

COSIGO RESOURCES LTD.

December 31, 2025 and 2024

Consolidated Financial Statements (Expressed in Canadian Dollars)

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- Consolidated Statements of Changes in Shareholders' Deficiency
- Consolidated Statements of Comprehensive Loss
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Independent Auditor's Report

To the Shareholders of:
COSIGO RESOURCES LTD.

SERVICE

Opinion

We have audited the consolidated financial statements of Cosigo Resources Ltd. ("the Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024 and the consolidated statements of changes in shareholders' deficiency, comprehensive loss, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

INTEGRITY

TRUST

In our opinion, the accompanying consolidated 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 International Financial Reporting Standards ("IFRS Accounting Standards").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$589,537 during the year ended December 31, 2025, and as of that date, had accumulated losses since inception of \$16,177,221. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our auditor's report.

Emphasis of Matter – Restated Comparative Information

We draw attention to Note 12 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2024, has been restated. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.



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

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

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

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 Consolidated Financial Statements

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

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

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



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

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

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

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

WDM

Chartered Professional Accountants

Vancouver, B.C.

April 30, 2026



COSIGO RESOURCES LTD.

Consolidated Statements of Financial Position

As at December 31, 2025 and 2024

(Expressed in Canadian Dollars)

	Note	2025 \$	2024 \$ As Restated Note 12
ASSETS			
CURRENT			
Cash		27,162	186,009
Tax Recoverable		5,434	2,603
		<u>32,596</u>	<u>188,612</u>
LIABILITIES			
CURRENT			
Accounts Payable and Accrued Liabilities		111,586	85,053
Loans Payable	5	27,126	24,189
Due to Related Parties	6	21,331	5,875
		<u>160,043</u>	<u>115,117</u>
NON-CURRENT			
Loans Payable	5	82,828	68,076
Due to Related Parties	6	151,642	99,677
		<u>394,513</u>	<u>282,870</u>
SHAREHOLDERS' DEFICIENCY			
Share Capital	7	13,624,050	13,030,383
Shares To Be Issued	7(c)	31,419	318,701
Share-based Payment Reserve		2,872,117	2,872,117
Foreign Currency Translation Reserve		(712,282)	(727,775)
Deficit		(16,177,221)	(15,587,684)
		<u>(361,917)</u>	<u>(94,258)</u>
		<u>32,596</u>	<u>186,612</u>

Nature of Operations and Ability to Continue as a Going Concern (Note 1)
Subsequent Event (Note 13)

Approved on behalf of the Board:

“Ian Gibson”
Ian Gibson, Director

“Andres Rendle”
Andres (“Andy”) Rendle, Director

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

COSIGO RESOURCES LTD.

Consolidated Statements of Changes in Shareholders' Deficiency

For the Years Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Note	Number of Common Shares	Share Capital \$	Shares To Be Issued \$	Share-Based Payment Reserve \$	Accumulated Other Comprehensive Loss \$	Deficit \$	Total Shareholders' Deficiency \$
Balance, December 31, 2023	93,472,512	13,030,383	-	2,872,117	(721,261)	(15,309,873)	(128,634)
Share Subscription Received in Advance	7(c)	-	318,701	-	-	-	318,701
Net Loss for the Year	-	-	-	-	-	(277,811)	(277,811)
Foreign Currency Translation Loss	-	-	-	-	(6,514)	-	(6,514)
Balance, December 31, 2024	93,472,512	13,030,383	318,701	2,872,117	(727,775)	(15,587,684)	(94,258)
Shares Issuance from Private Placement	7(b)	10,000,000	600,000	(318,701)	-	-	281,299
Share Issuance Costs	7(b)	-	(6,333)	-	-	-	(6,333)
Share Subscription Received in Advance	7(c)	-	-	31,419	-	-	31,419
Net Loss for the Year	-	-	-	-	-	(589,537)	(589,537)
Foreign Currency Translation Loss	-	-	-	-	15,493	-	15,493
Balance, December 31, 2025	103,472,512	13,624,050	31,419	2,872,117	(712,282)	(16,177,221)	(361,917)

