



Chesapeake Gold Corp.

Consolidated Financial Statements
For the Years Ended December 31, 2025 and 2024
(amounts expressed in thousands of Canadian dollars, except where indicated)



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Independent Auditor's Report

To the Shareholders of Chesapeake Gold Corp.

Opinion

We have audited the consolidated financial statements of Chesapeake Gold Corp. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) ("IFRS Accounting Standards").

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters are addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Assessment of Impairment Indicators for Exploration and Evaluation Properties

Description of the key audit matter

At each reporting date, management assesses the Company's exploration and evaluation properties for indicators of impairment in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"). This assessment involves judgement including whether the rights to tenure for the areas of interest are current, and the Company's ability and intention to continue to evaluate and develop the areas of interest.

During a prior year, the Dirección General de Minas ("DGM") cancelled the San Vicente 3 ("SV3") mineral concession, which is one of the mineral concessions comprising the Metates property and encompasses a portion of the Metates mineral resource. As at December 31, 2025, legal proceedings in relation to the SV3 concession remain ongoing and the outcome remains uncertain. While management asserts that the Company has a strong legal position, the cancellation of the concession may be considered a potential indicator of impairment when applying IFRS 6 *Exploration for and Evaluation of Mineral Resources*.



We have therefore considered this a Key Audit Matter due to the judgement applied by management when assessing this legal claim under the guidance of IFRS 6. Please refer to Note 4 to the consolidated financial statements for the Company's accounting policy on exploration and evaluation assets, Note 3 which details the critical judgments used in assessing impairment indicators and Note 6 which provides further details on the cancelled mineral concession.

How the key audit matter was addressed in the audit

- Obtained and examined management's assessment of impairment indicators under IFRS 6.
- Obtained an understanding of the status of the SV3 concession and the related legal proceedings through discussions with management and review of correspondence and updates from external Mexican legal counsel.
- Assessed that the Company's rights to tenure for the areas of interest are current, which included obtaining supporting documentation and performing a title search for the exploration licences, and considering the impact of the SV3 concession cancellation.
- Assessed the regulatory and legal context of mineral concession cancellations and disputes in Mexico, including information obtained from management and other audit evidence.
- Assessed the adequacy of the disclosures in the consolidated financial statements, including disclosures related to significant judgements and uncertainties.

Other Matter

The consolidated financial statements of the Company for the year ended December 31, 2024 were audited by an other auditor who expressed an unmodified opinion on those consolidated financial statements on April 23, 2025.

Other Information

Management is responsible for the other information. The other information comprises the information other than the financial statements and our auditor's report thereon, included in the Management Discussion and Analysis (the "MD&A").

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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 financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Rob Scupham.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

April 21, 2026

Chesapeake Gold Corp.

Consolidated Statements of Financial Position

(amounts expressed in thousands of Canadian dollars, except where indicated)

	Note	As at	
		December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		\$ 10,651	\$ 10,989
Other receivables – VAT	5	1,101	-
Other receivables and prepaid expenses	5	550	517
Marketable securities	6a	406	636
Total current assets		12,708	12,142
Long-term investments	6b	979	-
Other receivables – VAT	5	-	881
Exploration and evaluation assets	7	153,691	147,832
Equipment		34	44
Reclamation deposits		429	384
Total assets		\$ 167,841	\$ 161,283
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,918	\$ 2,090
Total current liabilities		1,918	2,090
Deferred income tax liabilities	13	10,722	10,293
Decommissioning obligation		421	371
Total liabilities		13,061	12,754
Shareholders' equity			
Share capital	8	241,919	237,503
Reserves		32,029	28,954
Deficit		(123,506)	(120,287)
Shareholders' equity – attributable to the shareholders		150,442	146,170
Non-controlling interest (“NCI”)	1	4,338	2,359
Total shareholders' equity		154,780	148,529
Total liabilities and shareholders' equity		\$ 167,841	\$ 161,283

Nature of operations (Note 1)

Subsequent events (Note 15)

Approved by the Board of Directors

“P.Randy Reifel”

Director

“Jeff Stieber”

Director

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

Chesapeake Gold Corp.

Consolidated Statements of Loss and Comprehensive Loss

(amounts expressed in thousands of Canadian dollars, except where indicated)

	Notes	Year Ended	
		December 31, 2025	December 31, 2024
General and administration expenses			
Depreciation		\$ (13)	\$ (15)
Exploration		(379)	(167)
General and administrative	10	(2,393)	(1,948)
Management fees	10	(250)	(229)
Professional fees	10	(870)	(1,220)
Share-based compensation expense	9,10	(429)	(634)
Total general and administration expenses		(4,334)	(4,213)
Other income (expense)			
Finance income		222	828
Finance costs		(1)	(1)
Foreign exchange gain (loss)		(67)	17
Unrealized gain on long-term investments	6b	688	192
Loss on sale of mineral property		(874)	-
Other income		212	31
Total other income		180	1,067
Net Loss before income taxes		(4,154)	(3,146)
Deferred income tax recovery (expense)	13	(429)	457
Net Loss		(4,583)	(2,689)
Other comprehensive income (loss)			
Items that may be reclassified subsequently to net loss:			
Cumulative translation adjustment		2,688	(3,449)
Total comprehensive Loss		(1,895)	(6,138)
Net loss attributable to			
Shareholders of the Company		(4,418)	(2,542)
Non-controlling interest		(165)	(147)
Total net loss		(4,583)	(2,689)
Other comprehensive loss attributable to			
Shareholders of the Company		(1,730)	(5,991)
Non-controlling interest		(165)	(147)
Total comprehensive Loss		(1,895)	(6,138)
Loss per share – basic and diluted		\$ (0.07)	\$ (0.04)
Weighted average shares outstanding (000's) – basic and diluted		70,437	67,957

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

Chesapeake Gold Corp.

