



**Kincora Copper Limited**  
*(An Exploration Stage Company)*

**CONSOLIDATED FINANCIAL STATEMENTS**  
*Expressed in Canadian Dollars*

**For the years ended December 31, 2025 and 2024**

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**INDEPENDENT AUDITORS' REPORT**

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To the Shareholders and Directors of Kincora Copper Limited

**Opinion**

We have audited the consolidated financial statements of Kincora Copper Limited and its subsidiaries (together, the "Company") which comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

**Basis for Opinion**

We conducted our audits in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Company in accordance with International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements that are relevant to our audits of the consolidated financial statements in accordance in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1 of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, the key audit matter to be communicated in our auditors' report are as follows:

Contingency - Mongolia

We draw attention to Note 13 of the consolidated financial statements, which describes a contingency for a tax reassessment received from the Mongolian Tax Authority ("MTA") in 2021 which the Mongolian Supreme Court annulled in October 2025 in its entirety and granted the MTA a six-month period for a new tax reassessment. In the Company's view, while a further tax audit is possible and may result in a new assessment, the timing and amount of any potential liability remain uncertain and cannot be reliably estimated and, as a result, no provision has been recorded in the consolidated financial statements.

We identified this matter as a key audit matter due to the significant judgments made by management in assessing whether a provision should be recorded for this tax assessment as of December 31, 2025. Significant auditor judgment is also involved in evaluating appropriateness of management's judgements.

Our audit response to the key audit matter included the following:

- We reviewed the 2021 tax reassessment and considered its status following the 2025 Mongolian Supreme Court ruling.
- We examined legal counsel's assessment, including confirmation of the annulment and the implications of the court-mandated re-audit period.
- We reviewed the Supreme Court's October 2025 ruling to evaluate its impact on the Company's obligations at year-end.
- We assessed whether the contingencies disclosure in the consolidated financial statements complies with IFRS.

### **Other Information**

Management is responsible for the other information. The other information comprises the Company's Management Discussion and Analysis and Annual Information Form.

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

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. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditors' 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 auditors' report is Waseem Javed.

*Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, British Columbia  
March 30, 2026

# Kincora Copper Limited

(An Exploration Stage Company)

## Consolidated Statements of Financial Position

As at December 31, 2025 and 2024

(Figures in tables are expressed in thousands of Canadian dollars)

Statement 1

|                                             | December 31, 2025 | December 31, 2024 |
|---------------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                               |                   |                   |
| <b>Current</b>                              |                   |                   |
| Cash and cash equivalents                   | \$ 3,215          | \$ 2,144          |
| Receivables                                 | 97                | 131               |
| Prepays and deposits                        | 150               | 137               |
| Investment in shares (Note 6)               | 156               | 321               |
|                                             | <u>3,618</u>      | <u>2,733</u>      |
| <b>Non-current</b>                          |                   |                   |
| Security deposits (Note 7)                  | 293               | 125               |
| Investment in options (Note 6)              | 47                | 247               |
| Equipment (Note 12)                         | 44                | 43                |
| Prepaid exploration cost                    | 183               | 178               |
| Exploration and evaluation assets (Note 7)  | 16,180            | 14,632            |
|                                             | <u>\$ 20,365</u>  | <u>\$ 17,958</u>  |
| <b>LIABILITIES</b>                          |                   |                   |
| <b>Current</b>                              |                   |                   |
| Accounts payable (Notes 8 and 10)           | \$ 320            | \$ 604            |
| Accrued liabilities                         | 32                | 68                |
|                                             | <u>352</u>        | <u>672</u>        |
| <b>EQUITY</b>                               |                   |                   |
| Share capital (Note 8)                      | 197,683           | 192,920           |
| Share-based payment reserve                 | 16,279            | 14,866            |
| Obligation to issue shares (Notes 8 and 10) | 240               | 623               |
| Foreign currency translation reserve        | (354)             | (732)             |
| Deficit                                     | (193,835)         | (190,391)         |
|                                             | <u>20,013</u>     | <u>17,286</u>     |
|                                             | <u>\$ 20,365</u>  | <u>\$ 17,958</u>  |

**Nature of Operations and Going Concern** (Note 1)

**Contingencies** (Note 13)

**Subsequent Events** (Note 15)

Approved and authorized by the Board of Directors on March 30, 2026

"James Durrant"

James Durrant  
Director

"Luke Murray"

Luke Murray  
Director

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

# Kincora Copper Limited

(An Exploration Stage Company)

## Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2025 and 2024

(Figures in tables are expressed in thousands of Canadian dollars, except per share amounts)

|                                                                         | 2025              | 2024              |
|-------------------------------------------------------------------------|-------------------|-------------------|
| <b>Expenses</b>                                                         |                   |                   |
| Consultants (Note 10)                                                   | \$ 394            | \$ 260            |
| Corporate administrative and office services                            | 141               | 196               |
| Directors and audit committee fees (Note 10)                            | 196               | 218               |
| Foreign exchange loss (gain)                                            | (18)              | 46                |
| Insurance                                                               | 56                | 73                |
| Investor relations                                                      | 241               | 46                |
| Legal and accounting (Note 10)                                          | 230               | 214               |
| Management fees (Note 10)                                               | 300               | 300               |
| Share-based compensation (Notes 8 and 10)                               | 1,413             | 794               |
| Transfer agent and filing fees                                          | 142               | 108               |
| Travel                                                                  | 59                | 23                |
|                                                                         | (3,154)           | (2,278)           |
| <b>Other items</b>                                                      |                   |                   |
| Write-off of accounts payable                                           | -                 | 6                 |
| Write-off of GST receivable                                             | (145)             | -                 |
| Other income (Note 7)                                                   | 229               | -                 |
| Unrealized loss on investments (Note 6)                                 | (374)             | (284)             |
| <b>Net loss for the year</b>                                            | <b>\$ (3,444)</b> | <b>\$ (2,556)</b> |
| <b>Other Comprehensive Income</b>                                       |                   |                   |
| Foreign currency translation                                            | 378               | 118               |
| <b>Comprehensive loss for the year</b>                                  | <b>\$ (3,066)</b> | <b>\$ (2,438)</b> |
| <b>Earning (loss) per share – basic and diluted</b>                     | <b>\$ (0.10)</b>  | <b>\$ (0.07)</b>  |
| <b>Weighted average number of common shares outstanding (thousands)</b> | <b>33,471</b>     | <b>25,048</b>     |

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

# Kincora Copper Limited

Statement 3

(An Exploration Stage Company)

## Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Figures in tables are expressed in thousands of Canadian dollars)

| <b>Cash provided by (used in):</b>                  | <b>2025</b>     | <b>2024</b>     |
|-----------------------------------------------------|-----------------|-----------------|
| <b>Operating activities</b>                         |                 |                 |
| Not loss for the year:                              | \$ (3,444)      | \$ (2,556)      |
| Items not affected by cash:                         |                 |                 |
| Obligation to issue shares                          | 332             | 269             |
| Share-based compensation                            | 1,413           | 794             |
| Unrealized loss on investment                       | 374             | 284             |
| Write-off of GST receivable                         | 145             | -               |
| Changes in non-cash working capital items:          |                 |                 |
| Receivables                                         | (111)           | (104)           |
| Prepays and deposits                                | (13)            | 7               |
| Accounts payable and accrued liabilities            | (324)           | 424             |
| Net cash used in operating activities               | (1,628)         | (882)           |
| <b>Financing activities</b>                         |                 |                 |
| Private placement, net of issue costs               | 3,893           | 1,158           |
| Shares issued for exercise of options               | 125             | -               |
| Shares issued for exercise of warrants              | 34              | -               |
| Net cash provided by financing activities           | 4,052           | 1,158           |
| <b>Investing activities</b>                         |                 |                 |
| Acquisition of equipment                            | (115)           | (92)            |
| Security deposits                                   | (166)           | (59)            |
| Exclusivity payment received                        | -               | 91              |
| Exploration and evaluation asset expenditures       | (4,257)         | (2,202)         |
| Deferred exploration funding                        | 2,985           | 2,751           |
| Prepaid exploration cost                            | -               | (178)           |
| Net cash provided by (used in) investing activities | (1,553)         | 311             |
| <b>Effect of foreign exchange translation</b>       | <b>200</b>      | <b>27</b>       |
| <b>Change in cash and cash equivalents</b>          | <b>1,071</b>    | <b>614</b>      |
| Cash and cash equivalents – beginning of year       | 2,144           | 1,530           |
| <b>Cash and cash equivalents – end of year</b>      | <b>\$ 3,215</b> | <b>\$ 2,144</b> |

### Supplemental Disclosure of Cash Flow Information (Note 11)

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

# Kincora Copper Limited

(An Exploration Stage Company)

## Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Figures in tables are expressed in thousands of Canadian dollars, except number of share amounts)

Statement 4

|                                                     | Share capital<br>(Number of<br>shares) | Share capital<br>\$ | Obligation to<br>issue shares<br>\$ | Share-based<br>payment reserve<br>\$ | Foreign<br>currency<br>translation<br>reserve<br>\$ | Deficit<br>\$    | Total<br>\$   |
|-----------------------------------------------------|----------------------------------------|---------------------|-------------------------------------|--------------------------------------|-----------------------------------------------------|------------------|---------------|
| Balance, December 31, 2023                          | 24,717,528                             | 191,384             | 354                                 | 14,450                               | (850)                                               | (187,835)        | 17,503        |
| Shares issued for private placement, net            | 3,350,066                              | 1,080               | -                                   | 126                                  | -                                                   | -                | 1,206         |
| Share issuance costs                                | -                                      | (48)                | -                                   | -                                    | -                                                   | -                | (48)          |
| Shares issued for exercise of<br>performance rights | 387,737                                | 504                 | -                                   | (504)                                | -                                                   | -                | -             |
| Shares for services to be issued                    | -                                      | -                   | 269                                 | -                                    | -                                                   | -                | 181           |
| Share- based compensation                           | -                                      | -                   | -                                   | 794                                  | -                                                   | -                | 794           |
| Net comprehensive loss for the year                 | -                                      | -                   | -                                   | -                                    | 118                                                 | (2,556)          | (964)         |
| <b>Balance, December 31, 2024</b>                   | <b>28,455,331</b>                      | <b>192,920</b>      | <b>623</b>                          | <b>14,866</b>                        | <b>(732)</b>                                        | <b>(190,391)</b> | <b>17,286</b> |
| Private placement                                   | 13,333,333                             | 4,000               | -                                   | -                                    | -                                                   | -                | 4,000         |
| Share issuance costs                                | -                                      | (107)               | -                                   | -                                    | -                                                   | -                | (107)         |
| Shares issued for exercise of options               | 182,774                                | 125                 | -                                   | -                                    | -                                                   | -                | 125           |
| Shares issued for exercise of warrants              | 67,000                                 | 34                  | -                                   | -                                    | -                                                   | -                | 34            |
| Shares issued for services                          | 1,366,933                              | 711                 | (711)                               | -                                    | -                                                   | -                | -             |
| Settled in cash                                     | -                                      | -                   | (4)                                 | -                                    | -                                                   | -                | (4)           |
| Shares for services to be issued                    | -                                      | -                   | 332                                 | -                                    | -                                                   | -                | 332           |
| Share- based compensation                           | -                                      | -                   | -                                   | 1,413                                | -                                                   | -                | 1,413         |
| Net comprehensive loss for the year                 | -                                      | -                   | -                                   | -                                    | 378                                                 | (3,444)          | (3,066)       |
| <b>Balance, December 31, 2025</b>                   | <b>43,405,371</b>                      | <b>197,683</b>      | <b>240</b>                          | <b>16,279</b>                        | <b>(354)</b>                                        | <b>(193,835)</b> | <b>20,013</b> |

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

# Kincora Copper Limited

*(An Exploration Stage Company)*

## Notes to the Consolidated Financial Statements

**For the years ended December 31, 2025 and 2024**

*(Expressed in Canadian Dollars)*

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### 1. Nature of Operations and Going Concern

Kincora Copper Limited ("the Company" or "Kincora") was incorporated in British Columbia, Canada on September 24, 1983. The Company is engaged in the acquisition and exploration of exploration and evaluation assets. The Company's shares are listed on the TSX-Venture Exchange ("TSXV") and Australian Securities Exchange ("ASX"), both under the symbol KCC.

The head office of the Company is located at Suite #400 - 837 West Hastings Street, Vancouver, British Columbia, Canada V6C 3N6 and the registered address and records office is located at 25<sup>th</sup> Floor, 700 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1D3.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation assets projects. These factors indicate the existence of a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to obtain the financing necessary to continue operations, both at the listed company and project levels.

As at December 31, 2025, the Company had an accumulated deficit of \$193,835,000 (2024 - \$190,391,000), incurred a net loss of \$3,444,000 (2024 - \$2,556,000) during the year, and had working capital of \$3,266,000 (2024 - \$2,061,000).

If the going concern assumption was not appropriate for these consolidated financial statements, adjustments would be necessary to the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material.

During the year ended December 31, 2025, the Company completed a share consolidation on a 10:1 basis. As a result of the consolidation, every ten issued and outstanding common shares were consolidated into one common share. All share and per share amounts presented in these financial statements have been retrospectively adjusted to reflect the share consolidation, unless otherwise indicated.

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### 2. Basis of Preparation

#### *Statement of Compliance*

These consolidated financial statements, including comparatives have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these consolidated financial statements.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### *Critical Accounting Estimates*

The preparation of these consolidated financial statements requires 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 the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on capitalized acquisition and expenditure costs, facing review for impairment based on factors including the planned exploration budgets and activities, commodity prices, drill results of exploration programs, and strategic direction of the Company; and
- The inputs used in accounting for share-based compensation expense included in profit or loss calculated using the Black-Scholes Option Pricing Model

### *Critical Accounting Judgements*

#### Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. 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 the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

#### Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases. When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating unit must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale of the property when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and the renewal of permits. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amounts capitalized are written-off in profit or loss in the period in which the new information becomes available.

# Kincora Copper Limited

*(An Exploration Stage Company)*

## Notes to the Consolidated Financial Statements

**For the years ended December 31, 2025 and 2024**

*(Expressed in Canadian Dollars)*

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### 2. Basis of Preparation - continued

#### Determination of Functional Currency

The determination of the Company's functional currency requires judgment. The Company also needs to assess whether the basis of determining the currency of the primary economic environment in which the entity operates is still applicable to the Company and any changes to such will be treated as a change in functional currency.