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

COSIGO RESOURCES LTD.
Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Note	2025 \$	2024 \$
EXPENSES			
Accounting, Audit and Legal		62,928	46,801
Accretion Expense	5,6	35,197	10,778
Exploration and Evaluation Expenditures	4	218,820	188,999
Management Fees	6	221,965	60,104
Office		35,023	960
Travel		34,082	20,558
LOSS BEFORE OTHER ITEM		(608,015)	(328,200)
OTHER ITEM			
Gain on Modification of Loans Payable and Dues to Related Parties	5,6	18,478	50,389
NET LOSS FOR THE YEAR		(589,537)	(277,811)
OTHER COMPREHENSIVE LOSS			
Foreign Currency Translation Gain (Loss)		15,493	(6,514)
NET COMPREHENSIVE LOSS FOR THE YEAR		(574,044)	(284,325)
BASIC AND DILUTED LOSS PER SHARE			
		(0.006)	(0.003)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			
		99,828,676	90,075,252

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

COSIGO RESOURCES LTD.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

	Note	2025 \$	2024 \$ As Restated Note 12
CASH PROVIDED FROM (UTILIZED FOR):			
OPERATING ACTIVITIES			
Net Loss for the Year		(589,537)	(277,811)
Items not affecting cash:			
Accretion Expense	5,6	35,197	10,778
Gain on Modification of Loans Payable and Dues to Related Parties	5,6	(18,478)	(50,389)
Changes in Non-Cash Working Capital Accounts			
Tax Recoverable		(2,831)	(732)
Accounts Payable and Accrued Liabilities		26,533	(77,533)
Loans Payable	5	2,937	(57,760)
Due to Related Parties	6	75,454	106,342
		<u>(470,725)</u>	<u>(347,105)</u>
FINANCING ACTIVITIES			
Shares Issued for Private Placement, less Issuance Cost	7(b)	274,966	-
Shares To Be Issued	7(c)	31,419	318,701
Repayment of Due to Related Parties	6	<u>(10,000)</u>	<u>-</u>
		<u>296,385</u>	<u>318,701</u>
DECREASE IN CASH		(174,340)	(28,404)
Effect of Exchange Rate Change on Cash		15,493	(6,514)
Cash, Beginning of the Year		<u>186,009</u>	<u>220,927</u>
CASH, END OF THE YEAR		<u>27,162</u>	<u>186,009</u>

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

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 1 – NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN

Cosigo Resources Ltd. (the “Company”) was incorporated on December 21, 1987 in the Province of Alberta and subsequently continued in the province of British Columbia in July 2007, and is engaged in the business of acquisition and exploration of mineral properties. The address of the Company is 3854 Cadboro Bay Road, Victoria, BC, Canada, V8N 4G4.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) on the basis that the Company is a going concern and will be able to meet its obligations and continue its operations for its next fiscal year. Several conditions as set out below cast uncertainties on the Company’s ability to continue as a going concern.

The Company’s ability to continue as a going concern is dependent upon the financial support from its shareholders and other related parties, its ability to obtain financing for the continuing exploration and development of its mineral properties, the existence of economically recoverable reserves, and the attainment of profitable operations or proceeds from disposition of these properties.

The Company has not yet achieved profitable operations, has incurred a net loss of \$589,537 during the year ended December 31, 2025 (2024: \$277,811), has accumulated losses of \$16,177,221 (2024: \$15,587,684) since inception, and has a working capital deficiency of \$127,477 as at December 31, 2025 (2024: working capital surplus \$73,495); accordingly, the Company will need to raise additional funds through future issuance of securities or debt financing. Although the Company has raised funds in the past, there can be no assurance the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operations.

The current cash resources are not adequate to pay the Company’s accounts payable and to meet its minimum commitments at the date of these consolidated financial statements, including planned corporate and administrative expenses, and other project implementation costs, accordingly, there is significant doubt about the Company’s ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

NOTE 2 – MATERIAL ACCOUNTING POLICIES

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). These audited consolidated financial statements were approved and authorized for issue by the Board of Directors on April 30, 2026.

b) Basis of Preparation

These consolidated financial statements have been prepared using the historical cost basis. Cost is the fair value of the consideration given in exchange for net assets.

c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries (collectively, the “Company”). Intercompany balances and transactions are eliminated in preparing the consolidated financial statements.

