DFR GOLD INC.
Unaudited condensed consolidated interim financial statements
For the second quarter and six-month period ended June 30, 2026

(All amounts are expressed in United States dollars, unless otherwise stated)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument NI 51-102 released by Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these condensed consolidated interim financial statements for the second quarter and six-month period ended June 30, 2026.

DFR GOLD INC.
Unaudited condensed consolidated statements of financial position
As at June 30, 2026
(All amounts are expressed in United States dollars)

	Notes	(Unaudited) June 30, 2026	(Audited) December 31, 2025
		$	$
ASSETS			
Current assets			
Cash	7	**340,393**	331,731
Other receivables and prepaids	8	**388,768**	301,942
		729,161	633,673
Non-current assets			
Property, plant, and equipment	9	**10,535**	14,315
Total assets		**739,696**	647,988
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11	**1,182,283**	1,242,696
Borrowings	12	**5,011,480**	3,825,865
Total liabilities		**6,193,763**	5,068,561
DEFICIENCY AND RESERVES			
Share capital	13	**74,402,351**	74,402,351
Contributed surplus	13	**4,906,640**	4,906,640
Accumulated deficit		**(85,998,120)**	(85,142,524)
Foreign currency translation reserve		**(16,743)**	(9,343)
Deficiency		**(6,705,872)**	(5,842,876)
Non-controlling interests	14	**1,251,805**	1,422,303
Total deficiency		**(5,454,067)**	(4,420,573)
Total deficiency and liabilities		**739,696**	647,988

Nature of operations and going concern (Note 2)
Events after the reporting period (Note 21)

“Brian Kiernan”
Director

“Bertrand Boulle”
Director

The above condensed consolidated statements of financial position should be read in conjunction with the accompanying notes.

DFR GOLD INC.
Unaudited condensed consolidated statements of loss and comprehensive loss
For the second quarter and six-month period ended June 30, 2026
(All amounts are expressed in United States dollars)

	Notes	(Unaudited) Three-month period ended **June 30, 2026**	June 30, 2025	(Unaudited) Six-month period ended **June 30, 2026**	June 30, 2025
		$	$	**$**	$
Operating expenses					
Exploration and evaluation expenses	**15**	**(440,859)**	(666,460)	**(683,441)**	(752,250)
General and administrative expenses	**16**	**(92,507)**	(86,308)	**(173,904)**	(180,882)
		(533,366)	(752,768)	**(857,345)**	(933,132)
Interest expense		**(82,645)**	(49,762)	**(155,615)**	(92,385)
Interest income		**7**	9	**42**	139
Foreign exchange loss		**(2.394)**	(1,501)	**(12,573)**	(4,086)
		(85,032)	(51,254)	**(168,146)**	(96,332)
Net loss for the period		**(618,398)**	(804,022)	**(1,025,491)**	(1,029,464)
Other comprehensive loss:					
Exchange differences on translation of foreign operations		**(8,342)**	147	**(8,003)**	413
Total comprehensive loss for the period		**(626,740)**	(803,875)	**(1,033,494)**	(1,029,051)
Loss attributable to:					
- Equity shareholders		**(531,610)**	(656,668)	**(855,596)**	(865,470)
- Non-controlling interest		**(86,788)**	(147,354)	**(169,895)**	(163,994)
		(618,398)	(804,022)	**(1,025,491)**	(1,029,464)
Total comprehensive loss attributable to:					
- Equity shareholders		**(538,061)**	(657,206)	**(862,996)**	(865,808)
- Non-controlling interest		**(88,679)**	(146,669)	**(170,498)**	(163,243)
		(626,740)	(803,875)	**(1,033,494)**	(1,029,051)
Loss per share:					
- Basic and diluted		**(0.00)**	(0.00)	**(0.01)**	(0.01)
Weighted average number of common shares outstanding:					
- Basic and diluted		**203,139,700**	203,139,700	**203,139,700**	203,139,700

The above condensed consolidated statements of loss and comprehensive loss should be read in conjunction with the accompanying notes.

DFR GOLD INC.
Unaudited condensed consolidated statements of changes in equity (deficiency)
For the second quarter and six-month period ended June 30, 2026
(All amounts are expressed in United States dollars)

	Number of shares	Share capital	Contributed surplus	Accumulated deficit	Foreign currency translation reserve	Non-controlling interest	Total
		$	$	$	$	$	$
Balance at January 1, 2025	203,139,700	74,402,351	4,906,640	(83,447,953)	179	1,748,793	(2,389,990)
Loss for the period	-	-	-	(865,470)	-	(163,994)	(1,029,464)
Other comprehensive income -							
Translation adjustment	-	-	-	-	(338)	751	413
Balance at June 30, 2025	**203,139,700**	**74,402,351**	**4,906,640**	**(84,313,423)**	**(159)**	**1,585,550**	**(3,419,041)**
Balance at January 1, 2026	203,139,700	74,402,351	4,906,640	(85,142,524)	(9.343)	1,422,303	(4,420,573)
Loss for the period	-	-	-	(855,596)	-	(169,895)	(1,025,491)
Other comprehensive income -							
Translation adjustment	-	-	-	-	(7,400)	(603)	(8,003)
Balance at June 30, 2026	**203,139,700**	**74,402,351**	**4,906,640**	**(85,998,120)**	**(16,743)**	**1,251,805**	**(5,454,067)**

The above condensed consolidated statements of changes in equity (deficiency) should be read in conjunction with the accompanying notes.

