where its exploration and development properties are located. Information about the Company's assets by geographical location is detailed below.

	Current assets	Property, plant and equipment	Other non-current assets	Total Assets
December 31, 2025				
Canada	\$ 1,593,181	\$ 19,985	\$ -	\$1,613,166
Brazil	3,302,027	10,836,754	167,557	14,306,338
	\$ 4,895,208	\$ 10,856,739	\$ 167,557	\$ 15,919,504
June 30, 2026				
Canada	\$ 36,842,363	\$ 19,985	\$ -	\$ 36,862,348
Brazil	3,921,701	11,214,458	194,396	15,330,555
	\$ 40,764,064	\$ 11,234,443	\$ 194,396	\$ 52,192,903

In the three and six months ended June 30, 2026, net losses of \$3,926,094 and \$2,948,128, respectively, were attributed to Canada and Brazil, respectively (three and six months ended June 30, 2025 - \$4,630,860 and \$1,033,464, respectively).

12. Financial instruments

Financial assets and financial liabilities as at June 30, 2026 and December 31, 2025 were classified as follows:

	Assets at amortized cost	Liabilities at amortized cost	Total
December 31, 2025			
Cash and cash equivalents	\$ 4,698,336	\$ -	\$ 10,881,610
Term investment	167,557	-	591,054
Accounts payable and accrued liabilities	-	(1,958,031)	(3,112,615)
June 30, 2026			
Cash and cash equivalents	\$ 40,553,260	\$ -	\$ 40,553,260
Term investment	194,396	-	194,396
Accounts payable and accrued liabilities	-	(2,311,008)	(2,311,008)

A fair value hierarchy prioritizes the methods and assumptions used to develop fair value measurements for those financial assets where fair value is recognized on the statement of financial position. These have been prioritized into three levels.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

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12. Financial instruments (continued)

The carrying value of cash and cash equivalents, and accounts payable and accrued liabilities approximates fair value due to their short-term nature. The carrying value of the term investment is at cost plus accrued interest which approximates fair value.

Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment.

The Company's risk exposures and their impacts on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures for managing risk during the six months ended June 30, 2026.

Credit risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's primary counterparties related to its cash and cash equivalents and term investment carry an investment grade rating as assessed by external rating agencies. The Company maintains all of its cash and cash equivalents and term investment with major Canadian and Brazilian financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits.

The Company's maximum exposure to credit risk at the statement of financial position date is the carrying value of cash and cash equivalents and term investments.

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities.

As at June 30, 2026, the Company had current assets of \$40,764,064 to settle current liabilities of \$2,311,008. Approximately \$892,000 of the Company's financial liabilities as at June 30, 2026 have contractual maturities of less than 30 days and are subject to normal trade terms. Of these current liabilities, approximately \$1,419,000 has been payable for over 180 days.

Market risk

(a) Interest rate risk

The Company's cash and cash equivalents and term investments are subject to interest rate cash flow risk as they carry variable rates of interest. The Company's interest rate risk management policy is to purchase highly liquid investments with a term to maturity of one year or less on the date of purchase.

Based on cash and cash equivalents and term deposit balances on hand at June 30, 2026, a 0.1% change in interest rates could result in a corresponding change in net loss of approximately \$41,000 (December 31, 2025 - \$5,000).

12. Financial instruments (continued)

(b) Currency risk

Foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's currency risk arises primarily with respect to the United States dollar and Brazilian Real. Fluctuations in the exchange rates between these currencies and the Canadian dollar could materially affect the Company's business, financial condition, and results of operations. The Company does not mitigate this risk with hedging activity.

A strengthening of \$0.01 in the United States dollar against the Brazilian Real would have increased net loss by approximately \$76,000 for the six months ended June 30, 2026 (six months ended June 30, 2025 - \$9,900). A strengthening of \$0.01 in the Canadian dollar against the United States dollar would have decreased other comprehensive income by approximately \$15,000 for the six months ended June 30, 2026 (six months ended June 30, 2025 - \$1,800).

13. Capital management

The Company includes equity, comprised of issued common shares, share-based payment reserve, contributed surplus and deficit, in the definition of capital. The Company's objectives when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's Volta Grande property is in the development stage and, accordingly, the Company is dependent upon external financings to fund activities. In order to carry out planned engineering, test work, advancement and development of the mining projects, and pay for administrative costs, the Company will spend working capital and expects to raise the additional funds from time to time as required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes in the Company's approach to capital management during the six months ended June 30, 2026. The Company is not subject to externally imposed capital requirements.