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 2 – MATERIAL ACCOUNTING POLICIES (Continued)

c) Basis of Consolidation (Continued)

The following companies have been consolidated within these consolidated financial statements:

Entity	Country of Incorporation	Holding	Functional Currency
Cosigo Resources Ltd.	Canada	Parent Company	Canadian Dollar
Cosigo Frontier Mining Corporation Sucursal Colombia	Colombia	100%	Colombian Peso
Cosigo Resources Sucursal Colombia	Colombia	100%	Colombian Peso
Cosigo Resources Prospecção Pesquisa e Extração Mineral Ltda.	Brazil	99%	Brazilian Real

d) Foreign Currency

These consolidated financial statements are presented in Canadian dollars, which is also the functional currency of the parent company. Each subsidiary determines its own functional currency (Note 2(c)) and items included in the financial statements of each subsidiary are measured using that functional currency.

i) Transactions and Balances in Foreign Currencies

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and are not retranslated. Non-monetary items measured at fair value are translated using the exchange rate at the date when fair value was determined.

ii) Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rate prevailing at the reporting date and their revenues and expenses are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income and accumulated in the currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in earnings and recognized as part of the gain or loss on disposal.

e) Exploration and Evaluation Assets

All expenditures related to the acquisition of mineral properties are capitalized on a property-by-property basis, net of recoveries which are recorded when received, until these mineral properties are placed into commercial production, sold or abandoned. If commercial production is achieved from a mineral property, the related mineral properties are tested for impairment and reclassified to mineral property in production. If a mineral property is sold or abandoned, the related capitalized costs will be expensed to profit or loss in that period.

All expenditures related to the exploration and evaluation of mineral properties, net of recoveries which are recorded when received, are expensed to net loss in the period in which they are incurred.

From time to time, the Company may acquire or dispose of all or part of its mineral property interests under the terms of property option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, option payments are recognized when paid or received. If recoveries are received and exceed the capitalized expenditures, the excess is reflected in profit or loss.

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 2 – MATERIAL ACCOUNTING POLICIES (Continued)

e) Exploration and Evaluation Assets (Continued)

All capitalized mineral property costs are reviewed at each reporting date, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the carrying value, provision is made for the impairment in value. The amounts capitalized for mineral properties represent costs incurred to date less write-downs, and are not intended to reflect present or future values.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest in accordance with general industry standards, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and, as such, title may be affected.

f) Impairment of Non-Current Assets

The carrying amounts of non-current assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indications of impairment, then the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Individual assets are grouped together as a cash generating unit for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are independent from other group assets.

The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. An impairment loss exists if the asset's or cash generating unit's carrying amount exceeds the recoverable amount and is recorded as an expense immediately. In assessing the value in use, the estimated future cash flows are adjusted for the risks specific to the cash generating unit and are discounted to their present value with a discount rate that reflects the current market indicators.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

g) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and issue costs. Shares issued for other than cash consideration are valued at the quoted price on the TSX Venture Exchange based on the earliest of: (i) the date the shares are issued, and (ii) the date the agreement to issue the shares is reached.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be more easily measurable component and were valued at their fair value, as determined by the closing quoted bid on the grant date. The balance, if any, was allocated to the attached warrants.

Units issued to finders or for the acquisition of exploration and evaluation assets, where no value is otherwise ascribed for the services or acquisition, are valued based on their components. The fair value of the common shares issued are determined by the closing quoted bid price on the issuance date, and the fair value of the warrants are valued on the date of grant using the Black Scholes option pricing model.

Incremental costs, directly attributable to the issue of new shares, warrants and options, are recorded in equity as a deduction, net of tax, from proceeds.

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 2 – MATERIAL ACCOUNTING POLICIES (Continued)

h) Reserves

Share-based payment reserve is used to recognize the fair value of stock options and warrants prior to their exercise, expiry, or cancellation. Fair value of stock options and agents' warrants is determined on the date of grant using the Black-Scholes option pricing model.