DFR GOLD INC.
Unaudited condensed consolidated statements of cash flows
For the second quarter and six-month period ended June 30, 2026
(All amounts are expressed in United States dollars)

	(Unaudited) Three-month period ended		**(Unaudited) Six-month period ended**	
	June 30, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	$	$	**$**	$
Cash flows from operating activities				
Net loss for the period from continuing operations	**(618,398)**	(804,022)	**(1,025,491)**	(1,029,464)
Adjustments for non-cash items:				
Foreign exchange movements	**(8,342)**	147	**(8,003)**	413
Interest on loans (Note 12)	**82,645**	49,762	**155,615**	92,385
Interest income	**(7)**	(9)	**(42)**	(139)
Depreciation charge (Note 9)	**1,622**	2,486	**3,780**	4,873
Changes in working capital:				
Decrease in other receivables	**(18,640)**	(4,119)	**(86,828)**	6,184
(Decrease)/increase in accounts payable and accrued liabilities	**198,495**	88,295	**(60,411)**	129,946
Net cash used in operating activities	**(362,625)**	(667,460)	**(1,021,380)**	(795,802)
Cash flows from investing activities				
Interest received	**7**	9	**42**	139
Net cash generated from investing activities	**7**	9	**42**	139
Cash flows from financing activities				
Proceeds from loans (Note 12)	**560,000**	500,000	**1,030,000**	774,000
Net cash generated from financing activities	**560,000**	500,000	**1,030,000**	774,000
Net movement in cash and cash equivalents	**197,382**	(167,451)	**8.662**	(21,663)
Cash and cash equivalents at beginning of the period	**143,011**	284,747	**331,731**	138,959
Cash and cash equivalents at end of the period	**340,393**	117,296	**340,393**	117,296

Supplemental cash flow information (Note 7)

The above condensed consolidated statements of cash flows should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

DFR Gold Inc.'s ("DFR" or the "Company") business activity is the exploration and evaluation of mineral properties and mine development in West Africa and Madagascar. The Company was incorporated under the Yukon Business Corporations Act on May 28, 2000, and was continued into British Columbia on March 27, 2007, under the Canada Business Corporations Act. The Company is listed on the TSX Venture Exchange ("TSX-V"), having the symbol DFR, as a Tier 2 mining issuer and is in the process of exploring its mineral properties.

The issued and outstanding number of shares at the end of the reporting period were 203,139,700 common shares.

The address of the Company's registered office is Suite 2900, 550 Burrard Street, Vancouver, British Columbia V6C 0A3, Canada.

2. NATURE OF OPERATIONS AND GOING CONCERN

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due.

To date, the Company has financed its activities through the issuance of equity securities and debt financing, primarily from significant shareholders of the Company. The Company expects to use similar financing techniques in the future and is pursuing such additional sources of financing as estimated to be required to sufficiently support its operations until such time that its operations become self-sustaining. Although the Company has been successful in raising funds to date, there can be no assurance that adequate or sufficient funding will be available in the future.

At June 30, 2026, the Company had an accumulated deficit of $85,998,120 (June 30, 2025: $84,313,423) and incurred a net loss of $618,398 and $1,025,491 during the second quarter and six-month period ended June 30, 2026 (June 30, 2025: $804,022 and $1,029,464). These factors give rise to material uncertainties that raise substantial doubt about the Company's ability to continue as a going concern.

3. STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements of the Company for the second quarter and six-month period ended June 30, 2026 are unaudited and have been prepared in accordance with *IAS 34 'Interim Financial Reporting'* as issued by the International Accounting Standards Board ("IASB") and do not include all notes of the type normally included in an annual financial report.

The unaudited condensed consolidated interim financial statements have been prepared using the same accounting policies as the audited consolidated financial statements for the year ended December 31, 2025 and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2025.

The unaudited condensed consolidated interim financial statements were authorized for issue by the Board of directors on August 27, 2026.

4. BASIS OF MEASUREMENT

The unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, except that:

(i) financial instruments classified as fair value through profit or loss have been measured at fair value; and
(ii) other relevant financial assets and financial liabilities have been stated at amortised cost.

In addition, these unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The unaudited condensed consolidated interim financial statements are presented in United States dollars ("$"). The parent company's functional currency is the $ while the functional currency of the subsidiaries is the same as the respective local currencies of the countries in which they are based.

The preparation of financial statements in compliance with IFRS requires management to make certain significant accounting estimates. It also requires management to exercise judgement in applying the Company's material accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these unaudited condensed consolidated interim financial statements, unless otherwise indicated.

(a) Property, plant and equipment

Property, plant and equipment, except for freehold land and buildings and site improvements, are stated at cost less accumulated depreciation and/or accumulated impairment losses, if any.

The annual rates of depreciation are as follows:

Items	Rates
Fixtures and fittings	15%-33%
Exploration equipment	15%

The Company depreciates property, plant and equipment on a straight line basis.

The gain or loss arising on the disposal or retirement of an item (or part of an item) of property, plant and equipment is determined as the difference between the disposal proceeds and the carrying amount of the item (or part of the item, as applicable) and is recognised in profit or loss.

(b) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by DFR (the "Parent"). The financial statements of subsidiaries are included in the unaudited condensed consolidated interim financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Parent.

(All amounts are expressed in United States dollars)

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (continued)

Transactions eliminated on consolidation

Inter-company balances, transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the unaudited condensed consolidated interim financial statements.

The unaudited condensed consolidated interim financial statements include the accounts of the Parent and its subsidiaries, as shown below:

Name	Country of Incorporation	Class of Shares	Ownership Interest
Kimberley Overseas	Cayman Islands	Common	100%
Action Mining Ltd.	Mauritius	Common	100%
Compagnie Générale des Mines de Madagascar	Madagascar	Common	100%
Moydow Holdings Limited	British Virgin Islands	Common	80%
Moydow BF Ltd.	British Virgin Islands	Common	80%
Moydow Burkina Faso SARL	Burkina Faso	Common	80%
Gurara Holdings Limited	British Virgin Islands	Common	51%
Dagma Mining Limited	Republic of Nigeria	Common	51%
Dext Mining Limited	Republic of Nigeria	Common	51%
Paimasa Mining Limited	Republic of Nigeria	Common	51%

(c) Investments in associated companies

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method. Investments in associates are initially recognised at cost as adjusted by post-acquisition changes in the Group’s share of the net assets of the associate.

Subsequent to initial recognition, the economic interest financial statements include the Group’s share of the profit or loss and other comprehensive income (‘‘OCI’’) of the equity-accounted investee, until the date on which significant influence or joint control ceases. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the gain or loss previously recognised in other comprehensive income is reclassified to profit or loss relative to that reduction in ownership interest.

Any excess of the cost of acquisition and the Group’s share of the net fair value of the associate’s identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group’s share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group’s share of the associate’s profit or loss.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Investments in associated companies (continued)

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate. Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(d) Discontinued operations and disposal group held for sale

Discontinued operations and disposal group held for sale is a component of the Group's business, the operations and cashflows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operation; or
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal, abandonment or when the operations meet the criteria to be classified as held for sale. This condition is regarded as satisfied only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year of the date of classification. Property, plant and equipment and intangible assets, once classified as held for sale, are not depreciated or amortised.