Consolidated Statements of Changes in Shareholders' Equity

(amounts expressed in thousands of Canadian dollars, except where indicated)

	Note	Shares (‘000)	Share Capital	Share-based compensation reserves	Foreign translation reserves	Deficit	Total for owners	NCI	Total shareholders’ equity
Balance at January 1, 2024		67,367	\$ 234,906	\$ 28,051	\$ 3,748	\$ (117,657)	\$ 149,048	\$ 2,388	\$ 151,436
Net loss for the year		-	-	-	-	(2,542)	(2,542)	(147)	(2,689)
Cumulative translation adjustment		-	-	-	(3,449)	-	(3,449)	-	(3,449)
Shares issued for asset acquisition	8	1,027	2,597	-	-	-	2,597	-	2,597
Gunpoint share issuance		-	-	-	-	(88)	(88)	88	-
Share-based compensation expense	9	-	-	604	-	-	604	30	634
Balance at December 31, 2024		68,394	\$ 237,503	\$ 28,655	\$ 299	\$ (120,287)	\$ 146,170	\$ 2,359	\$ 148,529
Net loss for the year		-	-	-	-	(4,418)	(4,418)	(165)	(4,583)
Cumulative translation adjustment		-	-	-	2,688	-	2,688	-	2,688
Units issued for cash		3,700	4,416	-	-	-	4,416	-	4,416
Gunpoint share issuance to NCI		-	-	-	-	1,199	1,199	2,102	3,301
Share-based compensation expense	9	-	-	387	-	-	387	42	429
Balance at December 31, 2025		72,094	\$ 241,919	\$ 29,042	\$ 2,987	\$ (123,506)	\$ 150,442	\$ 4,338	\$ 154,780

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

Chesapeake Gold Corp.

Consolidated Statements of Cash Flows

(amounts expressed in thousands of Canadian dollars, except where indicated)

	Note	Year Ended December 31,	
		2025	2024
Cash flow from (used in) operating activities			
Net loss for the year		\$ (4,583)	\$ (2,689)
Realized gain on sale of marketable securities		(211)	-
Items not affecting cash			
Depreciation		13	15
Deferred income tax expense (recovery)	13	429	(457)
Unrealized foreign exchange gain		2	-
Unrealized gain from long term investments		(688)	(192)
Share-based compensation expense	9	429	634
Impairment – investments		-	25
Loss on sale of mineral assets		874	-
Changes in non-cash operating working capital			
Other receivables and prepaid expenses		(231)	(136)
Accounts payable and accrued liabilities		(292)	449
Total cash outflows from operating activities		(4,258)	(2,351)
Cash flow from financing activities			
Net proceeds from issue of shares	8	4,416	-
Equity contribution from non-controlling interest		3,301	-
Proceeds from exercise of options – Gunpoint Exploration Ltd.		75	225
Total cash inflows from financing activities		7,792	225
Cash flows from (used in) investing activities			
Purchase of marketable securities		(1,192)	(206)
Proceeds from sale of marketable securities		1,855	227
Purchase of equipment		-	(38)
Reclamation deposit		(62)	-
Exploration and evaluation expenditures	7	(4,488)	(6,634)
Total cash outflows from investing activities		(3,887)	(6,651)
Foreign exchange impact on cash and cash equivalents		15	(57)
Decrease in cash and cash equivalents		(338)	(8,834)
Cash and cash equivalents – beginning of year		10,989	19,823
Cash and cash equivalents – end of year		\$ 10,651	\$ 10,989
Cash		\$ 190	\$ 1,099
Cash equivalents		10,461	9,890
		\$ 10,651	\$ 10,989

See Note 7, 8 and 9 for a summary of non-cash transactions.

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

Chesapeake Gold Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(amounts expressed in thousands of Canadian dollars, except where indicated)

1. Nature of operations

Chesapeake Gold Corp. (“Chesapeake” or the “Company”) is a Canadian exploration and evaluation stage mining company focused on the exploration and development of precious metal deposits in North and Central America. The Company has exploration and evaluation assets and does not generate mining revenues from operations. The Company’s operations are principally directed towards the development of the Metates project in the state of Durango, Mexico and generating a pipeline of regional exploration projects in the region.

The Company is domiciled in Vancouver, Canada and its common shares are listed on the TSX Venture Exchange under the trading symbol “CKG.V”. The Company also trades on the OTCQX marketplace in the United States, under the symbol “CHPGF”. The Company’s head office is located at 201 – 1512 Yew Street, Vancouver BC, Canada.

As at December 31, 2025, the Company owns 57% (December 31, 2024 – 67%) of Gunpoint Exploration Ltd. (“Gunpoint”), a Vancouver based company listed on the TSX Venture Exchange, symbol “GUN.V”. Gunpoint owns 100% of the Talapoosa gold project, located in Nevada, United States.

The Company had a consolidated net loss of \$4,583 (2024 – net loss of \$2,689) for the year ended December 31, 2025, and an accumulated deficit of \$123,506 as at December 31, 2025 (December 31, 2024 - \$120,287). The Company’s working capital as at December 31, 2025 is \$10,790 (December 31, 2024 - \$10,053) which included cash of \$10,651. Management believes that it has sufficient funds, following the two financings for a total of \$20,127 (note 15) closed subsequent to year-end, to maintain the status of its properties in good standing, to pay its ongoing general and administrative expenses and to meet its other liabilities, obligations and existing commitments beyond the ensuing twelve months as they fall due. The Corporation has the ability to scale its exploration activities and capital expenditures, and will do so as necessary, based on cash availability. The Corporation will need to raise further financing to fund its future operations and its development expenditures.

2. Basis of presentation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. The policies set out below were consistently applied to all periods presented.

The Board of Directors approved the consolidated financial statements on April 21, 2026.

3. Estimates, risks, and uncertainties

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated financial statements require management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- i. Management assesses the functional currency of each entity within the Company. Based on an evaluation of relevant indicators such revenues and expenses, financing activities, retention of operating cash flows, and the frequency and nature of transactions, the Company determined the Canadian dollar as the functional currencies of all its subsidiaries, except the Mexican subsidiaries which use the Mexican Pesos as their functional currency.
- ii. Management is required to assess impairment in respect of its exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are

Chesapeake Gold Corp.