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14. Related party disclosures

The condensed consolidated interim financial statements include the financial statements of the Company and the subsidiaries at their respective ownership listed in the following table.

	Country of incorporation	% equity interest
Belo Sun Mineracao Ltda	Brazil	100
Intergemas Mineracao e Industrailizacao Ltda	Brazil	100
Aubras Mineracao Ltda	Brazil	98
Oca Mineracao Ltda	Brazil	100
Sun Exploracao Mineral Ltda.	Brazil	100

During the three and six months ended June 30, 2026 and 2025, the Company entered into the following transactions in the ordinary course of business with related parties that are not subsidiaries of the Company.

	Purchases of goods/services			
	Three months ended		Six months ended	
	June 30,		June 30,	
	2026	2025	2026	2025
2227929 Ontario Inc.	\$ 15,000	\$ 15,000	\$ 30,000	\$ 30,000
Directors' promissory notes interest	-	2,668	-	5,050

The Company shares office space with other companies who may have common officers and directors. The costs associated with the use of this space, including the provision of office equipment and supplies, are administered by 2227929 Ontario Inc. to whom the Company pays a monthly fee of \$5,000. Costs paid to 2227929 Ontario Inc. are recorded in general and administrative expenses on the consolidated statement of loss.

The following balances included in the Company's accounts were outstanding at the end of the reporting period:

	Amounts owed to related parties	
	30-Jun-26	31-Dec-25
Directors and officers of the Company	\$ 9,436	\$ -

The amounts owed to related parties are recorded in accounts payable and accrued liabilities. They are unsecured and will be settled in cash.

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14. Related party disclosures (continued)

Compensation of key management personnel of the Company

The remuneration of directors and other members of key management personnel during the period were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Short-term benefits	\$ 212,209	\$ 1,399,228	\$ 350,309	\$1,748,430
Share-based payments	907,804	206,552	1,361,278	885,983
DSU expense	324,698	47,867	455,906	205,321
	\$ 1,444,711	\$ 1,653,647	\$2,167,493	\$ 2,839,734

In accordance with IAS 24 Related Party Disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors (executive and non-executive) of the Company.

15. Commitments and contingencies

1. Under a renegotiated agreement with CPRM in March 2008, the Company maintains an interest-bearing term deposit to cover the future debt obligation plus applicable interest (Note 5). In July 2021, the Company again renegotiated its agreement with CPRM. As a result of this renegotiation, the Company paid R\$1,800,000 (\$444,060) to CPRM in 2021 and it was agreed that the Company would pay CPRM R\$6,871,711 (\$1,866,972) upon the issuance of its mining license. The Company had not received its mining license as at June 30, 2026 and as such, no amounts were accrued at period end.
2. Minimum commitments relating to management contracts to be made for termination without cause were approximately \$862,000 at June 30, 2026. These contracts require that additional payments of up to \$5,767,000 be made upon the occurrence of certain events such as a change of control of the Company. The change of control commitment includes a component based on the Company's current share price. As a result of this inclusion, the change of control commitment reported increases or decreases in relation to the change in share price during the period.
3. The Company has agreed with INCRA to provide 60 months of support for any resettled citizens resulting from the Company's mining activities at its Volta Grande Project. The Company's obligation is contingent on resettlement of citizens. No resettlement has occurred to date and as such, no payments have been made nor any expenses accrued in relation to this agreement.
4. The Federal Constitution of Brazil has established that the States, municipalities, federal district and certain agencies of the federal administration are entitled to receive royalties for the exploitation of mineral resources by holders of mining concessions (including extraction permits). The royalty rate for gold is currently 1.5% - Federal law 13,540/17 - arising from the sale of the mineral product, less the sales taxes of the mineral product. No royalties are currently due.

15. Commitments and contingencies (continued)

5. The Company is, from time to time, involved in various claims and legal proceedings. The Company cannot reasonably predict the likelihood or outcome of these activities. The Company does not believe that adverse decisions in any pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reasons thereof, will have a material effect on the financial condition or future results of operations other than certain employment contract litigations that are ongoing. The Company has not disclosed the information pertaining to certain employment contract litigations so as to not prejudice the Company's position in defending litigation.
6. The Company's mining, exploration and development activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public safety, health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.