All equity-settled share-based payments are entitled in share-based payment reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in the equity reserve is credited to share capital, adjusted for any consideration paid. The fair value of share options that expire remain in reserves.

i) Loss per Share

Basic loss per share is calculated by dividing net loss by the weighted average number of common shares issued and outstanding during the reporting period. Diluted loss per share is the same as basic loss per share, as the issuance of shares on the exercise of stock options and share purchase warrants is anti-dilutive.

j) Related Party Transactions

Parties are considered related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered a related party transaction when there is a transfer of resources or obligations between related parties.

k) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 2 – MATERIAL ACCOUNTING POLICIES (Continued)

k) Financial Instruments (Continued)

Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in Other Comprehensive Income (“OCI”). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are generally recognized in profit or loss.

l) Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 2 – MATERIAL ACCOUNTING POLICIES (Continued)

l) Income Taxes (Continued)

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

m) New accounting standards and Interpretation

New standards not yet applied

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

In May 2024, the IASB issued amendments to IFRS 7, Financial Instruments: Disclosures and IFRS 9, Classification and Measurement of Financial Instruments. These amendments, effective for annual periods beginning on or after January 1, 2026, address specific issues related to the derecognition of financial liabilities settled through an electronic payment system and the classification of financial assets with contractual cash flow characteristics. The Group is currently evaluating the impact of these amendments on its financial statements.

NOTE 3 – SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Company's accounting policies which are described in Note 2, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Significant judgments, estimates, and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

a) Impairment of Non-Current Assets

The carrying value of mineral property acquisition costs is reviewed each reporting period to determine whether there is any indication of impairment. The determination of the impairment involves the application of a number of significant judgments and estimates to certain variables including metal price trends, plans for properties, and the results of exploration and evaluation to date.

b) Deferred Tax Assets

Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 4 – EXPLORATION AND EVALUATION ASSETS

a) Machado Mineral License, Taraira North area, Vaupes Province, Colombia

In August 2007, the Company incorporated Cosigo Frontier Mining Corporation (“CFMC”) to carry out the joint exploration of the Taraira North mineral properties.

In September 2007 the Colombian government accepted the Company’s bid for the Machado Mineral License in the Taraira North area of Colombia, and awarded a mineral rights concession for the bid area. Under the terms of the government contract CFMC paid a fee of approximately \$100,000 (196,000,000 Colombian Pesos) for reports with respect to exploration studies carried out by the Colombian government. CFMC also agreed to pay 1% of production revenue to the Colombian government over and above the 4% royalty payable to the Colombian government on all production revenue from the Machado Mineral License.

The Company completed a preliminary exploratory drilling program in 2014, and as at December 31, 2025, continues the process of obtaining environmental licensing to allow for further exploration of the area to define the importance and extent of known gold-bearing zones and to identify additional areas of interest.

b) CN Mineral License, Taraira South area, Vaupes Province, Colombia

In October 2009, the Company paid government fees and acquired a 100% interest in the CN Mineral License in the Taraira South area of Colombia.

In 2015 however, the mineral title was revoked by the government of Colombia based on the government’s claim that the CN mineral project is located within the boundaries of a Colombian National Park. The Company has filed an appeal against the license revocation, and while the appeal process is ongoing, the possibility of the mineral title being reinstated to the Company is uncertain.

c) Damian area, Cauca Province, Colombia

The Company paid government fees to acquire a mineral license in the Damian area, province of Cauca, Colombia. As at December 31, 2025, the license remains valid.

NOTE 5 – LOANS PAYABLE

	2025	2024
	\$	\$
Beginning Balance	92,265	136,312
Accretion Expense	14,752	7,395
Effect of Exchange Rate	2,937	(1,053)
Gain in Modification of Loan Payable	-	(50,389)
	<u>109,954</u>	<u>92,265</u>
Loans Payable – Current-term Portion	27,126	24,189
Loans Payable – Long-term Portion	82,828	68,076

During the year ended December 31, 2024, the Company entered into agreements with two principal shareholders to extend the maturity of \$111,070 in non-interest bearing loans to July 1, 2027. At the date of modification, the carrying value of the loans was adjusted to a fair value of \$60,681 using the discount rate of 19.78%. The resulting gain of \$50,389 is recorded as a gain on debt modification.