#### Contingencies

The Company applies judgement in determining the probability of outflow of resources arising from known or likely litigations or claims. If it becomes probable that the Company will be required to outlay cash or other resources in connection with a known or likely litigation or claim, a provision is recognised in the consolidated financial statements of the period in which the change in probability occurs.

#### Deferred tax

Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates for past events, it recognizes a liability. The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profit or loss, it assesses the probability of taxable profits being available in the future based on its budget forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused tax credits and losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

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### 3. Material Accounting Policies

#### a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: BSG Investments Inc. ("BSGII"), which owns Kincora Group Ltd ("KGL") and its subsidiary Nadmin IBEX LLC ("Nadmin"), Golden Grouse IBEX LLC ("Golden Grouse"), Kincora Australia Limited and its subsidiary, Kincora Copper Australia Pty Ltd, Game Creek Company Limited ("Game Creek") and Samsul Mineração Ltda. ("Samsul"). Inter-company balances and transactions are eliminated on consolidation. BSGII, Game Creek, Kincora Australia Limited and KGL are British Virgin Island incorporated companies. Nadmin and Golden Grouse were incorporated in Mongolia. Samsul was incorporated in Brazil. Kincora Copper Australia Pty Ltd was incorporated in Australia in 2019.

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*(An Exploration Stage Company)*

## Notes to the Consolidated Financial Statements

**For the years ended December 31, 2025 and 2024**

*(Expressed in Canadian Dollars)*

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### **3. Material Accounting Policies – continued**

#### **b) Share-based compensation**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period. A corresponding increase in share-based payment reserve is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in share-based payment reserve. Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

#### **c) Cash and cash equivalents**

Cash equivalents consist of highly liquid investments that are readily convertible into cash with maturities of three-months or less when purchased.

#### **d) Exploration and evaluation assets**

Exploration and evaluation expenditures include the costs of acquiring exploration rights and licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### 3. Material Accounting Policies – continued

#### d) Exploration and evaluation assets – continued

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

#### e) Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the year. For all years presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. In calculating the diluted loss per share, the weighted average number of common shares outstanding assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

#### f) Equipment

Equipment is carried at cost less amortization and amounts written-off. The assets residual value, amortization methods and useful lives are reviewed, and adjusted, if appropriate, at each reporting date. Amortization is provided for over the estimated lives of the related assets based on annual rates as follows:

|                       |                          |
|-----------------------|--------------------------|
| Exploration equipment | 10 Years - Straight-line |
| Computers             | 3 Years - Straight-line  |

#### g) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### 3. Material Accounting Policies – continued

#### g) Income taxes – continued

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### h) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. The Company determines the functional currency of each entity in the group based on the relevant factors identified in IAS 21 The Effects of Changes in Foreign Exchange Rates (“IAS 21”). For the year ended

December 31, 2024, the functional currency of the Company and all of its subsidiaries was the Australian dollar (“AUD”).

During the year ended December 31, 2025, management reassessed the relevant indicators under IAS 21 and determined that the functional currency of the parent company is the Canadian dollar (“CAD”), the functional currency of the Mongolian subsidiaries is the Mongolian tugrik (“MNT”), and the functional currency of the Australian subsidiary, Kincora Copper Australia Pty Ltd, remains AUD. The Company’s presentation currency is CAD.

Transactions in currencies other than the functional currency are recorded at the exchange rates prevailing on the dates of transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Foreign exchange gains and losses arising from translation are recognized in the statements of comprehensive loss. Non-monetary items measured at historical cost in a foreign currency are not retranslated.

#### Foreign operations

The financial results and position of foreign operations whose functional currency is different from the Company’s presentation currency are translated as follows:

- assets and liabilities are translated at the closing exchange rates prevailing at the reporting date; and
- income and expenses are translated at the average exchange rates for the period.

Exchange differences arising from the translation of foreign operations are recognized in other comprehensive income and accumulated in equity in the foreign currency translation reserve. These exchange differences are reclassified to profit or loss in the period in which the foreign operation is disposed.

# Kincora Copper Limited

*(An Exploration Stage Company)*

## Notes to the Consolidated Financial Statements

**For the years ended December 31, 2025 and 2024**

*(Expressed in Canadian Dollars)*

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### 3. Material Accounting Policies – continued

#### h) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

Under the legislative environments the Company may operate in, environmental bonds and prepayments can be required to support gaining operational and exploration approvals, and held until such work is completed and rehabilitation completed. Such payments are recorded as a prepayment until return and receipt to the Company. The Company's estimates of reclamation costs, environmental bonds and prepayments could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures.

These changes would be recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, would be charged to profit or loss for the period. At December 31, 2025 and 2024, the Company had no provisions for environmental rehabilitation.

#### j) Impairment of assets

The carrying amount of the Company's long-lived assets (which includes equipment and exploration and evaluation assets) is periodically reviewed, including following the reduction in any mineral tenure rights and at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount is the greater of an asset's fair value, less cost to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows, largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 3. Material Accounting Policies – continued

#### k) Financial instruments

##### Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost.

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

| Financial assets/liabilities | Classification |
|------------------------------|----------------|
| Cash                         | FVTPL          |
| Investment in shares         | FVTPL          |
| Investment in options        | FVTPL          |
| Receivables                  | Amortized cost |
| Accounts payable             | Amortized cost |

##### Measurement

##### *Financial assets at FVTOCI*

Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

##### *Financial assets and liabilities at amortized cost*

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

##### *Financial assets and liabilities at FVTPL*

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

Fair value measurement disclosure includes classification of financial instrument in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### 3. Material Accounting Policies – continued

#### k) Financial instruments – continued

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair values of the Company's cash and investment in shares constitutes a Level 1 fair value measurement. The fair value of the Company's investment in options constitutes a Level 2 fair value measurement. The fair value of the Company's receivables and accounts payable approximate the carrying value due to their short-term nature.

#### Derecognition

##### *Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

##### *Financial liabilities*

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

### 4. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to commence the development of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in Note 5. In the management of capital, the Company includes the components of shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is uncertain as to whether its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### 5. Management of Financial Risk – continued

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is periodically exposed to interest rate risk on its cash equivalents as these instruments are exposed to interest rate fluctuations on renewal. Management has assessed this risk as low.

#### *Currency risk*

Currency risk is the risk that the fair values of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's operations are focused on Australia and Mongolia, where many exploration and administrative expenses are incurred in the Australian Dollar, Mongolian Tugrik and the US Dollar. The Company's ability to advance funds to Mongolia is subject to changes in the valuation of the Tugrik and the US dollar as well as rules and regulations of the Mongolian government. Fluctuations in the value of the Australian Dollar, Tugrik and the US dollar may have positive and/or adverse effect on the operations and operating costs of the Company. Management seeks to limit foreign currency risk, primarily seeking to retain funds in Canada and Australia wiring funds as and when needed to foreign subsidiaries to meet operating expenditures, and believes this risk to be minimal.