Disposal groups classified as held for sale are measured at the lower of the carrying value and the fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than continued use. When an operation is classified as a discontinued operation, the comparative statement of loss and comprehensive loss is re-presented as if the operation had been discontinued from the start of the comparative year.

When the Group ceases to have control of an undertaking (disposal group), it is at this point that the Group ceases to consolidate the operations and any gain or loss on disposal is recognised in the consolidated statement of loss and comprehensive loss. In addition, any movements previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(e) Foreign currencies

Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity at the exchange rate in effect at the statement of financial position date and non-monetary assets and liabilities at the exchange rates in effect at the time of the transactions. Revenues and expenses denominated in foreign currencies are translated at rates approximating the exchange rates in effect at the time of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of loss and comprehensive loss.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Foreign currencies (continued)

Subsidiaries

The results and financial position of all the subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the functional currency of the parent are translated into United States dollars as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each statement of profit or loss and other comprehensive income are translated at exchange rates approximating the exchange rates in effect at the time of the transactions; and

(iii) all resulting exchange differences are recognized within other comprehensive income (loss).

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of profit or loss and other comprehensive income (loss) as part of the gain or loss on sale.

(f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

(g) Financial instruments

Financial Assets

The Company classifies financial assets at amortized cost, fair value through other comprehensive income or fair value through profit or loss, based on its business model for managing the financial assets and the financial assets' contractual cash flow characteristics. The three categories are defined as follows:

(i) Amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Fair value through other comprehensive income

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments (continued)

Financial Assets (continued)

(iii) Fair value through profit or loss

Any financial assets that are not held in one of the two business models mentioned above are measured at fair value through profit or loss.

When, and only when, the Company changes its business model for managing financial assets it must reclassify all affected financial assets. The Company's financial assets comprised other receivables and cash and cash equivalents which are all measured at amortized cost.

Impairment of Financial Assets

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Financial Liabilities

Financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Company has the following financial liabilities: accounts payable, accrued liabilities, borrowings and deferred consideration payable. Accounts payable, accrued liabilities, borrowings and deferred consideration are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

This ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derivative Financial Instruments

The Company may issue share purchase warrants and conversion options on convertible debentures or as part of units that have an exercise price denominated in a currency that is different to the functional currency of the Company, thus causing them to be classified as derivative liabilities. These instruments are measured at fair value through profit or loss through the application of an appropriate valuation model.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Mineral properties

The Company's properties are all currently in the Exploration and Evaluation ("E&E") stage. Acquisition and E&E expenditures incurred prior to the date of a positive economic analysis on the property are expensed as incurred. Direct costs incurred for the development of mineral properties, net of cost recoveries, are capitalized once the technical feasibility and commercial viability of extracting the mineral resource has been determined. On the commencement of commercial production, the net capitalized costs are charged to operations on a unit-of-production basis, by property, using the estimated proven and probable reserves as the depletion base.

Impairment of Non-Financial Assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(i) Share-based compensation

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of loss and comprehensive loss over the vesting period described as the period during which all the vesting conditions are to be satisfied. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these market performance vesting conditions are satisfied.

The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of loss and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss and comprehensive loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Share-based compensation (continued)

When the value of goods or services received in exchange for the share-based compensation cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Equity-settled share-based compensation are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(j) Income taxes

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

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(k) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net profit (loss) for the period attributable to the ordinary equity holders of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings (loss) per common share is computed by dividing the net profit (loss) for the period attributable to the ordinary equity holders of the Company by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Provisions

Rehabilitation provisions

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities may include restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related properties. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur. The Company does not have any rehabilitation provisions for the periods presented.

(m) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and stock options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Application of new and revised International Financial Reporting Standards (IFRSs)

In the current period, the Group has applied all new and revised Standards and Interpretations issued by the International Accounting Standards Board (''IASB'') and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on January 1, 2026.

New standards, interpretations and amendments that are effective for the current period

There are a number of amendments to accounting standards that become applicable for annual reporting periods commencing on or after January 1, 2026 and the Company considers that their application does not have any significant impact on the amounts reported for the current and prior periods, and so, have not been discussed in detail in the notes to the financial statements:

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective on 01 January 2026)
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual Improvements to IFRS Accounting Standards—Volume 11 (effective on 01 January 2026)
- Contracts Referencing Nature-dependent Electricity –Amendments to IFRS 9 and IFRS 7 (effective on 01 January 2026)

5. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

New standards, interpretations and amendments not yet effective

- IFRS 18 – Presentation and Disclosure in Financial Statements (effective on 01 January 2027)
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (effective on 01 January 2027)
- Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21 (effective on 01 January 2027)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (see note 1 below)
- Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 (see note 2 below)

Note 1: In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

Note 2: The examples illustrate how an entity applies existing disclosure requirements and do not have an effective date or transition requirements. Entities are entitled to sufficient time to implement any changes as a result of the illustrative examples.

Where relevant, the Company is still evaluating the effect of Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its unaudited condensed consolidated interim financial statements.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of income and expenses during the period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the unaudited condensed consolidated interim financial statements within the next financial year are discussed below:

(i) Share-based compensation transactions

The Company measures the cost of equity-settled transactions with employees and other parties by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 13.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(ii) Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(iii) Assets and business acquisitions

Management judgement is particularly required in the assessment of whether or not net assets acquired constitute a business combination or asset acquisition. Asset acquisitions are acquisitions of legal entities that do not qualify as business combinations under IFRS 3. In making this assessment, management considers the underlying economic substance of the items concerned in addition to the contractual terms. Management also applies as it considers appropriate the optional 'concentration test' as set out in the amendments to IFRS 3 'Business Combinations' published in October 2018 to aid the assessment of whether a transaction represents a business combination or is simply in substance the purchase of a single asset or group of similar assets.

(All amounts are expressed in United States dollars)

7. CASH

(a) ***Analysis of cash***

	June 30, 2026	December 31, 2025	June 30, 2025
	$	$	$
Bank balance	**340,393**	331,731	117,296
	340,393	331,731	117,296

(b) ***Non-cash transactions***

There were not any significant non-cash transactions during the second quarter and six-month period ended June 30, 2026 (June 30, 2025: None).