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(amounts expressed in thousands of Canadian dollars, except where indicated)

ultimately successful, and some assets are likely to become impaired in future periods. The Company has applied significant judgement in assessing the continued recognition of the San Vicente 3 mineral concession, which is subject to ongoing legal proceedings in Mexico. Based on the advice of external legal counsel and the status of the appeal process, management has concluded that it is appropriate to continue recognizing the concession and the related mineral property interests. This judgement involves the interpretation of applicable mining laws and regulations and the assessment of the Company's legal position in the dispute. A different conclusion regarding the outcome of the proceedings could have a material impact on the carrying value of the Metates project.

Exploration and evaluation assets are measured at cost less accumulated impairment. Determining whether the recoverable amount of an exploration and evaluation asset is based on its 'fair value less cost of disposal' or its 'value in use' involves judgement.

The determination of fair value less cost of disposal requires judgement including assessing comparable market transactions for similar assets and whether such transactions can be reasonably considered as a basis for fair value determination.

These value in use estimates and assumptions include judgements concerning the estimates and assumptions underlying complex technical geologic resource models including geological data, the size, depth shape and grade of a possible orebody, the metallurgical characteristics of the mineralization, the estimates and assumptions underlying metallurgical models, including evaluation of metallurgical data and estimated metal recoveries, the mine operation and process design estimates and assumptions in applicable studies, and the estimates of operating and capital costs of planned operations together with assumptions as to realized metal prices, fiscal tax rates and the present risk adjusted time value of money.

Accounting Estimates and Assumptions

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

- i. Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date, an additional liability could result from audits by taxing authorities. Where the final outcomes of these tax-related matters are different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.
- ii. Management estimates the fair values of share-based payment arrangements using the Black-Scholes option pricing model (assumptions used – fair value of trading price on grant, exercise price, volatility, forfeiture rate, dividend rate and risk-free rate).
- iii. Other significant accounting estimates include valuation of long-term investments and carrying value of exploration and evaluation assets.

4. Material accounting policies

Principles of consolidation

As at December 31, 2025 and 2024, these consolidated financial statements also include the accounts of Gunpoint and its wholly owned subsidiaries, which are controlled by the Company. The remaining 43% equity interest is presented as non-controlling interest.

Control exists when the Company is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to offset those returns through its power over the subsidiary. The financial results of subsidiaries are included in the consolidated financial statements from the date that control commences until control ceases. The following subsidiaries (all wholly owned except Gunpoint) are consolidated: Alderley Gold Corp. ("Alderley Gold") (Canada), Metates Resources Ltd. (Canada), Minerales El Prado S.A. de C.V. (Mexico), Gunpoint Exploration Ltd. (British Columbia) and American Gold Capital Corporation (British Columbia). The accounts of American Gold Capital Corporation's wholly-owned subsidiaries, Metates Resources Ltd. (British Columbia) and its wholly-owned subsidiary American Gold Metates S. de R.L. de C.V. (Mexico) are also included in these consolidated financial statements.

All inter-company balances and transactions have been eliminated upon consolidation.

Chesapeake Gold Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(amounts expressed in thousands of Canadian dollars, except where indicated)

Cash and cash equivalents

Cash and cash equivalents include cash on deposit, highly liquid short-term deposits and guaranteed investment certificates with major financial institutions, and fixed income securities with a term to maturity of three months or less at the date of acquisition that are readily convertible into known amounts of cash and subject to insignificant risk of changes in value.

Exploration and evaluation assets.

The Company capitalizes its exploration and evaluation asset expenditures as incurred after it has obtained legal rights to explore a property and before bankable feasibility study and commercial viability of extracting mineral resources are demonstrable.

All direct and indirect costs relating to the exploration of specific properties, such as the search for mineral resources and the determination of the technical feasibility, and assessment of the commercial economic viability of identified mineral resources, with the objective of locating, defining and delineating mineral reserves on specific properties are capitalized as exploration and evaluation assets. Expenditures incurred in the search for mineral resources encompass the acquisition and maintenance of rights to explore. These expenditures include applicable land taxes when due, topographical, geochemical, and geophysical studies, exploratory drilling, trenching, drilling for resource estimation purposes, sampling & assaying and subsequent geological modeling. Expenditures incurred in determination of the technical feasibility and commercial viability of mineral resources include geological modeling, metallurgical test work and modeling as well as the application of applicable technologies, estimation and optimization of metal recoveries, process flowsheet engineering, design and optimization, engineering, design and optimization of possible mining operations, together with the completion of studies on and estimation of operating and capital costs attributable to all such design plans. Government assistance, mining duty credits, and optionee commitments are applied against exploration and evaluation assets.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefit either from future exploration or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. Management makes certain estimates and assumptions about future events or circumstances, in particular when a probable, economically viable mineral deposit exists which could be brought into a profitable operation. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of loss in the period when the new information becomes available. Exploration and evaluation expenditures are evaluated annually and then reclassified (subject to impairment test) as mineral properties upon completion of technical feasibility and commercial viability.

Each reporting period, the Company assesses exploration and evaluation assets for impairment where indicators and circumstances suggest that the carrying amount of the assets (properties) may exceed the recoverable amount from either future sale or the realization through possible future economic extraction of the resource in operations.

Each exploration and evaluation asset (property) is considered a separate cash generating unit. The recoverable amount is the higher of fair value less cost to sell and value in use.

If the Company was to estimate that the recoverable amount of an asset is less than its carrying amount, the Company will recognize an impairment loss in the consolidated statement of loss, for the applicable period.

The assessment of the estimated recoverable amount through possible future economic extraction of the resources of the mineral deposit which underly each exploration and evaluation asset involve the evaluation of key estimates and assumptions of variables in various underlying models and design plans. These include the geological estimates and assumptions in geologic resource models; the metallurgical estimates and assumptions underlying metallurgical models, including estimates and assumptions of metal recoveries; the estimates and assumptions of mining and processing operations design studies, and the estimates and assumptions of applicable operating and capital costs. In addition, the estimate of recoverable amount includes evaluation of financial models incorporating estimated discounted future cash flows from operations based on assumptions as to future metal prices, future applicable fiscal tax rates and current market assessments of the risk adjusted time value of money applicable to the asset.