As at December 31, 2025, a 10% fluctuation in the foreign exchange rate of the Australian dollar against the Canadian dollar would affect the Company's cash, accounts payable, and commitments by \$18,586.

As at December 31, 2025, a 10% fluctuation in the foreign exchange rate of the the Mongolian Tugrik against the Canadian dollar would affect the Company's cash, accounts payable, and commitments by \$2,838.

As at December 31, 2025, a 10% fluctuation in the foreign exchange rate of the US dollar against the Canadian dollar would affect the Company's cash, accounts payable, and commitments by \$5,999.

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada and Australia, with more limited funds in Mongolia, where the Mongolian subsidiaries make monthly cash calls. As most of the Company's cash is held by two banks there is a concentration of credit risk, and, in Mongolia one of the two subsidiary's bank accounts, with balance of MNT208,673 (\$114) has been frozen by the Mongolian Tax Authority as a result of an ongoing tax dispute. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies and looking to avoid holding more than one month's budgeted cash reserves in Mongolia (and noting the funding obligations for the Mongolian operation are now included in the agreement with Orbminco Limited – see Note 6 "Investments"). The Company has secondary exposure to credit risk on its receivables. This risk is minimal as receivables consist primarily of refundable goods and services taxes.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 5. Management of Financial Risk – continued

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations.

As at December 31, 2025, the Company had working capital of \$3,266,000 (2024 - \$2,061,000) and a cash balance of \$3,215,000 (2024 - \$2,144,000) to settle current liabilities of \$352,000 (2024 - \$672,000). On September 4, 2025, the Company closed a C\$4 million non-brokered private placement of units.

During the year, Kincora received further new treasury as a result of both in-the-money options and warrants being exercised.

As with all exploration entities, the Company's access to financing is always uncertain and Kincora is yet to achieve its ambition of management fee income covering corporate and asset holding costs. There can be no assurance of continued access to significant financing. Liquidity risk is assessed as high, both at the listed company and asset level.

### 6. Investments

As at December 31, 2024, the Company had investments consisting of 9,000,000 shares and 9,000,000 options with Orbminco Limited ("Orbminco") (formerly Woomera Mining Limited) on a 20:1 post-consolidation basis, which were received on October 1, 2024 as consideration for the earn-in agreement entered into by the Company and Orbminco (Note 7). The fair value of the 9,000,000 Orbminco shares was initially measured at \$502,000 (A\$540,000) and the fair value of the Orbminco options was measured at \$383,000 (A\$411,000) at issuance date. As at December 31, 2025, the fair value of Orbminco's shares and options was \$156,000 (2024 - \$321,000) and \$47,000 (2024 - \$247,000), respectively. During the year ended December 31, 2025, the Company recognized \$374,000 (2024 - \$284,000) of unrealized loss on investments.

The continuity of the Company's investments in shares and options is as follows:

#### Investment in Shares

| <i>In thousand \$</i>             | Number of Shares |           | Fair Value |
|-----------------------------------|------------------|-----------|------------|
| Balance, December 31, 2023        | -                | \$        | -          |
| Additions                         | 9,000,000        |           | 502        |
| Change in market value            | -                |           | (163)      |
| Foreign exchange translation      | -                |           | (18)       |
| <b>Balance, December 31, 2024</b> | <b>9,000,000</b> | <b>\$</b> | <b>321</b> |
| Change in market value            | -                |           | (170)      |
| Foreign exchange translation      | -                |           | 5          |
| <b>Balance, December 31, 2025</b> | <b>9,000,000</b> | <b>\$</b> | <b>156</b> |

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 6. Investments – continued

#### Investment in Options

| <i>In thousand \$</i>             | Number of Options |           | Fair Value |
|-----------------------------------|-------------------|-----------|------------|
| Balance, December 31, 2023        | -                 | \$        | -          |
| Additions                         | 9,000,000         |           | 383        |
| Change in market value            | -                 |           | (121)      |
| Foreign exchange translation      | -                 |           | (15)       |
| <b>Balance, December 31, 2024</b> | <b>9,000,000</b>  | <b>\$</b> | <b>247</b> |
| Change in market value            | -                 |           | (204)      |
| Foreign exchange translation      | -                 |           | 4          |
| <b>Balance, December 31, 2025</b> | <b>9,000,000</b>  | <b>\$</b> | <b>47</b>  |

### 7. Exploration and Evaluation Assets

For the year ended December 31, 2025 (000's)

| <i>In thousand \$</i>                | <b>Bronze Fox</b> |      | <b>Golden Grouse</b> |       | <b>Macquarie Arc</b> |         | <b>Total</b> |
|--------------------------------------|-------------------|------|----------------------|-------|----------------------|---------|--------------|
| Exploration costs                    |                   |      |                      |       |                      |         |              |
| Amortization                         | \$                | 40   | \$                   | 58    | \$                   | -       | \$ 98        |
| Assaying                             |                   | -    |                      | 6     |                      | 170     | 176          |
| Camp                                 |                   | -    |                      | 41    |                      | -       | 41           |
| Drilling                             |                   | -    |                      | 30    |                      | 1,795   | 1,825        |
| Fuel                                 |                   | -    |                      | -     |                      | 123     | 123          |
| Geological/geophysics                |                   | -    |                      | 211   |                      | 412     | 623          |
| License/fees/taxes                   |                   | -    |                      | 2     |                      | 17      | 19           |
| Rental/utilities                     |                   | -    |                      | 20    |                      | 178     | 198          |
| Salaries/labor                       |                   | 54   |                      | 131   |                      | 848     | 1,033        |
| Sampling                             |                   | -    |                      | 9     |                      | -       | 9            |
| Supplies/safety gear                 |                   | -    |                      | -     |                      | 27      | 27           |
| Transportation/travel                |                   | -    |                      | -     |                      | 184     | 184          |
| Total current exploration costs      | \$                | 94   | \$                   | 508   | \$                   | 3,754   | \$ 4,356     |
| Total costs incurred during the year | \$                | 94   | \$                   | 508   | \$                   | 3,754   | \$ 4,356     |
| Balance, opening                     |                   | 284  |                      | 893   |                      | 13,455  | 14,632       |
| Deferred exploration funds received  |                   | (76) |                      | (355) |                      | (2,554) | (2,985)      |
| Translation adjustment               |                   | (61) |                      | (79)  |                      | 317     | 177          |
| Balance, ending                      | \$                | 241  | \$                   | 967   | \$                   | 14,972  | \$ 16,180    |

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 7. Exploration and Evaluation Assets – continued

|                               |    |          |    |         |                     |
|-------------------------------|----|----------|----|---------|---------------------|
| Cumulative costs:             |    |          |    |         |                     |
| Acquisition                   | \$ | 36,624   | \$ | 1,094   | \$ 1,973 \$ 39,691  |
| Exploration                   |    | 13,680   |    | 5,557   | 17,836 37,073       |
| Exclusivity payment received  |    | (325)    |    | (51)    | - (376)             |
| Deferred exploration received |    | (749)    |    | (642)   | (4,345) (5,736)     |
| Shares consideration received |    | (620)    |    | (265)   | - (885)             |
| Government grant received     |    | -        |    | -       | (339) (339)         |
| Impairment                    |    | (48,498) |    | (4,766) | - (53,264)          |
| Translation adjustment        |    | 129      |    | 40      | (153) 16            |
|                               | \$ | 241      | \$ | 967     | \$ 14,972 \$ 16,180 |