During the year ended December 31, 2025, there were the following non-cash transactions:

(i) The Company and Brian Kiernan entered into an agreement to offset amounts receivable from Brian Kiernan and his related parties amounting to $105,433 against amounts payable to him and to his related parties amounting to $105,797, resulting to a net amount of $364 payable to him.

8. OTHER RECEIVABLES AND PREPAIDS

	June 30, 2026	December 31, 2025
	$	$
Amounts due from related parties (Note 19)	**210,040**	210,040
Prepayments and deposits	**72,388**	42,731
Other receivables	**106,340**	49,171
	388,768	301,942

The amounts due from related parties are interest free, unsecured, and receivable with one year.

(All amounts are expressed in United States dollars)

9. PROPERTY, PLANT AND EQUIPMENT

	Fixtures & fittings	Exploration equipment	Total
	$	$	$
Cost			
At January 1, 2025	**23,228**	**28,283**	**51,511**
Additions	-	-	-
At December 31, 2025	**23,228**	**28,283**	**51,511**
Additions	-	-	-
At June 30, 2026	**23,228**	**28,283**	**51,511**
Depreciation			
At January 1, 2025	**14,266**	**13,145**	**27,411**
Charge for the period	5,004	4,781	9,785
At December 31, 2025	**19,270**	**17,926**	**37,196**
Charge for the period	1,390	2,390	3,780
At June 30, 2026	**20,660**	**20,316**	**40,976**
Net book value at June 30, 2026	**2,568**	**7,967**	**10,535**
Net book value at December 31, 2025	3,958	10,357	14,315

(a) Depreciation charge amounting to $1,622 and $3,780 for the second quarter and six-month period ended June 30, 2026, have been charged in *'Exploration and evaluation expenses'* (December 31, 2025: $9,785/ June 30, 2025: $4,873).

(All amounts are expressed in United States dollars)

10. DISCONTINUED OPERATIONS

The Company completed the disposal of its Namibian diamond assets (the "Namibian Concessions") to JBDM Limited ("JBDM") pursuant to a diamond business sale agreement dated November 28, 2022. JBDM is an entity controlled by Mr. Jean-Raymond Boulle. The Namibian Concessions consisted of a 100% interest in Diamond Fields (Namibia) (Pty) Ltd. ("DFN") which owned mineral licenses ML111 and ML139 and 70% of Namibian Diamond Company (Pty) Ltd. which owned mineral license ML32 (the "Namibian Assets").

In consideration for the Namibian Assets, JBDM paid the Company: an initial payment of $150,000 (the "Initial Payment") and it will pay: annual amounts of $100,000 (as to $90,000 for ML111, $5,000 for each of ML32 and ML139) (the "Annual Payments") proportionately, as from September 1, 2023 until the earlier of either JBDM returns the license to the Company or September 1, 2035; and a 1% net sales royalty. The Company was entitled to royalty income of $110,040 (2024:$ nil) for the year ended December 31, 2025, in relation to mining activities which took place on the Namibian Concessions during the year 2024. No mining has been reported so far for the current reporting period on the Namibian Concessions. Both the annual payment and royalty entitlement were outstanding as at June 30, 2026.

The disposal of Diamond Fields (Namibia) (Pty) Ltd. and Namibian Diamond Company (Pty) Ltd. met the recognition criteria under *IFRS 5 'Non-current assets held-for-sale and discontinued operations'*. Consequently, the results of the Namibian subsidiaries were presented as discontinued and were shown separately from continuing operations.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2026	December 31, 2025
	$	$
Trade payables	**531,227**	347,574
Other accrued liabilities	**197,993**	560,513
Amounts due to related parties (Note 19)	**453,063**	334,609
	1,182,283	1,242,696

(All amounts are expressed in United States dollars)

12. BORROWINGS

	June 30, 2026	December 31, 2025
	$	$
Opening balance	**3,825,865**	2,199,572
Additional shareholders loans	**1,030,000**	1,412,620
Interest on shareholders loans	**155,615**	219,470
Offset against other receivables	**-**	(5,797)
	5,011,480	3,825,865

Details of the borrowings are as follows:	**June 30, 2026**	December 31, 2025
	$	$
Loan and interest due to Mr. Brian Kiernan (See note (i) below)	**2,838,007**	2,026,046
Loan and interest due to Spirit Resources SARL (See note (i) below)	**2,173,473**	1,799,819
	5,011,480	3,825,865

(i) The loans due to Mr Brian Kiernan and Spirit Resources SARL are unsecured, bear interest at 8% per annum and repayable on the dates set under note (iii) below or earlier if the Company completes a financing according to the terms set below.

(ii) A summary of the loans and their maturity profiles at June 30, 2026 and December 31, 2025 are as shown below:

Loan received from	**Principal amount**	**Balance at period end**	**Interest rate over duration**	**Issuance date**	**Maturity date**
	$	$	%		
At June 30, 2026					
Spirit Resources SARL	300,000	357,534	8%	February 6, 2024	January 31, 2025[1]
Mr Brian Kiernan	500,000	593,699	8%	February 26, 2024	January 31, 2025[1]
Spirt Resources SARL	250,000	290,822	8%	June 15, 2024	May 31, 2025[1]
Mr Brian Kiernan	250,000	290,548	8%	June 20, 2024	May 31, 2025[1]
Mr Brian Kiernan	250,000	288,630	8%	July 25, 2024	July 31, 2025[2]
Spirt Resources SARL	300,000	341,885	8%	October 01, 2024	July 31, 2025[2]
Mr Brian Kiernan	50,000	56,674	8%	October 29, 2024	July 31, 2025[2]
Spirt Resources SARL	100,000	112,844	8%	November 21, 2024	July 31, 2025[2]
Spirt Resources SARL	100,000	112,449	8%	December 09, 2024	July 31, 2025[2]
Mr Brian Kiernan	99,000	109,567	8%	February 28, 2025	July 31, 2025[2]
Spirt Resources SARL	100,000	110,455	8%	March 10, 2025	July 31, 2025[2]

(All amounts are expressed in United States dollars)