All estimates and assumptions are subject to measurement uncertainty and are subject to change as new information becomes available.

Reclamation Deposits

The Company maintains cash deposits that are restricted to the funding of reclamation costs. For the Talapoosa property in Nevada, USA, the Company has placed cash on deposit to fund future reclamation costs anticipated under a reclamation plan approved by the State of Nevada.

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Foreign currency translation

The functional currency of the reporting entity and each of its foreign operations must be assessed independently giving consideration to the primary economic environment in which each reporting entity operates. Management has determined that the functional currencies of American Gold Metates and Minerales El Prado, its Mexican subsidiaries, is the Mexican Peso as this is the currency of the primary economic environment in which the Mexican subsidiaries operate. The Company and its other subsidiaries have the Canadian dollar as their functional currency.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each consolidated statement of financial position date, monetary assets and liabilities in foreign currencies are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses of foreign currency translation to functional currency go through profit and loss. All gains and losses on translation from functional to reporting currency are recorded as other comprehensive income or loss.

Impairment

The Company reviews the carrying value of long-lived assets for impairment when circumstances indicate an asset's value may not be recoverable. The evaluation is based on the higher of the asset's fair value less costs to sell and its value in use, which is the present value of future cash flows expected to be derived from the asset in its current state. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds its recoverable amount. Impairment loss is recorded in the consolidated statement of loss.

Decommissioning obligations

The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the year in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related assets to the extent that it was incurred by the development / construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognized in the consolidated statement of operations and included as a finance cost. Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Share-based compensation

The Company's share option plan provides for the granting of stock options to directors, officers, consultants and employees, which allow them to purchase common shares of the Company. The fair value of all share-based awards is estimated using the Black Scholes option pricing model at the grant date and expensed to operations over the vesting period. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Changes to the estimated number of awards that will eventually vest are accounted for prospectively. None of the Company's awards call for settlement in cash or other assets. Upon the exercise of the stock options, consideration paid together with the amount previously recognized in the share-based payment reserve is recorded as an increase in issued capital. In the event that the options expire or are cancelled, previously recognized compensation expense associated with such stock option is not reversed.

The fair value of bonus shares issued will be based on the most recent trading price multiple by the number of bonus shares issued.

The Company applies the residual value method to unit offerings consisting of common shares and warrants. Proceeds are allocated first to the more readily measurable component, being the common shares, based on their fair value at the issuance date. The residual amount, if any, is allocated to the attached warrants.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the deferred income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are measured using substantively enacted tax rates expected to apply when the asset is realized or the liability settled. A reduction in respect of the benefit of a deferred income tax asset is recorded against any deferred income tax asset

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if it is probable that there will be future taxable income to offset. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period in which the change is substantively enacted.

Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the reporting period. The Company uses the treasury stock method for computing diluted loss per share. This method assumes that any proceeds obtained upon exercise of outstanding options or warrants would be used to purchase common shares at the average market price during the period. As the Company has recorded a net loss for each of the periods presented, basic and diluted net loss per share are the same as the exercise of stock options or share purchase warrants are anti-dilutive. As at December 31, 2025, the Company had 944,000 (2024 – 2,425,000) potentially dilutive shares relating to outstanding stock options.

Share issuance costs

Professional, consulting, regulatory, and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred financing costs related to financing transactions that are not completed are charged to the consolidated statement of loss.

Financial Instruments - Recognition and Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quote prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

(i) *Non-derivative financial assets*

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; or (ii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed.

The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Cash and cash equivalents, other receivables and reclamation deposits are measured at amortized cost. Marketable securities and long-term investments are classified as FVTPL.

(ii) *Non-derivative financial liabilities*

Financial liabilities, other than derivatives, are initially recognized at fair value less directly attributable transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s accounts payable are measured at amortized cost.

New standards issued but not yet effective

Presentation and Disclosures in Financial Statements (IFRS 18)

Effective January 1, 2027, IFRS 18 introduces new requirements for the presentation and disclosure of financial information. The Company is currently evaluating the potential impact of IFRS 18 on its consolidated financial statements. While the full implications are yet to be determined, the standard is expected to enhance the transparency and comparability of financial disclosures. The Company will adopt IFRS 18 in accordance with its effective date and provide further updates in subsequent reporting periods.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted. The Company has assessed the impact of these amendments and does not expect them to have a material impact on the classification and measurement of its financial assets. The Company also does not expect a significant impact from the additional disclosure requirements.

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5. Other receivables and prepaid expenses

	December 31, 2025	December 31, 2024
Other receivables	\$ 216	\$ 181
Prepaid expenses	334	336
VAT receivable	1,101	-
	\$ 1,651	\$ 517

Value added taxes (“VAT”) paid in Mexico are fully recoverable. However, due to the complex filing requirements surrounding VAT recoveries, timing of receipt of refunds is uncertain. The Company uses judgment to classify current and non-current portions of its VAT such as the regularity of payments received, discussions with and communications from Mexican tax authorities and expected length of time for refunds in accordance with Mexican tax authorities. Based on improved recovery patterns and the expectation that these balances will be realized within twelve months of the reporting date, certain amounts previously classified as non-current have been reclassified to current assets.

6. a) Marketable securities

Marketable securities are publicly traded stocks.

	December 31, 2025 Fair value	Acquired and FX	Proceeds received from sale	Realized and unrealized (loss)/gain	December 31, 2025 Fair value
Marketable securities	\$ 636	1,192	(1,855)	433	\$ 406

	December 31, 2024 Fair value	Acquired and FX	Proceeds received from sale	Realized and unrealized (loss)/gain	December 31, 2024 Fair value
Marketable securities	\$ 465	206	(227)	192	\$ 636

6. b) Long-term investments

Long-term investments are investments that management does not have any intent to sell within a year.