For the year ended December 31, 2024 (000's)

| <i>In thousand \$</i>                | <b>Bronze Fox</b> |       | <b>Golden Grouse</b> |       | <b>Macquarie Arc</b> |         | <b>Total</b> |
|--------------------------------------|-------------------|-------|----------------------|-------|----------------------|---------|--------------|
| Exploration costs                    |                   |       |                      |       |                      |         |              |
| Amortization                         | \$                | 39    | \$                   | 54    | \$                   | -       | \$ 93        |
| Assaying                             |                   | -     |                      | -     |                      | 17      | 17           |
| Camp                                 |                   | 1     |                      | 191   |                      | 2       | 194          |
| Drilling                             |                   | -     |                      | 493   |                      | 520     | 1,013        |
| Fuel                                 |                   | -     |                      | -     |                      | 49      | 49           |
| Geological/geophysics                |                   | -     |                      | 21    |                      | 3       | 24           |
| License/fees/taxes                   |                   | -     |                      | -     |                      | 2       | 2            |
| Rental/utilities                     |                   | 1     |                      | 9     |                      | 135     | 145          |
| Salaries/labor                       |                   | 66    |                      | 158   |                      | 412     | 636          |
| Supplies/safety gear                 |                   | -     |                      | -     |                      | 12      | 12           |
| Transportation/travel                |                   | -     |                      | -     |                      | 110     | 110          |
| Total current exploration costs      | \$                | 107   | \$                   | 926   | \$                   | 1,262   | \$ 2,295     |
| Total costs incurred during the year | \$                | 107   | \$                   | 926   | \$                   | 1,262   | \$ 2,295     |
| Balance, opening                     |                   | 1,347 |                      | 424   |                      | 14,116  | 15,887       |
| Exclusivity payment received         |                   | (67)  |                      | (24)  |                      | -       | (91)         |
| Deferred exploration funds received  |                   | (673) |                      | (287) |                      | (1,791) | (2,751)      |
| Shares consideration received        |                   | (620) |                      | (265) |                      | -       | (885)        |
| Translation adjustment               |                   | 190   |                      | 119   |                      | (132)   | 177          |
| Balance, ending                      | \$                | 284   | \$                   | 893   | \$                   | 13,455  | \$ 14,632    |

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 7. Exploration and Evaluation Assets – continued

|                               |    |          |    |         |                     |
|-------------------------------|----|----------|----|---------|---------------------|
| Cumulative costs:             |    |          |    |         |                     |
| Acquisition                   | \$ | 36,624   | \$ | 1,094   | \$ 1,973 \$ 39,691  |
| Exploration                   |    | 13,586   |    | 5,049   | 14,082 32,717       |
| Exclusivity payment received  |    | (325)    |    | (51)    | - (376)             |
| Deferred exploration received |    | (673)    |    | (287)   | (1,791) (2,751)     |
| Shares consideration received |    | (620)    |    | (265)   | - (885)             |
| Government grant received     |    | -        |    | -       | (339) (339)         |
| Impairment                    |    | (48,498) |    | (4,766) | - (53,264)          |
| Translation adjustment        |    | 190      |    | 119     | (470) (161)         |
|                               | \$ | 284      | \$ | 893     | \$ 13,455 \$ 14,632 |

#### *Exploration and evaluation assets – Mongolia – Nadmin*

The Company originally acquired a 100% interest in the shares of KGL in consideration for \$35,882,000 in cash, common shares and warrants. KGL indirectly holds title to the mining license of the Bronze Fox copper/gold project in Mongolia.

During the year ended December 31, 2020, the Company recorded total impairment loss of \$30,455,000 relating to the write-off of exploration license, which included \$742,000 write-off of the carrying value relating to the merger with IBEX subsidiaries in 2016.

During the year ended December 31, 2021, the Company assessed the property for impairment in relation to the then proposed definitive acquisition and joint venture agreement entered into by the Company with Resilience Mining Mongolia Pty. Ltd. ("RMM") on June 30, 2021, and recorded an impairment loss of \$18,043,000. RMM failed to met its obligations under the definitive acquisition and joint venture agreement resulting in Kincora retaining 100% ownership of the assets.

#### *Exploration and evaluation assets – Mongolia – Golden Grouse*

On April 18, 2012, the Company acquired a 100% interest in Golden Grouse from Temujin Mining Corp. ("Temujin"), which held two mineral exploration licenses adjoining the Company's Bronze Fox project.

On October 28, 2016, the Company obtained seven mineral exploration licenses and two new license applications in mergers with IBEX Land Mongolia LLC ("IBEX Land") and IBEX Mongolia LLC ("IBEX"). The fair value in excess of the net assets of IBEX Land and IBEX was allocated to Bronze Fox (\$742,000) and Golden Grouse (\$1,094,000). As of December 31, 2019, all of the mineral exploration licenses associated with the IBEX transaction that was no longer being explored by the Company, were relinquished back to the Mongolian Government, and a write off of \$3,185,000 was recorded.

During the year ended December 31, 2020, the Company recorded an impairment loss of \$212,000 relating to the write-off of exploration license.

During the year ended December 31, 2021, the Company assessed the property for impairment in relation to the then proposed definitive acquisition and joint venture agreement entered by the Company with RMM on June 30, 2021, and recorded an impairment loss of \$1,154,000. RMM failed to met its obligations under the definitive acquisition and joint venture agreement resulting in Kincora retaining 100% ownership of the assets.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### 7. Exploration and Evaluation Assets – continued

#### *Exploration and evaluation assets – Mongolia – Earn-in and Joint Venture Agreement*

On August 8, 2024, Kincora successfully completed a strategic review process for the Mongolian assets with a binding Earn-In Term Sheet with Orbminco Limited (formerly Woomera Mining Limited) (ASX: OB1, Orbminco). Orbminco is an arm's length and unrelated party to Kincora.

During the year ended December 31, 2024, the Company received an exclusivity payment of \$91,000 (A\$100,000) from Orbminco to enable final due diligence and definitive legal agreements. The Company also received 9,000,000 shares and 9,000,000 options from Orbminco (20:1 post consolidation) as consideration pursuant to the earn-in agreement (Note 6).

In September 2025, at zero cost, Kincora resecured the full rights of its Mongolian copper-gold portfolio following Orbminco withdrawal from the September 2024 Earn-In Agreement as it now focuses on its Australian gold exploration. Orbminco had previously issued A\$450,000 worth of stocks to Kincora and spent approximately \$1.3 million on the Mongolian portfolio.

As with standard practices, following the exit of Orbminco, the Company has reviewed the carrying value of the Mongolia portfolio and did not identify any indicators of impairment.

#### *Exploration and evaluation assets – Australia – Joint Venture projects*

On January 30, 2020, the Company entered into a binding memorandum of understanding ("MoU") and made a non-refundable option payment of A\$25,000 to RareX Limited ("RareX") providing the exclusive right to acquire a 65% interest in six mineral leases and five projects in the LFB.