12. BORROWINGS (CONTINUED)

Loan received from	Principal amount	Balance at period end	Interest rate over duration	Issuance date	Maturity date
	$	$	%		
At June 30, 2026 (continued)					
Mr Brian Kiernan	75,000	82,562	8%	March 27, 2025	July 31, 2025[2]
Spirt Resources SARL	250,000	271,370	8%	June 05, 2025	July 31, 2025[2]
Mr Brian Kiernan	250,000	271,041	8%	June 11, 2025	July 31, 2025[2]
Spirt Resources SARL	250,000	267,918	8%	August 07, 2025	June 30, 2026[2]
Mr Brian Kiernan	90,000	95,819	8%	September 08, 2025	June 30, 2026[2]
Mr Brian Kiernan	200,000	208,504	8%	December 18, 2025	June 30, 2026[2]
Mr Brian Kiernan	20,000	20,793	8%	December 31, 2025	June 30, 2026[2]
Mr Brian Kiernan	78,621	82,102	8%	December 10, 2025	June 30, 2026[2]
Spirt Resources SARL	250,000	257,615	8%	February 11, 2026	June 30, 2026
Mr Brian Kiernan	220,000	225,014	8%	March 18, 2026	June 30, 2026
Mr Brian Kiernan	50,000	50,855	8%	April 13, 2026	June 30, 2026
Mr Brian Kiernan	30,000	30,408	8%	April 29, 2026	June 30, 2026
Spirt Resources SARL	50,000	50,581	8%	May 08, 2026	June 30, 2026
Mr Brian Kiernan	30,000	30,125	8%	June 11, 2026	June 30, 2026
Mr Brian Kiernan	400,000	401,666	8%	June 11, 2026	June 30, 2026
At December 31, 2025					
Mr Brian Kiernan	500,000	573,863	8%	February 26, 2024	January 31, 2025[1]
Mr Brian Kiernan	250,000	280,630	8%	June 20, 2024	May 31, 2025[1]
Spirit Resources SARL	300,000	345,633	8%	February 6, 2024	January 31, 2025[1]
Spirt Resources SARL	250,000	280,904	8%	June 15, 2024	May 31, 2025[1]
Mr Brian Kiernan	250,000	278,712	8%	July 25, 2024	July 31, 2025[2]
Spirt Resources SARL	300,000	329,984	8%	October 01, 2024	July 31, 2025[2]
Mr Brian Kiernan	50,000	54,690	8%	October 29, 2024	July 31, 2025[2]
Spirt Resources SARL	100,000	108,877	8%	November 21, 2024	July 31, 2025[2]
Spirt Resources SARL	100,000	108,482	8%	December 09, 2024	July 31, 2025[2]
Mr Brian Kiernan	99,000	105,640	8%	February 28, 2025	July 31, 2025[2]
Spirt Resources SARL	100,000	106,488	8%	March 10, 2025	July 31, 2025[2]
Mr Brian Kiernan	75,000	79,586	8%	March 27, 2025	July 31, 2025[2]
Spirt Resources SARL	250,000	261,451	8%	June 05, 2025	July 31, 2025[2]
Mr Brian Kiernan	250,000	261,123	8%	June 11, 2025	July 31, 2025[2]
Spirt Resources SARL	250,000	258,000	8%	August 07, 2025	June 30, 2026[2]
Mr Brian Kiernan	90,000	92,249	8%	September 08, 2025	June 30, 2026[2]
Mr Brian Kiernan	200,000	200,570	8%	December 18, 2025	June 30, 2026[2]
Mr Brian Kiernan	20,000	20,000	8%	December 31, 2025	June 30, 2026[2]
Mr Brian Kiernan	78,621	78,983	8%	December 10, 2025	June 30, 2026[2]

(All amounts are expressed in United States dollars)

12. BORROWINGS (CONTINUED)

[1] *The loan shall be repaid earlier if the Company completes financings in excess of $2,000,000.*
[2] *The loan shall be repaid earlier if the Company completes financings in excess of $2,800,000.*

The Company and its lenders amended the loan agreements on June 30, 2025, to reschedule the date of loans previously payable in 2025 to June 30, 2026. The Company has not refunded the loans on the due date and is discussing options with the lenders.

13. SHARE CAPITAL

(i) Authorized share capital

The authorized capital stock of the Company comprises an unlimited number of common shares without par value.

(ii) Issued and outstanding share capital

	Number of shares	$
At January 1, 2025	**203,139,700**	**74,402,351**
Movements:	-	-
At December 31, 2025 and June 30, 2026	**203,139,700**	**74,402,351**

(iii) Stock Options

The Company adopted a fixed, less than 10% stock option plan (the "Plan"), pursuant to which the exercise period for any stock options granted cannot exceed ten years. During the Company's shareholders meeting on June 9, 2022, shareholders voted in favor of increasing the options issuable to 17,800,000. In September and December 2022, the Company granted stock options to directors and officers vesting one year after the grant date with a maximum allowable exercise period of four years following the grant date. Any stock options granted to consultants performing investor relations activities, vest in stages over twelve months. The exercise price of options granted under the Plan cannot be less than the "discounted market price" of the common shares (the market price less the maximum discount permitted by the TSX-V).

Outstanding and exercisable share options

The following is a summary of changes in options from January 1, 2025 to June 30, 2026:

			During the period			
Grant date	Expiry date	Opening balance	Granted	Exercised	Expired/ forfeited	Closing balance
January 1, 2025		**10,550,000**				**10,550,000**
Expired on February 25, 2025		-	-	-	(1,000,000)	(1,000,000)
December 31, 2025		**10,550,000**			**(1,000,000)**	**9,550,000**
January 1, 2026 and June 30, 2026		**9,550,000**	**-**	**-**	**-**	**9,550,000**

(All amounts are expressed in United States dollars)

13. SHARE CAPITAL (CONTINUED)

(iii) Stock Options (continued)

On January 1, 2025, there was a balance of 10,550,000 Stock Options exercisable. 1,000,000 Stock Options with a strike price of C$0.20 were forfeited on February 25, 2025, following the resignation of an Option Holder on November 27, 2024, leaving a balance of 9,550,000 Stock Options outstanding and exercisable at December 31, 2025 and June 30, 2026. An extent of 8,250,000 (December 31, 2025: 8,250,000) options were available for future grant.