On November 12, 2025, the Company completed the sale of its Tatatila project to Mexican Gold and acquired 4,451,361 common shares of Mexican Gold (“Consideration Shares”) for \$512 as part of the consideration. These Consideration Shares were fair valued at \$979 as on December 31, 2025. The Consideration Shares shall be subject to a lock up (the “Lock Up”), in addition to the statutory four month and one day hold period commencing on the date of the issuance. On the one (1) year anniversary of the date of issuance and every six (6) months thereafter, 25% of the Consideration Shares shall be released from the Lock Up such that all Consideration Shares shall be released from Lock Up two and a half (2.5) years from the date of issuance. Chesapeake has also agreed for a period of two and one-half (2.5) years to vote the Consideration Shares in accordance with Mexican Gold management instruction.

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7. Exploration and evaluation assets

	Metates (a, b)	Regional (d)	Talapoosa (c)	Total
December 31, 2023	132,565	3,984	5,346	141,895
Effect of foreign exchange on translation	(2,748)	(558)	-	(3,306)
Assays	94	96	-	190
Concession acquisition	132	242	265	639
Community, taxes, camp, and supplies	502	53	-	555
Drilling	-	162	-	162
Environmental	486	10	-	496
Geological and engineering	6,596	408	-	7,004
Travel and other	141	56	-	197
December 31, 2024	137,768	4,453	5,611	147,832
Effect of foreign exchange on translation	2,250	478	-	2,728
Assays	1	90	-	91
Concession acquisition	171	417	378	966
Community, taxes, camp, and supplies	433	21	-	454
Environmental	23	2	-	25
Geological and engineering	2,586	266	-	2,852
Travel and other	131	35	-	166
Sale of property	-	(1,423)	-	(1,423)
December 31, 2025	143,363	4,339	5,989	153,691

a. Metates Project

The Company's Metates project ("Metates") is located in Durango State, Mexico and is subject to a 0.5% net smelter royalty (the "Metates NSR") held by Wheaton Precious Metals Corp. ("WPM") for which the Company holds a right of first refusal to purchase in the event WPM elects to sell the Metates NSR to a third party, on the same terms and conditions as the third party's offer. The terms of the Metates NSR grant a right of first refusal to WPM on any future silver stream or royalty which the Company receives and accepts, on the same terms and conditions as the third party's offer.

In 2023, the Dirección General del Minas of Mexico (the "DGM") cancelled the San Vicente 3 mineral concession on the basis that the Company did not provide adequate evidence to support the Company's performance of the exploration work required to maintain the concession. The San Vicente 3 mineral concession is one of 12 mineral concessions comprising the Metates property, representing 700 hectares of the 4,260 hectares in the Metates project, and encompasses a portion of the Metates mineral resource. The Company's legal position, supported by external Mexican counsel, is that the work required to maintain the concession was conducted on the property and appropriate evidence was submitted to the DGM to substantiate the work.

On May 3, 2023, the Company began nullity proceedings to have the cancellation of San Vicente 3 declared as null and void by the North Center III and Auxiliary Regional Chamber of the Federal Court of Administrative Justice (the "Chamber") in the state of Durango, Mexico on the basis that the DGM failed to comply with mandated cancellation procedures in accordance with applicable legislation. The Chamber dismissed the Company's lawsuit in a 2-1 split decision. The Company has appealed the decision to the Collegiate Court on the basis that the Chamber had erroneously found that the DGM had complied with mandated cancellation procedures and, therefore, it violated the Company's fundamental rights such as due process and effective judicial protection. The Company continues to pursue all legal remedies available to it to protect and defend its position with respect to San Vicente 3. The DGM has been barred by an Appellate Court from carrying out a bidding process for said mineral concession until a definitive decision is reached.

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While the Company is confident that it will be successful in reinstating its ownership of the concession, there can be no assurance of this. In the event the Company is unsuccessful, the current resource estimate and the mine development plan for Metates as proposed in the Company's 2023 Amended PEA will be materially affected and the Company's ability to develop the Metates project will be materially affected. Reliance on the 2023 Amended PEA is therefore contingent on the outcome of the litigation.

As of December 31, 2025, \$93,766 (December 31, 2024 - \$88,171) relate to Metates project development costs while \$49,597 (December 31, 2024 - \$49,597) relate to acquisition costs in connection with the sulphide leaching technology.

b. License and evaluation of technical feasibility

On January 19, 2021, the Company closed the acquisition of Alderley Gold, a private British Columbia company (that was previously controlled by the former CEO of Chesapeake Gold). Through the acquisition of Alderley Gold, the Company gained access to the mining technology ("Technology") that is currently being used to determine the technical and commercial feasibility of the Metates project.

Under the terms of the Agreement, the Company issued 10,000,000 common shares (fair value of \$45,000) (the "Alderley Shares") to the shareholders of Alderley Gold. The Alderley Shares were placed in escrow and will be released based on time or milestone conditions over 7 years as follows:

- i. 5% released on each of the first four anniversaries of January 19, 2021 ("Closing Date"), resulting in the release of 2,000,000 common shares as of December 31, 2025;
- ii. 10% released on the earlier of: (a) date of a positive feasibility study or (b) the fifth anniversary of Closing Date (January 19, 2026);
- iii. 30% released on the earlier of: (a) duly certified commencement of construction of a mine or (b) the sixth anniversary of Closing Date (January 19, 2027); and
- iv. 40% released on the earlier of: (a) duly certified commencement of commercial production or (b) the seventh anniversary of Closing Date (January 19, 2028).
- v. All Alderley Shares will be released upon a change of control ("COC") of the Chesapeake Gold Corp. For greater clarity, if COC occurs, the Alderley Shares will be released and not follow the escrow schedule noted in (i)(ii)(iii)(iv).