On March 19, 2020, the Company announced it had completed definitive agreements with RareX. The key commercial terms being:

- Issuing 498,333 shares (post share consolidation), subject to a voluntary 12-month lockup and transfer of titles with the NSW regulator, resulting in RareX becoming a then 9.9% shareholder (issued on March 27, 2020);
- Payment of A\$150,000 in cash to RareX upon closing as follows:
  - A\$100,000 in cash consideration (paid on March 30, 2020); and,
  - A\$50,000 in cash as reimbursement to RareX for outstanding holding costs and licence renewals (paid on March 30, 2020).
- The Company acquiring a 65% interest in the respective licences, becoming operator and sole financer of all further exploration until a positive scoping study or Preliminary Economic Assessment ("PEA").

On July 27, 2023, the Company executed a conditional agreement with RareX to acquire its carried 35% asset level interests in the Trundle, Fairholme, Jemalong, Cundumbul and Condobolin licenses. In consideration, the Company issued 4,000,000 (post share consolidation) Chess Depositary Interests ("CDIs") of Kincora and granted a 1% NSR for the vended licenses to RareX (the "RareX Transaction"). The consideration was issued by the Company on December 14, 2023.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### 7. Exploration and Evaluation Assets – continued

#### *Exploration and evaluation assets – Australia – Joint Venture projects – continued*

On December 15, 2023, the Company completed the acquisition of RareX's interest in various projects to now have a 100% ownership of the entire NSW project portfolio. This was a key catalyst in the Company's pivot in funding model to a project/pro prospector generator asset level funding model.

As at December 31, 2025, the Company held \$293,423 of security deposits (2024 - \$124,650) related to the NSW project portfolio.

On October 6, 2022, the Company announced the execution of an Exploration Alliance Agreement with Earth AI Pty. Ltd. ("Earth AI") covering the Cundumbul project.

Key terms of the Exploration Alliance Agreement:

The Exploration Alliance allows for a co-funding model and joint technical committee, whereby Earth AI will have day-to-day management and control of exploration activities and contribute up to A\$4.5m of total exploration expenditure across the project over a two-year period with an option to extend for a further year (which was extended during 2024).

Subject to a minimum of 1500 metres of diamond drilling (satisfied at the time of writing) and a Qualifying Drilling Intersection resulting in a new discovery (as defined within the Exploration Alliance Agreement, yet to be satisfied at the time of writing), Earth AI is entitled to a net smelter return royalty (Royalty) of up to 3% in connection with a to be agreed upon area surrounding the discovery (Area of Interest, size dependent on the extent of the newly discovered mineral system).

Kincora is under no obligation to explore, develop or mine the Cundumbul project during the period of the Exploration Alliance. However, upon Earth AI successfully drilling a Qualifying Drilling Intersection and having carried out a minimum of 1,500 metres of diamond drilling, whereafter the second anniversary of the Royalty Trigger Date if no mineral resource has been defined and the annual exploration expenditure in the Area of Interest falls below US\$250,000, Earth AI will have the option to assume operational control and buy all of the Royalty Tenements that overlap with the Area of Interest under the Royalty Deed, for a cash purchase price equal to US\$1,000,000 plus a 2% net smelter.

The Agreement will not affect the capital structure of the Company or ownership in the project. During the year ended December 31, 2024, Earth AI has commenced drilling (at their own cost) at the Cundumbul project with results and further drilling activities remained pending as at December 31, 2025.

In May 2024, Kincora signed a definitive multiple-phase Earn-in and Joint Venture Agreement with a wholly owned subsidiary of AngloGold Ashanti plc (AngloGold Ashanti) for the Northern Junee-Narromine Belt Project, comprising the Nyngan and Nevertire licenses.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### 7. Exploration and Evaluation Assets – continued

#### *Exploration and evaluation assets – Australia – Earn-in and Joint Venture Agreement – continued*

The key terms of the Agreement with AngloGold Ashanti Australia Limited, covering the Nyngan (EL 8929) and Nevertire (EL 8960) projects, comprise:

- AngloGold may earn a 70% initial interest by incurring A\$25 million in total expenditure on exploration in the initial earn-in period of up to seven years upon which a joint venture would be formed (Phase I). This includes a minimum expenditure of A\$2 million within the first two years (Minimum Obligation). AngloGold is permitted to withdraw from the Agreement after satisfying the Minimum Obligation or payment of any shortfall.
- AngloGold can then earn an additional 10% interest (for a total interest of 80%) by completing a Pre-Feasibility Study (PFS) or by funding a further \$25m of expenditure over an additional three years (Phase II).
- During the Minimum Obligation period, Kincora will operate and conduct all exploration activities as directed by an Exploration Management Committee that will comprise two members from each party, and be entitled to a 10% management fee.
- The Agreement is otherwise on terms that are customary for similar agreements and includes the agreed principal terms of the proposed joint venture agreement which will apply if AngloGold earns an interest in the NJNB tenements.
- All expenditure timelines under the Agreement can be accelerated.

In April 2025, Kincora announced a major amendment to the original May 2024 earn-in and joint venture agreement to now include the Nyngan South, Nevertire South and Mulla projects, which are adjacent to the Nyngan and Nevertire projects.

The amended agreement supports a second joint venture in the NJNB and total expenditures of up to \$100 million. Key terms relating to the further three tenements included in the second earn-in agreement:

- AngloGold may earn a 70% initial interest in the new tenements by incurring A\$25 million in total expenditure on exploration in the initial earn-in period of up to seven years upon which a joint venture would be formed (Phase I). This includes a minimum expenditure of A\$2 million within the first two years. AngloGold is permitted to withdraw from the agreement after satisfying the minimum obligation or payment of any shortfall.
- AngloGold can then earn an additional 10% interest in the new tenements (for a total interest of 80%) by completing a Pre-Feasibility Study (PFS) or by funding a further A\$25m of expenditure over an additional three years (Phase II).
- Kincora will initially operate and conduct all exploration activities as directed by an Exploration Management Committee that will comprise two members from each party and be entitled to a 10% management fee.
- The amended agreement is otherwise on terms that are customary for similar agreements and includes the agreed principal terms of the proposed joint venture agreement that will apply if AngloGold earns an interest in the NJNB tenements.
- All expenditure timelines under the Agreement can be accelerated.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

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### 7. Exploration and Evaluation Assets – continued

*Exploration and evaluation assets – Australia – Earn-in and Joint Venture Agreement – continued*

During the year ended December 31, 2025, the Company received funds from AngloGold of \$2,783,000 (A\$3,089,100) (2024 - \$1,791,000 (A\$2,009,251)) in advance from AngloGold. These funds were recorded as proceeds against the evaluation and exploration assets in the consolidated statements of financial position, except for management fees of \$229,000 (A\$254,483), which were recorded in the statement of loss and comprehensive loss within other income.

### 8. Share Capital

*Authorized share capital:* Unlimited Common shares without par value.