For the year ended December 31, 2025, the Company recognized accretion expense of \$14,752 (2024: \$7,395) in connection with these amended loan agreements.

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 6 – RELATED PARTY TRANSACTIONS

Details of transactions between the Company and other related parties, in addition to those transactions disclosed elsewhere in these consolidated financial statements, are described below.

a) Related Party Balances

The Company has the following amounts owed to related parties as at December 31, 2025 and 2024:

	2025	2024
	\$	\$
Due to Directors and Management - Current	19,936	500
Due to Directors and Management – Long- term	151,642	99,677
Due to a Company with a Common Director	1,395	5,375
	<u>149,220</u>	<u>105,552</u>

During the year ended December 31, 2024, directors and management fees totaling \$160,000 were settled through the issuance of a non-interest bearing loan due in June 1, 2027. The due to related party was recorded at its fair value of \$96,294 using a discount rate of 19.48% resulting in \$63,706 difference recognized as a reduction of expenses reflecting the revised settlement terms. During the year ended December 31, 2025, the Company repaid \$10,000 in relation to these loans, resulting in loss of loan modification of \$3,554.

During the year ended December 31, 2025, directors fees totaling \$60,000 were settled through the issuance of a non-interest bearing loan due in June 1, 2028. At the date of modification, the carrying value of the due to related party was adjusted to fair value of \$33,996 using the discount rate of 19.78%. The resulting gain of \$22,034 is recorded as a gain on debt modification.

For the year ended December 31, 2025, the Company recorded accretion expense of \$20,445 (2024: \$3,383) related to the above loan agreements with related parties.

b) Compensation of Key Management Personnel and Other Related Parties

The Company's key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company, and is comprised of the Company's Board of Directors and executive officers. Key management compensation for the years ended December 31, 2025 and 2024 consisted of the following:

Management fees	80,000	40,000
Director fees	40,000	40,000
Services fees to a director of the Company	36,000	23,940
	<u>156,000</u>	<u>103,940</u>

All related party transactions were in the ordinary course of business and were measured at their exchange amount.

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 7 – SHARE CAPITAL

a) Authorized Share Capital

Unlimited Number of Common Shares, Voting, No Par Value.

Unlimited Number of Preferred Shares, Non-Voting, No Par Value

b) Issued and Outstanding

As at December 31, 2025, there were 103,472,512 (2024 – 93,472,512) common shares issued and outstanding.

During the year ended December 31, 2025, the Company issued 10,000,000 units at \$0.06 per unit on May 13, 2025, for total proceeds of \$600,000. Each unit consists of one common share and one full warrant, which entitles the holder to purchase an additional common share at a price of \$0.12 for a period of 60 months from the date of closing of the private placement. The Company paid \$6,333 in broker fees and issued 8,400 finders warrants fair valued at \$nil which entitles the holder to purchase an additional common share at a price of \$0.12 for a period of 60 months.

c) Shares To Be Issued

On December 12, 2025, the Company announced a non-brokered private placement of up to 12,500,000 units at a price of \$0.08 per unit. Each unit comprises one common share and one full common share purchase warrant. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.15 for a period of 60 months from the closing date of the private placement. In connection with this offering, the Company received \$31,419 in irrevocable share subscriptions during the year ended December 31, 2025. The private placement subsequently closed (Note 13).

In relation to the May 13, 2025 private placement Note 7 b), the Company received \$318,071 in irrevocable share subscriptions during the year ended December 31, 2024.

d) Share Purchase Warrants

The balance of warrants outstanding at December 31, 2025 and December 31, 2024 and the changes for the years then ended are as follows:

	Number of warrants	Weighted average exercise price
		\$
Balance, December 31, 2023	10,000,000	0.06
Expired	(10,000,000)	0.06
Balance, December 31, 2024	-	-
Issued	10,008,400	0.12
Balance, December 31, 2025	10,008,400	0.12

At December 31, 2025, the Company had the following warrants outstanding:

Expiry date	Weighted average remaining life (in years)	Outstanding	Weighted average exercise price
May 13, 2030	4.37	10,008,400	\$ 0.12