Share-based compensation accounted during the second quarter and six-month period ended June 30, 2026 was $ nil (June 30, 2025: $ nil). At June 30, 2026, unrecognized share-based compensation expense was $ nil (June 30, 2025: $ nil).

The following is a summary of options vested and outstanding June 30, 2026 and December 31, 2025 :

Grant date	Forfeiture Expiry date	Exercise price (CAD)	Vested	Outstanding
At January 1, 2025			**10,550,000**	**10,550,000**
09/22/22	02/25/25	$0.200	(1,000,000)	(1,000,000)
At December 31, 2025 and June 30, 2026[1]			**9,550,000**	**9,550,000**

[1] At June 30, 2026, the weighted average fair value of options granted was CAD $ nil (December 31, 2025: CAD $ nil). The weighted average exercise price of options outstanding at June 30, 2026 was CAD $0.200 (December 31, 2025: CAD $0.200). The outstanding options have an expiry date between September 22 and December 6, 2026.

The fair value of options granted during the year ended December 31, 2022 was determined using the Black-Scholes valuation model using the following weighted average assumptions:

- Expected volatility: 132.98% and 133.65%
- Risk-free interest rate: 3.75%
- Expected life (years): 4 years
- Dividend yield: 0.00%

(iv) Nature and purpose of equity

The reserves recorded in equity on the Company's consolidated statement of financial position include:

(a) "Contributed surplus" is used to recognize the value of share options granted prior to exercise.
(b) "Accumulated deficit" is used to record the Company's change in deficit from year to year.
(c) "Foreign currency translation reserve" includes foreign exchange losses/gains on translating subsidiaries with a functional currency different from that of the United States dollar.

(All amounts are expressed in United States dollars)

14. NON-CONTROLLING INTERESTS

	June 30, 2026	December 31, 2025
	$	$
Opening balance	**1,422,303**	1,748,793
Loss after tax	**(169,895)**	(324,495)
Other comprehensive income (loss)	**(603)**	(1,995)
	1,251,805	1,422,303

The non-controlling interests relate to:

- the 20% interest which Panthera holds in Moydow pursuant to the Definitive Agreements entered with DFR and Moydow on August 25, 2021 (see further details under note 15).
- the 49% interest which Zinariya holds in Gurara Holdings Limited pursuant to the Reorganisation Agreement announced on May 7, 2024 (see further details under note 15).

15. EXPLORATION AND EVALUATION EXPENSES

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025	**Six-month period ended June 30, 2026**	Six-month period ended June 30, 2025
	$	$	**$**	$
Cascades projects	**433,840**	607,746	**569,149**	678,309
Beravina zircon project	**7,019**	6,237	**11,174**	10,359
Gurara (Gold) Projects	**-**	52,477	**103,118**	52,477
Other projects and new prospects	**-**	-	**-**	11,105
	440,859	666,460	**683,441**	752,250

Exploration and evaluation expenses by nature of expenditure are summarized below:

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025	**Six-month period ended June 30, 2026**	Six-month period ended June 30, 2025
	$	$	**$**	$
Support and logistics costs	**375,036**	153,573	**592,600**	225,351
Desktop evaluation	**-**	-	**-**	11,105
Drilling and assaying and related costs	**59,846**	3,534	**65,579**	4,054
Options, licenses & surface rent	**4,355**	506,867	**21,482**	506,867
Depreciation charge (See Note 9)	**1,622**	2,486	**3,780**	4,873
	440,859	666,460	**683,441**	752,250

Cascades (Gold) – Burkina Faso

The Cascades gold exploration project comprising initially of an option for the WUO Land exploration license (“WUO1”), was extended through the acquisition of an option to acquire WUO Land 2 exploration license (“WUO2”), contiguous to WUO1 license, both option agreements are held in escrow with an appointed escrow agent in Ouagadougou, Burkina Faso.

15. EXPLORATION AND EVALUATION EXPENSES (CONTINUED)

Cascades ((Gold) – Burkina Faso (continued)

The project is located in the Banfora greenstone belt of the West African Birimian Supergroup in Comoé province, southwest Burkina Faso. Cascades is approximately 370km west-southwest of Ouagadougou, and 100km northeast of the Wahgnion gold mine, operated by Endeavour Mining.

The WUO1 option agreement gives the Company exclusive rights until May 27, 2024 to purchase 100% of the License Holder's interest in the WUO1 exploration license for a payment of $1,000,000. Moreover, an amount of $50,000 is payable annually to the License Holder until 2023. The Company and the License Holder have agreed to amend the terms of the WUO1 option agreement on June 8, 2024, (the “Amendment Agreement”) pursuant to which the Company shall pay (and has paid) an initial payment of $500,000 within 8 business days of executing the amendment agreement, and a final payment of $500,000 on or before the first anniversary of the amendment, both payments have been executed pursuant to the Amendment Agreement. Prior to executing the Amendment Agreement, the License Holder was entitled to receive a quarterly royalty payment equivalent to 1% of the net smelter return (“NSR”), subject to a maximum entitlement of US$2,000,000, and a one off payment of US$1,000,000 (the “Milestone Payment”), payable within six months of the Company reporting a resource of at least 1,000,000 ounces of gold on the Permit in accordance with the JORC guidelines. Under the Amendment Agreement the License Holder is entitled to a royalty payment of 0.5% of NSR over the duration of mining on the Permit. If the Milestone Payment described above is paid, each royalty payment thereafter shall be reduced by 25% until such time as the aggregate amount of the said 25% reductions equal the amount of the Milestone Payment. The second renewal of the WUO1 exploration permit (Permis de Recherche) has been approved by the Burkina Faso authorities, extending the validity of its validity for a three-year period until March 5, 2027. The criteria triggering the Milestone Payment has not been reached as at the date of this report, and as such no payment has been made or accrued.

The WUO2 option agreement gives the Company exclusive rights to purchase 100% of the License Holder’s interest in WUO2 exploration license for an aggregate payment of $500,000, out of which $200,000 was paid earlier during 2022 and two payments of $150,000 each were payable prior to exercising the WUO2 option during the year 2023. During December 2022, the License Holder and the Company entered into an amendment agreement whereby the Company is allowed to delay the first $150,000 payment until January 31, 2024 and the second $150,000 payment until May 31, 2024. The Company paid $300,000 to the License Holder in February 2024 to exercise the WUO2 option. The process to register the license in the name of the Company’s Burkina Faso subsidiary is in progress. The License Holder is also entitled to a net smelter royalty of 1% capped at $2,000,000 on the value of all minerals extracted from the tenement. The WUO2 exploration permit (*Permis de Recherche*) was granted for a three-year period on November 13, 2018, and was renewed for a further three-year period until November 12, 2024. The WUO2 permit has been subject to a second and final three-year term renewal until November 12, 2027.