*Share issuances:*

- a) On November 26, 2025, the Company issued 650,000 shares to certain officers, directors and consultants as payment for services provided to the Company from the quarter ended September 30, 2024 to June 30, 2025 totaling to \$325,000.
- b) On October 28, 2025, the Company issued 14,524 shares for the exercise of share options for gross proceeds of \$9,938.
- c) On October 9, 2025, the Company issued 52,750 shares for the exercise of share options for gross proceeds of \$36,461.
- d) On October 9, 2025, the Company issued 67,000 shares for the exercise of share warrants for gross proceeds of \$33,500.
- e) On September 29, 2025, the Company issued 115,500 shares for the exercise of share options for gross proceeds of \$79,279.
- f) On September 4, 2025, the Company completed a non-brokered private placement of 13,333,333 units of the company at a price of C\$0.30 per unit for aggregate gross proceeds of \$4,000,000, associated with a ten (10) for one (1) consolidation of securities ("Consolidation"). The Units comprise one common share (a "Share") and one common share purchase warrant (a "Warrant"), each Warrant entitling the holder to acquire a further common share at a price of C\$0.50 for a term of three (3) years. The Company incurred share issuance costs of \$107,000.
- g) On March 10, 2025, the Company issued 716,933 shares to certain officers, directors and consultants as payment for services provided to the Company in 2022, 2023 and the first half of 2024 totaling to \$386,000.
- h) On December 23, 2024, the Company completed a private placement of 3,350,066 shares, raising gross proceeds of A\$1,273,025 (\$1,206,024) in two tranches: first tranche, on October 21, 2024, the Company issued 1,257,603 shares for gross proceeds of A\$477,889 (\$452,737), with free-attaching 628,802 options (Note 8 – Stock options); and the second tranche, on December 18, 2024, the Company issued 2,092,463 shares for gross proceeds of A\$795,136 (\$753,287) with free-attaching 1,046,231 options (Note 8 – Stock options). The Company incurred share issuance cost of \$57,237.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 8. Share Capital – continued

- i) On December 19, 2024, the Company issued 387,737 shares for the exercise of performance rights that were granted on December 14, 2021.

#### *Obligation to issue shares:*

The Company has a share for services plan approved in 2019. Pursuant to the plan, the Company provides compensation to directors and officers in both shares and cash. The portion of compensation that will be paid by shares are recorded in obligation to issue shares and will be transferred to share capital upon issuance of the shares. During the year ended December 31, 2025, the Company accrued \$331,942 (2024 - \$268,880) for shares to be issued as compensation for services provided to the Company. As at December 31, 2025, the Company had a balance owing of \$246,572 (2024 - \$629,230), of which \$240,322 (2024 - \$622,980) was recorded as an obligation to issue shares and the remainder in accounts payable.

#### *Stock options:*

The Company has an equity incentive plan in place under which it is authorized to grant options or performance rights to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company, and the amount approved for the purposes of the ASX rules, being up to 7,000,000 performance rights. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

On May 31, 2024, the Company granted an aggregate of 2,450,000 incentive stock options to certain board members, senior management and advisers of Kincora (the optionees). Each option is exercisable into one common share in the capital of the Company at an exercise price of A\$0.75 (\$0.68) per common share with expiry of two years following the date of grant. The fair value of the options was \$794,449, determined using the Black-Scholes Option Pricing Model.

On July 7, 2025, the Company granted an aggregate of 3,266,927 incentive stock options to certain directors, officers and consultants of the Company. Each option is exercisable into one common share in the capital of the Company at an exercise price of \$0.50 per common share with expiry of three years following the date of grant. The fair value of the options was determined at \$1,245,479 using the Black-Scholes Option Pricing Model.

On September 2, 2025, the Company granted 130,000 incentive stock options to certain consultants of the Company. Each option is exercisable into one common share in the capital of the Company at an exercise price of \$0.67 (A\$0.75) per common share with expiry of two years following the date of grant. The fair value of the options was determined at \$167,150 using the Black-Scholes Option Pricing Model.

The fair value was determined using the Black-Scholes Option Pricing Model using the following weighted average estimates:

|                                 | December 31, 2025 | December 31, 2024 |
|---------------------------------|-------------------|-------------------|
| Expected dividend yield         | 0%                | 0%                |
| Expected stock price volatility | 134%              | 142%              |
| Risk free rate                  | 2.69%             | 4.25%             |
| Forfeiture rate                 | 0%                | 0%                |
| Expected life of options        | 2.96 years        | 2 years           |

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 8. Share Capital – continued

On October 21, 2024, the Company issued 628,802 free-attaching options pursuant to the first tranche of the private placement described in Note 8 – Share issuances (a). Each option has an exercise price of A\$0.75 (\$0.70) and expires 24 months from the date of issue. The amount assigned to the options was determined to be \$nil using the residual method.

On December 18, 2024, the Company issued 1,046,231 free-attaching options pursuant to the second tranche of the private placement described in Note 8 – Share issuances (a). Each option has an exercise price of A\$0.75 (\$0.70) and expires 24 months from the date of issue. The fair value of the options was determined to be \$125,547 using the residual method.

A summary of the Company's stock option transactions is as follows:

|                                                | Number of<br>options | Weighted<br>average<br>exercise price |
|------------------------------------------------|----------------------|---------------------------------------|
| <b>Balance outstanding – December 31, 2023</b> | <b>4,738,508</b>     | <b>\$1.60</b>                         |
| Granted                                        | 2,450,000            | 0.68                                  |
| Granted                                        | 1,675,033            | 0.70                                  |
| Expired                                        | (200,451)            | 4.80                                  |
| Expired                                        | (1,000,000)          | 2.90                                  |
| Expired                                        | (758,058)            | 2.80                                  |
| <b>Balance outstanding – December 31, 2024</b> | <b>6,905,032</b>     | <b>\$0.70</b>                         |
| Granted                                        | 3,266,927            | 0.50                                  |
| Granted                                        | 130,000              | 0.67                                  |
| Exercised                                      | (182,774)            | 0.67                                  |
| Expired                                        | (2,664,500)          | 0.65                                  |
| <b>Balance outstanding – December 31, 2025</b> | <b>7,454,685</b>     | <b>0.61</b>                           |

As at December 31, 2025, the weighted average remaining life of the stock options outstanding was 1.48 years.

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

| Number           | Price per share | Expiry date       | Options<br>exercisable |
|------------------|-----------------|-------------------|------------------------|
| 2,450,000        | \$0.68          | May 31, 2026      | 2,450,000              |
| 580,666*         | \$0.70          | October 21, 2026  | 580,666                |
| 1,027,092*       | \$0.70          | December 18, 2026 | 1,027,092              |
| 130,000          | \$0.67          | September 2, 2027 | 130,000                |
| 3,266,927        | \$0.50          | July 7, 2028      | 3,266,927              |
| <b>7,454,685</b> | <b>\$0.61</b>   |                   | <b>7,454,685</b>       |

\* The exercise price of these options issued pursuant to private placements completed in 2024 is denominated in \$AUD. As a result, these options are classified as derivative liabilities. However, the value attributable to the derivative liability, as calculated by management, is not significant, and therefore \$Nil has been allocated as at December 31, 2025.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 8. Share Capital – continued

#### **Warrants:**

On September 4, 2025, the Company issued 13,333,333 warrants pursuant to the private placement closed on September 4, 2025. Each warrant has an exercise price of C\$0.50 and expires three (3) years from the date of issue. The fair value of the warrants was determined to be \$nil using the residual method.

On October 9, 2025, 67,000 warrants were exercised for gross proceeds of \$33,500.