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 7 – SHARE CAPITAL (continued)

e) Stock Options

During the year ended December 31, 2025 and 2024, there were no stock options issued.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price
		\$
Balance, December 31, 2023, 2024 and 2025	6,000,000	0.05

The following stock options were outstanding as at December 31, 2025:

Expiry date	Weighted average remaining life (in years)	Outstanding	Weighted average exercise price
			\$
July 27, 2028	2.61	6,000,000	0.05

NOTE 8 – INCOME TAX

a) Income Tax Expense

The income tax expense of the Company is reconciled to the net loss for the year as reported in the consolidated statement of comprehensive loss as follows:

	2024	2024
	\$	\$
Net Loss before Income Tax	589,537	277,811
Statutory Rate	28.88%	32.24%
Recovery of Income Tax Calculated	(170,284)	(88,213)
Change in Opening Tax Balances	405,232	-
Deferred Tax Assets Not Recognized	(234,948)	88,213
Income Tax Expense	-	-

b) Deferred Tax Assets and Liabilities

Deferred tax assets have not been recognized with respect to the following items:

	2024	2024
	\$	\$
Capital Assets	21,510	21,510
Exploration and Evaluation Assets	1,163,255	1,587,449
Capital Losses Carried Forward	70,860	-
Non-Capital Losses Carried Forward	2,728,772	2,552,617
Valuation Allowance	(3,984,397)	(4,161,576)
Net Deferred Tax Assets Not Recognized	-	-

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024
(Expressed in Canadian Dollars)

NOTE 8 – INCOME TAX (continued)

As at December 31, 2025, the Company has non-capital losses of approximately \$9,491,000 which may be applied to reduce future taxable income. The non-capital losses expire as follows:

	\$
2026	53,000
2027	251,000
2028	772,000
2029	1,290,000
2030	1,456,000
2031 to 2045	<u>5,669,000</u>
	<u>9,491,000</u>

As at December 31, 2025, The Company has cumulative resource pools of \$4,294,586 which can be carried forward indefinitely to offset future taxable income.

NOTE 9 – COMMITMENTS

On May 31, 2024, the Company entered into loan agreements with two of its principal shareholders to extend the maturity date of the Loans Payable to these shareholders to July 1, 2027. Prior to this date, the Loans Payable were unsecured, non-interest bearing, and repayable on demand Note 5.

On May 31, 2024 and December 31, 2024, the Company entered into various loans agreements with the managers and directors of the Company to extend the maturity date of the amounts due to the directors of the Company to June 1, 2027. On December 31, 2025, the Company entered into loan agreements with various directors to extend the amounts of the 2025 amounts due to June 1, 2028. Prior to these dates, Due to Related Parties were unsecured, non-interest bearing, and repayable on demand Note 6.

The Company's payment schedule for the Loans Payable and Due to Related Parties over the next five years are as follows:

	2027	2028	Total
	\$	\$	\$
Due to Related Parties	112,500	97,500	210,000
Loans Payable	<u>60,785</u>	<u>50,285</u>	<u>111,070</u>
Total	<u>173,285</u>	<u>147,785</u>	<u>321,070</u>

NOTE 10 – CAPITAL MANAGEMENT

The Company manages its share capital as capital, which as at December 31, 2025, was \$13,624,050 (2024 - \$13,030,383). The Company's objectives when managing capital are:

- i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide return for shareholders and benefits for other stakeholders; and
- ii) to ensure the entity has the capital and capacity to support a long-term growth strategy.

The Company's capital structure reflects the requirements of a company focused on significant growth in a capital-intensive industry. The Company faces lengthy development lead times, as well as risks associated with rising capital costs and timing of project completion because of the availability of resources, permits and other factors beyond the Company's control. The Company's operations are also affected by potentially significant volatility of the metals and materials cycles.

Management continually assesses the adequacy of the Company's capital structure and makes adjustments within the context of its strategy, the base metal mining industry, economic conditions, and the risk characteristics of the Company's assets. To adjust or maintain its capital structure, the Company may enter into new credit facilities or issue new shares.