The Company executed an Exploration Data, Reports and Samples Purchase Agreement on October 9, 2020 with Nord Gold to purchase all of their historic data in consideration of a 0.5% Net Smelter Royalty capped at $3,000,000.

Pursuant to the definitive agreements and other related agreements among the Company, Moydow and Panthera, upon closing the Company acquired an 80% interest in the Cascades project and Panthera will own a carried 20% interest on the condition that the Company invests $18,000,000 in the project by December 31, 2026 (the “Deemed Cost Base”), thereafter, all interests shall be participating. The Company has so far incurred a combined aggregate spending and operator’s fee of $8,084,000 qualifying expenditures on the Cascades project. Panthera shall have the right to acquire an additional 10% interest in Cascades by making a payment of up to $7,200,000 (to be adjusted proportionately according to the actual amount spent) following the trigger date.

15. EXPLORATION AND EVALUATION EXPENSES (CONTINUED)

Cascades ((Gold) – Burkina Faso (continued)

Moreover, the Company and Panthera entered into a joint venture agreement (the "Cascades JVA") for the management and operation of the project, pursuant to which the Company shall be the operator, and is entitled to appoint two thirds of the members of the management committee and earn an operator fee.

Gurara (Gold) - Nigeria

Pursuant to the definitive agreements announced by the Company on August 25, 2021, upon closing of the Moydow transaction on June 28, 2022, Moydow's 51% interest in Gurara Holdings Limited ("Gurara"), a BVI company which owns 99.99% of the rights in several Nigerian mineral licenses, through a joint venture agreement (the "Gurara JVA") with Zinariya Mining Limited ("Zinariya") a BVI Company, was spun off (together with the Kalaka gold project) and brought under a new holding company, Maniger Limited., a BVI company ("Maniger") held as to 50% by the Company and 50% by Panthera Resources Plc.

The "Gurara JVA" involved the following parties:

(1) Moydow Holdings Limited ("Moydow");
(2) Zinariya Mining Limited ("Zinariya"), a BVI company. Zinariya owns the remaining interest in Gurara;
(3) Gurara Holdings Limited ("Gurara"), a BVI Company, which as at December 31, 2021 was held as to 20% by Moydow and 80% by Zinariya; and,
(4) PW Nigeria Mining Ltd ("PW Mining"), a Nigeria company.

Pursuant to the Gurara JVA, Moydow had a first option to acquire a 51% interest in Gurara by investing a total of $1,000,000 prior to December 31, 2021 (the "First Option"). Moydow achieved the required expenditure to earn the First Option after December 31, 2021, but the parties agreed that Moydow had earned the First Option. Moydow had a second option to earn 65% interest in Gurara expiring on July 2023, by spending an aggregate $2,000,000 (including the $1,000,000 above) in the Projects, Moydow or DFR did not incur the required expenditure and did not earn the second option.

DFR announced a restructuring agreement, subject to approval of the TSX Venture exchange (TSX V), with Panthera Resources Plc. on May 7, 2024 with an effective date of January 1, 2024. The agreement was subsequently approved by the TSX V. Pursuant to the agreement, DFR has disposed of its interest in Maniger Limited and Panthera Mali Resources SARL, and increased its interest in Gurara Holdings Limited, Dagma Mining Limited, Dext Mining Limited and Paimasa Mining Limited to 51%.

Madagascar Zircon project

The Company's subsidiary, Kimberley Overseas, owns Action Mining Ltd., a Mauritius company which fully owns Compagnie Générale des Mines de Madagascar ("CGMM"). CGMM owns 100% of the mining license (Permis d'Exploitation PE8096) for the Beravina zircon deposit in Madagascar (the "Beravina Project") valid until June 22, 2055.

Other projects and prospects

During its normal course of business, the Company engages with different parties as authorities to seek business opportunities on an ongoing basis. An extent of $11,105 was incurred on desktop evaluation of other projects for the reporting period ended June 30, 2025 (June 30, 2026: $nil).

(All amounts are expressed in United States dollars)

16. GENERAL AND ADMINISTRATIVE EXPENSES

	Three-month period ended June 30, 2026	Three-month period ended June 30, 2025	**Six-month period ended June 30, 2026**	Six-month period ended June 30, 2025
	$	$	**$**	$
Directors and officers fees	**33,000**	33,000	**66,000**	66,000
Consultancy, legal and professional fees	**37.334**	33,313	**61,719**	60,656
Other general administrative expenses	**22,173**	19,995	**46,185**	54,226
	92,507	86,308	**173,904**	180,882

17. INCOME TAXES

Continuing operations

Taxation is calculated at the rate prevailing in its respective operational jurisdiction. Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate for the full financial year applied to the pre-tax income of the interim period.

At June 30, 2026 and June 30, 2025, no deferred tax assets were recognised in respect of tax losses as it was uncertain at that point in time whether taxable profits would be available in the future against which tax losses may be utilised.

18. SEGMENTED INFORMATION

At June 30, 2026, the Company operates in four (December 31, 2025: four) main geographical locations as set below. Assets by geographic locations at June 30, 2026 and December 31, 2025 were as follows:

At June 30, 2026	Holding entities	Madagascar	Burkina Faso	Nigeria	Total
	$	$	$	$	$
Total assets	**355,453**	**14,419**	**369,759**	**65**	**739,696**

At December 31, 2025	Holding entities	Madagascar	Burkina Faso	Nigeria	Total
	$	$	$	$	$
Total assets	356,458	7,543	283,922	65	647,988

(All amounts are expressed in United States dollars)

19. RELATED PARTY TRANSACTIONS

In addition to the information disclosed under Notes 8, 10, 11 and 12 above, the Company recorded related party transactions in terms of compensation to key management personnel of the Company for the second quarter and six-month period ended June 30, 2026 and June 30, 2025, which are recorded in the following accounts in these unaudited condensed consolidated interim financial statements:

	Six-month period ended June 30, 2026	Six-month period ended June 30, 2025
	$	$
G&A - Jean Lindberg Charles, CFO and Secretary	**36,000**	36,000
G&A - Sybrand van der Spuy, COO	**30,000**	30,000
	66,000	66,000
E&E - Kieran Harrington, VP Exploration	**50,000**	50,000
Total directors/Officers	**116,000**	116,000
G&A - Minerex Limited[1]	**30,000**	30,000
Total, excluding share-based compensation	**146,000**	146,000
Share-based compensation – Directors & officers	**-**	-

G&A - denotes general and administrative expenses.
E&E - denotes exploration and evaluation expenses.