On June 4, 2024, the Company, through its wholly owned subsidiary Alderley Gold, acquired the patents, patent applications, and certain other technology rights and assets for the sulphide leaching technology from Hycroft Mining Holding Corp. and its wholly owned subsidiaries. On closing, Chesapeake paid \$2-million in cash and issued 1,026,518 common shares of the Company valued at \$2,597 on the date of the closing.

c. Talapoosa

Gunpoint owns a 100% interest in the Talapoosa property ("Talapoosa") and are subject to a lease agreement with a third party (the "Unpatented Leased Land"). These claims are administered by the Bureau of Land Management ("BLM") and the annual maintenance fees for these claims payable to the BLM are approximately \$116 (US\$88). In addition, there are certain payments required for the land owned subject to leases with private landowners (the "Fee Leased Land"). The current annual payments for Fee Leased Land are approximately \$90 (US\$68).

On September 28, 2022, Gunpoint signed an option and earn-in agreement (the "Newcrest Agreement") with Newcrest Resources Inc., a wholly-owned subsidiary of Newcrest Mining Limited, ("Newcrest") to explore Gunpoint's Appaloosa property ("Appaloosa"), located in Nevada, USA. Newcrest had the right to acquire, in multiple stages, up to a 75% interest in Appaloosa for cumulative exploration and development expenditures of US\$35 million, cash payments totaling US\$5 million to Gunpoint and completing a minimum indicated resource estimate of 1 million gold ounces. Gunpoint received \$322 (US\$250) upon signing the Newcrest Agreement. In January 2023, Newcrest elected to enter into the Option Phase and continue to explore Appaloosa by providing a \$1,005 (US\$750) cash payment to the Company in January 2023. At the end of the minimum commitment on March 28, 2024, Gunpoint received notice from Newmont Corp. (which acquired Newcrest Mining Ltd. in November 2023) electing to terminate the option and earn-in agreement on the Appaloosa property.

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d. Regional

El Duraznito (Durango State, Mexico)

On March 3, 2020, the Company announced an option to acquire a 100% interest in the El Duraznito gold-silver project ("El Duraznito") located near the town of Tayoltita in Durango State, Mexico. El Duraznito is located east of First Majestic Silver Corp.'s San Dimas Mine ("San Dimas"). At present, Chesapeake has an option agreement over one of El Duraznito Claims ("Teresa"). In 2024, the Company paid US\$78 (\$93) to earn 60% of the rights. After completion of the feasibility study, Chesapeake will pay US\$100 to earn an additional 20% interest in the project. Upon commencement of mine construction, the Company will have acquired 100% interest in the Teresa claim with a final US\$150 final payment. During 2024 the Teresa option agreement continued in good standing.

In late 2025, the Company acquired a second claim at the El Duraznito Project.

Lucy (Sinaloa State, Mexico)

Lucy was staked by Chesapeake in 2017 and the Company completed mapping, trenching and channel sampling in 2021 and 2022 identified the presence of a gold-bearing skarn system. The Company is continuing to explore the property during 2025.

Nicole (Durango State, Mexico)

The Nicole Project is located north of the Company's flagship Metates project. In 2025, the Company received the Environmental drilling permit for Nicole. The Company is not currently undertaking any exploration activity on the project.

Crisy (Durango State, Mexico)

The Crisy project is located south of the Company's flagship Metates project. During the year ended December 31, 2023, the Company completed its payments per the earn in option agreement to own 100% of the mineral claim. The project is currently on standby as the Company focuses its efforts on active exploration programs.

Tatatila (Veracruz State, Mexico)

On November 12, 2025, the Company closed the sale of the Tatatila project to Mexican Gold. As per the terms of this sale agreement, the Company acquired 4,451,361 common shares of Mexican Gold, representing 14.99% of the outstanding Mexican Gold common shares on an undiluted basis. The Company also received a 1.5% net smelter return royalty. Mexican Gold may repurchase 0.5% of the Royalty (reducing the Royalty to 1.0%) for U.S.\$500 within ten (10) years from the date of execution of the agreement.

e) Impairment

During the year ended December 31, 2025 and 2024, there was no impairment on any of the Company's exploration assets.

8. Share capital

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of Series 1 Class A restricted voting shares without par value, convertible and redeemable at \$0.01 per share and an unlimited number of preferred shares without par value.

As at December 31, 2025, 8,000,000 (December 31, 2024 – 8,500,000) common shares were held in escrow, subject to release per escrow conditions in Note 8 and upon approval of the regulatory authorities.

As at December 31, 2025, the Company had 1,850,000 warrants outstanding with an exercise price of \$1.65 that expire on June 17, 2028.

Year ended December 31, 2025

On June 17, 2025 the Company issued 3,700,000 units at \$1.20 per unit which consisted of one common share and one-half share purchase warrant for gross proceeds of \$4,416. Each whole warrant is exercisable for one share of the Company at a price of \$1.65 for a period of three years. The Company applied the residual method to allocate the proceeds to common shares and warrants and concluded no value was allocated to warrants.

Year ended December 31, 2024

On June 4, 2024, the Company issued 1,026,518 common shares with a fair value of \$2.53 per share upon issuance for a total of \$2,597 in connection to its acquisition of the intellectual property rights for the sulphide leaching technology (Note 7).

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9. Share-based compensation

On August 6, 2025, the Company adopted a fixed up-to-10-per-cent stock option plan to replace its prior rolling up-to-10-per-cent stock option plan. All outstanding options granted under the prior plan will continue to remain issued and governed under the terms of the fixed plan. Under the terms of the fixed plan, the Company may issue up to 7,209,338 common shares of the Company which may be granted to eligible optionees from time to time. Generally, share options granted have a maximum term of five years, and a vesting period and exercise price determined by the directors. The exercise price may not be less than the closing quoted price of the Company's common shares traded through the facilities of the exchange on which the Company's common shares are listed. As at December 31, 2025, the remaining share options available for issue under the plan were 6,015,338 (December 31, 2024 – 4,784,338).