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 10 – CAPITAL MANAGEMENT (continued)

The Company has several key policy guidelines for managing its capital structure:

- i) maintain a liquidity cushion that allows the Company to address operational and/or industry disruptions or downturns;
- ii) ensure the Company has enough funding to complete its development programs at or around the time a definitive decision is made to move forward with a project; and
- iii) maintain a conservative level of debt relative to total capital and earnings within the context of financial forecasts for pricing, costs and production.

The Company's share capital is not subject to external restrictions. The Company has not paid or declared any dividends since the date of incorporation, nor are any contemplated in the foreseeable future. There were no changes in the Company's approach to capital management during the year ended December 31, 2025.

NOTE 11 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various risks in relation to financial instruments. The Company's financial instruments consist of cash, accounts payables and accrued liabilities, loans payables and due to related parties. The Company classifies its cash, accounts payables and accrued liabilities, loan payables and due to related parties as amortized cost. The Company's risk management is coordinated in close co-operation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows and raising finances for the Company's capital expenditure program. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed are described below.

a) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at December 31, 2025, the Company's cash balance of \$27,162 (2024 - \$186,009) is not sufficient to meet its obligations related to its accounts payable and accrued liabilities balance of \$111,586 (2024: \$85,053). The Company has a working capital deficiency of \$127,447 as at December 31, 2025 (2024: working capital surplus \$73,495). The Company is dependent upon the availability of credit from its suppliers and its ability to generate sufficient funds from equity and debt financing to meet current and future obligations. There can be no assurance that such financing will be available on terms acceptable to the Company.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management considers that risk related to interest is not significant to the Company at this time. Loans payable and amounts owed to related parties are non-interest bearing.

c) Credit Risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company is in the exploration stage and has not yet commenced commercial production or sales. The Company is not exposed to credit risk.

d) Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Colombia, and Brazil and as a result, a portion of the Company's expenditures are in Colombian Pesos and Brazilian Reals. The risk from a significant change in the exchange rate of the Canadian dollar relative to the foreign currencies could have an effect on the Company's results of operations, financial position or cash flows. However, management believes that the Company's foreign currency exchange risk is not significant at this time. The Company has not hedged its exposure to currency fluctuations.

COSIGO RESOURCES LTD.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian Dollars)

NOTE 12 – PRIOR YEAR RESTATEMENT

The consolidated financial statements as at December 31, 2024, and for the year then ended have been restated to correct a prior-year error. The Company determined that portions of long-term debt was incorrectly classified as current liabilities in the prior year, as the criteria for non-current classification under IAS 1, Presentation of Financial Statements were not met.

To ensure comparability, the 2024 comparative figures in the Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Loss and Consolidated Statement of Cash Flows have been restated to reflect this reclassification. The restatement has no impact on total liabilities as at December 31, 2024.

The effects of the restatement are as follows:

Restated Consolidated Statement of Financial Position

	As at December 31, 2024		
	As restated	As previously reported	Restatement
	\$	\$	\$
Loans Payable – Current	24,189	38,941	(14,752)
Due to Related Parties - Current	5,875	21,577	(15,702)
Total Current Liabilities	115,117	145,571	(30,454)
Loans Payable – Long-term	68,076	53,324	14,752
Due to Related Parties – Long - term	99,677	83,975	15,702
Total Liabilities	282,870	282,870	-

Restated Consolidated Statement of Cash Flows

	As at December 31, 2024		
	As restated	As previously reported	Restatement
	\$	\$	\$
Adjustment for Non-Cash Items			
Accretion Expense	10,778	-	10,778
Gain on Modification of Debt	(50,389)	-	(50,389)
Change in Non-Cash Working Capital Accounts			
Loans Payable	(57,760)	(97,371)	39,611
Due to Related Parties	106,342	(30,957)	137,299
Net Cash Utilized for Operating Activities	(347,105)	(484,404)	137,299
Change in Loans & Due to Related Parties	-	137,299	(137,299)
Net Cash Provided by Financing Activities	318,701	456,000	(137,299)

NOTE 13 – SUBSEQUENT EVENT

Subsequent to year end, the Company issued 8,750,000 units at \$0.08 per unit for total proceeds of \$700,000. Each unit consists of one common share and one full warrant, which entitles the holder to purchase an additional common share at a price of \$0.15 for a period of 60 months from the date of closing of the private placement.