At June 30, 2026 and December 31, 2025, amounts receivable from related parties were as follows:

	June 30, 2026	December 31, 2025
	$	$
JBDM Limited[2]	**210,040**	210,040
	210,040	210,040

At June 30, 2026 and December 31, 2025, amounts payable to related parties were as follows:

	June 30, 2026	December 31, 2025
	$	$
Accounts payables & accrued liabilities		
Jean Lindberg Charles, CFO and Secretary	**144,224**	105,770
Sybrand van der Spuy, COO	**106,875**	81,875
Kieran Harrington, VP Exploration	**131,600**	106,600
Minerex Limited	**70,000**	40,000
Brian Kiernan[1]	**364**	364
	453,063	334,609

19. RELATED PARTY TRANSACTIONS (CONTINUED)

Notes:

1. *Minerex Limited and Minerex Drilling Contractors SARL are entities where Brian Kiernan, a director of the Company, is also a director or exercise control. The Company and Brian Kiernan entered into an agreement pursuant to which Brian Kiernan will take over a project previously pursued by the Company, and the Company shall have the first right of refusal to buy back the project at cost plus 10%. As at December 31, 2023, the costs incurred by the Company, over and above the costs financed by Brian Kiernan and associates for the project amounted to $98,689. As at December 31, 2024, this amount was receivable from Kiernan and associates. The Company and its subsidiaries on the one side and Brian Kiernan and his related parties namely Minerex Limited and Minerex Drilling Contractors SARL (the "Kiernan Group") on the other side, entered into an agreement, effective as at June 30, 2025, pursuant to which all balances receivable from the Kiernan Group below were set off against the amounts payable to Minerex Limited as at June 30, 2025.*

2. *The Company is entitled to an annual income of $100,000 and a net royalty of $110,040 from JBDM Limited (see note 10) for the year ended December 31, 2025. These amounts were outstanding as at the reporting date.*

<u>Borrowings - Loan Payable to Brian Kiernan</u>

On February 22, June 10 and September 3, 2024, the Company announced agreements with Brian Kiernan ("Kiernan"), pursuant to which Kiernan provided term loans amounting respectively to $500,000, $250,000 and $400,000 to the Company for general working capital purposes and making an initial payment of $500,000 pursuant to the WUO1 amended option agreement. The Kiernan loans are unsecured, bear interest at 8% per annum and are repayable on January 31, 2025, May 31, 2025 and August 31, 2025 or earlier if the Company completes financing as set under note 12(iii) to the financial statements. Brian Kiernan advanced further $812,620 during the year ended December 31, 2025. Moreover, the Company and Kiernan entered into a new loan agreement and rescheduled all previous loans repayments due in 2025 to June 30, 2026. During the six-month period ended June 30, 2026, Brian Kiernan advanced a further $730,000 to the Company.

<u>Borrowings - Loan Payable to Spirit Resources SARL</u>

On February 9, June 10 and September 3, 2024 the Company announced agreements with Spirit Resources SARL ("Spirit"), pursuant to which Spirit provided term loans amounting respectively to $300,000, $250,000 and $600,000 to the Company for general working capital purposes, to exercise the WUO Land 2 Option and making an initial payment of $500,000 pursuant to the WUO1 amended option agreement. The Spirit loans are unsecured, bear interest at 8% per annum and are repayable on January 31, 2025, May 31, 2025 and August 31, 2025 or earlier if the Company completes financing as set under note 12(iii) to the financial statements. Spirit advanced a further $600,000 during the year ended December 31, 2025. Moreover, the Company and Spirit entered into a new loan agreement and rescheduled all previous loans repayments due in 2025 to June 30, 2026. During the six-month period ended June 30, 2026, Spirit advanced a further $300,000 to the Company.

20. GEOPOLITICAL AND POLITICAL SITUATION

The geopolitical situation in Eastern Europe intensified on February 24, 2022, with Russia's invasion of Ukraine. Moreover, the armed conflict in Israel and the Gaza Strip in the Mediterranean has entered a critical phase. On February 28, 2026, the beginning of military action in Iran and the Middle East has introduced significant volatility into global financial markets, with ripple effects extending far beyond the region.

In addition to the human toll, the wars are increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption. Moreover, countries where DFR conducts exploration in West Africa, continue to experience civil unrest and/or warfare including attacks on civilians.

Though the Company's activities have so far not been significantly affected by the situation in Eastern Europe, the situation in the Middle East and in West Africa has started impacting fuel and security costs. Management believes that the nature and duration of uncertain and unpredictable events, such as attacks on civilians and further military action in Burkina Faso, war in the Middle East and additional sanctions on Russia and reactions to ongoing developments by global financial markets may have further implications on its activities.

The Company is continuously evaluating its direct and indirect exposures to the impacts of the local and regional events as well as consequences of the Russia-Ukraine conflict and the military action in Iran and the Middle East on its operation. Although the Company does not have direct exposure to Ukraine, Russia, Israel and the Middle East, it is likely to be affected by the overall economic uncertainty, supply chain disruptions, increased fuel and security costs, and negative impacts on the global economy and major financial markets arising from the wars. Moreover, the Company is expecting to face higher costs for securing its license area on an ongoing basis. Although the Company's assets in West Africa have not been threatened, the political situation and regional security situation are likely to impede on the Company's ability to raise funds for its West African projects.

21. EVENTS AFTER THE REPORTING PERIOD

There has been no material event since the end of the reporting period which would require disclosure or adjustment to the unaudited condensed consolidated interim financial statements for the second quarter and six-month period ended June 30, 2026.