The Company also has a Stock Bonus Plan ("Bonus Plan"). The Bonus Plan enables bonus common shares to be issued to any full-time or part-time employee or independent contractor (whether or not a director) of the Company or any of its subsidiaries who has rendered services that contributed to the success of the Company or any of its subsidiaries. Grants of bonus common shares will be on terms that the Compensation Committee of the Board may determine, within the limitations of the Bonus Plan and subject to the rules and policies of applicable regulatory authorities. The maximum number of common shares issuable under the Bonus Plan is 200,000 common shares as at December 31, 2024 and December 31, 2025, there is no room for further issuance, representing approximately 0.30% of the current issued and outstanding common shares as at December 31, 2024 and December 31, 2025. In addition, in any calendar year, the number of bonus common shares issuable to insiders of the Company, also taking options into account, is limited to 0.5% of the total number of common shares which were issued and outstanding at the end of the preceding calendar year, 10% of the issued and outstanding common shares, and no more than 5% of the issued and outstanding shares to any one person in a 12-month period.

On November 5, 2024, the Company granted stock options under its stock option plan to purchase an aggregate of 65,000 common shares of the Company at an exercise price of \$1.80 per share for a five-year term, expiring November 5, 2029. The stock options were granted to officers of the Company. The options will vest and be exercisable on the basis of 25% annually, commencing November 5, 2025, the first anniversary of the date of the grant. The fair value of the options granted was \$76 which will be recognized over the vesting period.

On February 26, 2025, the Company granted stock options under its stock option plan to purchase an aggregate of 100,000 common shares of the Company at an exercise price of \$1.00 per share for a five-year term, expiring February 26, 2030. The stock options were granted to an officer of the Company. The options will vest and be exercisable on the basis of 25% annually, commencing February 26, 2026, the first anniversary of the date of the grant. The fair value of the options granted was \$63 which will be recognized over the vesting period.

On December 19, 2025, the Company granted stock options under its stock option plan to purchase an aggregate of 69,000 common shares of the Company at an exercise price of \$2.84 per share for a five-year term, expiring December 19, 2030. The stock options were granted to officers of the Company. The options vested immediately and the fair value of the options granted was \$154 was expensed during the year.

The fair value for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures and the following weighted average assumptions:

	Year ended December 31, 2025	Year ended December 31, 2024
Risk-free interest rate	2.82%	3.05%
Expected life (years)	5	5
Expected volatility	80%	78%
Weighted average stock price	\$ 1.92	\$ 1.80

	December 31, 2025		December 31, 2024	
	Number of options (000's)	Weighted average exercise price	Number of options (000's)	Weighted average exercise price
Outstanding – beginning of year	2,425	\$ 3.68	4,025	\$ 3.55
Granted	169	1.75	65	1.80
Forfeited/Expired	(1,650)	4.22	(1,665)	3.30
Outstanding – end of year	944	\$ 2.40	2,425	\$ 3.68

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The following table discloses the number of options and vested options outstanding as at December 31, 2025:

Number of options (‘000s)	Number of options vested (‘000s)	Exercise price	Expiry Date
150	113	4.55	19-Jan-26
40	20	1.92	28-Sept-27
200	50	2.15	07-Feb-28
20	5	2.70	28-Apr-28
100	25	1.70	31-May-28
200	50	2.20	04-Dec-28
65	-	1.80	05-Nov-29
100	-	1.00	26-Feb-30
69	69	2.84	19-Dec-30
944	332	\$ 2.40	

During the year ended December 31, 2025, the Company recognized \$429 (2024 - \$634) as share-based compensation expense, of which \$387 (2024 - \$604) relates to the Company and \$42 (2024 - \$30) related to the NCI of Gunpoint.

The weighted average contractual life of outstanding stock options as at December 31, 2025 was 2.52 years (December 31, 2024 – 1.53 years).

10. Related party transactions

The Company’s related parties include its subsidiaries and key management. Transactions with related parties for goods and services are made on normal commercial terms in the normal course of operations.

Short-term employee benefits include salaries payable within twelve months of the statement of financial position date and other annual employee benefits.

The Company incurred the following expenses with related parties during the year ended December 31, 2025 and 2024:

	Year Ended December 31,	
	2025	2024
General and administration - consulting	\$ 295	\$ 165
General and administration – salary	975	286
General and administration – directors’ fees	276	329
Professional fees - legal	-	265
Management fees	250	229
Share-based compensation expense	429	490

Management fees were paid or accrued to a private company owned by the Executive Chairman of the Company. Consulting fees were paid or accrued to an officer of the Company.

As at December 31, 2025, the Company had amounts payable of \$Nil to related parties (December 31, 2024 - \$122). These amounts are unsecured and non-interest bearing, due on demand and are included in accounts payable and accrued liabilities.

On January 19, 2021, the Company closed the acquisition of Alderley Gold, a private British Columbia mining technology company (that was previously controlled by the former CEO of the Chesapeake Gold Corp.). Through the acquisition of Alderley Gold, the Company gained access to the Technology that is currently being used to determine the technical and commercial feasibility of the Metates project. 7,400,000 shares were issued to a company controlled by the former CEO. The remaining 2,600,000 shares were issued to non-related parties. As at December 31, 2025, 5,920,000 shares issued to a Company controlled by the former CEO are still held in escrow.

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11. Capital management

The capital of the Company consists of items included in shareholders' equity net of cash. The Company's objectives for capital management are to safeguard its ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties, and support any expansionary plans.

The capital of the Company consists of items included in shareholders' equity (excluding NCI), net of cash as follows:

	December 31, 2025	December 31, 2024
Total equity for owners	\$ 154,780	\$ 146,170
Less: cash	(10,651)	(10,989)
	144,129	135,181

The Company manages its capital structure and makes adjustments in light of changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the entity's capital requirements, the Company has in place a planning, budgeting and forecasting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. As at December 31, 2025, the Company expects its capital resources will support its normal operating requirements, planned development and exploration of its mineral properties for the next twelve months. There are no externally imposed capital requirements to which the Company has not complied. There were no changes in the Company's approach to capital management during the year ended December 31, 2025 and 2024.

12. Segment disclosures

The Company operates in one operating segment (Note 1) in three countries. Details of the investments in exploration and evaluation assets are disclosed in Note 7. The Company's assets by country are:

December 31, 2025	Canada	Mexico	USA	Total
Cash	\$ 10,052	\$ 97	\$ 502	\$ 10,651
Other receivables and prepaid expenses	393	1,253	5	1,651
Marketable securities	406	-	-	406
Long-term investments	979	-	-	979
Exploration and evaluation assets	54,613	94,594	4,484	153,691
Reclamation deposit	-	-	429	429
Equipment	-	34	-	34
Total assets	\$ 66,443	\$ 95,978	\$ 5,420	\$ 167,841
Loss for the year ended	\$ 2,778	\$ 1,323	\$ 482	\$ 4,583
December 31, 2024	Canada	Mexico	USA	Total
Cash	\$ 10,719	\$ 213	\$ 57	\$ 10,989
Other receivables and prepaid expenses	363	1,035	-	1,398
Marketable securities	171	-	465	636
Exploration and evaluation assets	51,047	91,174	5,611	147,832
Reclamation deposit	-	-	384	384
Equipment	-	44	-	44
Total assets	\$ 62,300	\$ 92,466	\$ 6,517	\$ 161,283
Loss for the year ended	\$ 2,059	\$ 475	\$ 155	\$ 2,689

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13. Income taxes

The income taxes shown in the consolidated statement of loss differ from the amounts obtained by applying statutory rates to the earnings before provision for income taxes due to the following:

	Year ended December 31,	
	2025	2024
Loss before income taxes	\$ (4,154)	\$ (3,146)
Income tax recovery at statutory rates (2025 – 27%; 2024 – 27%)	1,122	850
Difference in foreign tax rates	14	(7)
Non-deductible expenses	(31)	(220)
Change in unrecognized deferred income tax asset	(548)	(310)
Tax losses expired	(382)	(174)
Foreign exchange and other	(604)	318
Deferred income tax (expense) recovery	\$ (429)	\$ 457

The components of deferred income taxes are as follows:

	2025	2024
Deferred income tax assets		
Operating losses carried forward	\$ 8,330	\$ 6,335
	\$ 8,330	\$ 6,335
Deferred tax liabilities		
Investment in mineral properties	(18,506)	(16,099)
Other	(546)	(529)
	\$ (19,052)	\$ (16,628)
Net deferred income tax liability	\$ (10,722)	\$ (10,293)

Unrecognized deductible temporary differences, unused tax losses and unused tax credits are attributed to the following:

	2025	2024
Operating losses carried forward	\$ 51,921	\$ 44,719
Equipment	8	8
Investment in mineral properties	27	832
Marketable securities and long-term investment	193	718
Other	5,776	4,538
	\$ 57,925	\$ 50,815

The Company has aggregate tax losses of \$28,554, \$13,523 and \$14,607 in Canada, Mexico and the United States, respectively, expiring in periods from 2026 to 2045.

Chesapeake Gold Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(amounts expressed in thousands of Canadian dollars, except where indicated)

14. Financial instruments and risk management

Fair values of financial instruments

The fair values of cash and cash equivalents, other receivables, reclamation deposits, accounts payable and other liabilities approximate their fair values due to their short-term nature. Marketable securities and long-term investments are measured at fair value based on quoted market prices.

Fair value measurements

The following table sets forth the Company's assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Level 1	Level 2	Level 3	Total, December 31, 2025
Marketable securities	406	-	-	406
Long-term investments	979	-	-	979
	\$ 1,385	\$ -	\$ -	\$ 1,385

	Level 1	Level 2	Level 3	Total, December 31, 2024
Marketable securities	636	-	-	636
	\$ 636	\$ -	\$ -	\$ 636

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between the levels during the year ended December 31, 2025 or 2024.

The long-term investments fair values are determined based on closing share price of listed companies.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents. The Company's cash and cash equivalents are held primarily through large Canadian financial institutions. The carrying amount of the financial assets represents the maximum credit exposure.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company settles its financial liabilities using its cash and cash equivalents. The Company manages liquidity risk through the management of its capital structure as described in Note 13. The accounts payable and accrued liabilities is due within the current operating period.

Market Risk

The Company's financial instruments include investments which are publicly traded and therefore subject to the risks related to the fluctuation in market prices of publicly traded securities. The Company closely monitors market values to determine the most appropriate course of action.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk as a result of holding fixed income cash equivalents and investments, of varying maturities. A 1% change in market interest rates would result in no significant change in value of cash and cash

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equivalents. The risk that the Company will realize a loss as a result of a decline in the fair value of these assets is limited as they are generally held to maturity and held with large Canadian financial institutions.

Foreign Exchange Rate Risk

Currency risk is the risk of a loss due to the fluctuation of foreign exchange rates and the effects of those fluctuations on the Company's foreign currency denominated monetary assets and liabilities. The Company currently operates in Canada, the United States, and Mexico. Certain costs and expenses are incurred in US dollars and Mexican pesos. A 10% change in the exchange rate for Mexican Peso will have an impact of \$2,972 on the consolidated statement of loss and comprehensive income. A 10% change in the exchange rate for the US dollar will have a negligible impact on the consolidated statement of loss and comprehensive income. The Company does not use option or forward contracts to mitigate foreign exchange risk.

15. Subsequent Events

On January 5, 2026, the Company granted 100,000 stock options at an exercise price of \$4.24 per share for a five-year term expiring January 5, 2021. The options will vest and be exercisable on the basis of 25% annually, commencing January 5, 2027, the first anniversary of the date of the grant.

On January 27, 2026, the Company closed a bought deal public offering of 4,107,225 units at a price of \$4.20 per unit for aggregate gross proceeds of \$17,250,345, which included the full exercise of the over-allotment option. Each Unit consisted of one common share of the Company and one-half of one Common Share purchase warrant. Each Warrant entitles the holder thereof to purchase one Common Share at a price of \$5.65 until January 27, 2029. Concurrent with the bought deal offering, the Company completed a \$2,877,000 non-brokered private placement of 685,000 units with 2176423 Ontario Ltd., a corporation beneficially owned by Eric Sprott, as the sole investor, on the same terms and conditions as the bought deal offering. In aggregate, the Company raised gross proceeds of \$20,127,345 from these financings.