As of December 31, 2025, the Company had 13,266,333 warrants outstanding (2024 – Nil) and the weighted average remaining life of the warrants outstanding was 2.68 years.

#### **Performance rights:**

In December 2021, the Company granted 552,045 performance rights to certain directors and officers of the Company, pursuant to the Company's new EIP. 453,539 of the performance rights are vesting two years from the issue date, 45,415 performance rights are vesting one year from the issue date, and 53,091 performance rights are vesting 1/3 each of the calendar years ended 2021, 2022, and 2023. Each performance right entitles the holder to receive one share of the Company on vesting. During the year ended December 31, 2024, 387,737 performance rights were exercised (Note 10). The remaining 164,308 performance rights have been cancelled during the year ended December 31, 2024.

#### **Reserves:**

Share-based payment reserve represents the fair value of stock options or warrants until such time that the share-based instruments are exercised, at which time the corresponding amount will be transferred to share capital. Exchange gains and losses arising from translation from the Company's functional currency to presentation currency are included in foreign currency translation reserve.

### 9. Segmented Information

The Company operates in two operating segments being the acquisition and exploration of exploration and evaluation assets in Mongolia and Australia. The Company's head office is located in Canada, and all of the Company's non-current assets are located in Mongolia and Australia as follows.

| <i>In thousand \$</i>               | Mongolia |       | Australia |        | Total     |
|-------------------------------------|----------|-------|-----------|--------|-----------|
| <b>Balance at December 31, 2025</b> |          |       |           |        |           |
| Exploration and evaluation assets   | \$       | 1,208 | \$        | 14,972 | \$ 16,180 |
| Equipment                           | \$       | 44    | \$        | -      | \$ 44     |
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# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 10. Related Party Transactions and Balances

The Company incurred the following amounts for related party services:

- a) During the year ended December 31, 2025, the Company incurred \$73,800 (2024 - \$73,800) to a company with an officer in common for management and accounting services.
- b) During the year ended December 31, 2025, the Company incurred \$300,000 (2024 - \$300,000) to an officer and a company with an officer in common for management services.
- c) During the year ended December 31, 2025, the Company incurred director's fees and consulting fees of \$203,413 (2024 - \$198,000) to current directors, and \$42,267 (2024 - \$50,000) to a former director.
- d) During the year ended December 31, 2025, the Company incurred consulting fees of \$20,000 (2024 - \$20,000) to a director of the Company.
- e) At December 31, 2025, the Company owed \$165,270 (2024 - \$568,243) in accrued directors' fees and management and accounting fees in accounts payable, which are non-interest bearing and due on demand, and obligation to issue shares (Note 8).
- f) On March 10, 2025, the Company issued 716,933 shares to certain officers, directors and consultants as payment for services provided to the Company in 2022, 2023 and the first half of 2024 totaling to \$386,000.
- g) On November 26, 2025, the Company issued 650,000 shares to certain officers, directors and consultants as payment for services provided to the Company from the quarter ended September 30, 2024 to June 30, 2025 totaling to \$325,000.
- h) During the year ended December 31, 2024, the Company issued a total of 142,105 shares and 71,052 options to directors in connection with the private placement that was closed during the year (Note 8).
- i) During the year ended December 31, 2024, the Company issued 387,737 shares to directors and officers for the exercise of performance rights (Note 8).

#### Compensation of key management personnel

| <i>In thousand \$</i>                                     | <b>December 31,<br/>2025</b> | December 31,<br>2024 |
|-----------------------------------------------------------|------------------------------|----------------------|
| Management, chairman, directors, and audit committee fees | \$ <b>639</b>                | \$ 642               |
| Share-based payments                                      | <b>973</b>                   | 778                  |
|                                                           | <b>\$ 1,612</b>              | \$ 1,420             |

### 11. Supplemental Disclosures of Cash Flow Information

| Supplemental Disclosure of Non-Cash Financing and Investing Activities include ('000): | <b>December 31,<br/>2025</b> | December 31,<br>2024 |
|----------------------------------------------------------------------------------------|------------------------------|----------------------|
| Amortization capitalized to exploration and evaluation assets                          | \$ <b>99</b>                 | \$ 93                |
| Shares received as consideration of earn-in agreement                                  | \$ -                         | \$ 885               |

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 12. Equipment

Net carrying costs at December 31, 2025 and 2024 are as follows (In thousands \$):

|                                                | Computers |             | Exploration Equipment |                | Total             |
|------------------------------------------------|-----------|-------------|-----------------------|----------------|-------------------|
| <b>Cost</b>                                    |           |             |                       |                |                   |
| Balance as at December 31, 2023                | \$        | 25          | \$                    | 1,314          | \$ 1,339          |
| Additions                                      |           | -           |                       | 92             | 92                |
| Translation adjustment                         |           | -           |                       | (30)           | (30)              |
| Balance as at December 31, 2024                |           | 25          |                       | 1,376          | 1,401             |
| Additions                                      |           | -           |                       | 100            | 100               |
| Impairment                                     |           | -           |                       | (9)            | (9)               |
| Translation adjustment                         |           | -           |                       | (16)           | (16)              |
| <b>Balance as at December 31, 2025</b>         | <b>\$</b> | <b>25</b>   | <b>\$</b>             | <b>1,451</b>   | <b>\$ 1,476</b>   |
|                                                |           |             |                       |                |                   |
|                                                | Computers |             | Exploration Equipment |                | Total             |
| <b>Accumulated amortization and impairment</b> |           |             |                       |                |                   |
| Balance as at December 31, 2023                | \$        | (25)        | \$                    | (1,240)        | \$ (1,265)        |
| Additions                                      |           | -           |                       | (93)           | (93)              |
| Balance as at December 31, 2024                |           | (25)        |                       | (1,333)        | (1,358)           |
| Additions                                      |           | -           |                       | (98)           | (98)              |
| Impairment                                     |           | -           |                       | 9              | 9                 |
| Translation adjustment                         |           | -           |                       | 15             | 15                |
| <b>Balance as at December 31, 2025</b>         | <b>\$</b> | <b>(25)</b> | <b>\$</b>             | <b>(1,407)</b> | <b>\$ (1,432)</b> |
|                                                |           |             |                       |                |                   |
| <b>Net book value</b>                          |           |             |                       |                |                   |
| At December 31, 2024                           | \$        | -           | \$                    | 43             | \$ 43             |
| <b>At December 31, 2025</b>                    | <b>\$</b> | <b>-</b>    | <b>\$</b>             | <b>44</b>      | <b>\$ 44</b>      |

### 13. Contingencies

In the course of its business activities the Company has from time to time, been the subject of civil claims by third parties, including former employees and government agencies that could give rise to a liability to pay compensation, tax claims, damages or other cash costs. In addition, the Company may receive notices from regulatory and other governmental agencies responsible for the administration of regulations impacting on the Company's business affairs, in relation to the imposition or intended imposition of penalties, assessments and other orders that could potentially have an adverse effect or negatively impact on the Company's business and financial condition including in jurisdictions such as Mongolia and Brazil. Based upon historic experience with management of such claims, assessment and regulatory actions, the Company does not anticipate that the outcome of any such claims, assessments and regulatory actions, will have a materially adverse effect on the Company's business or financial condition.

# Kincora Copper Limited

*(An Exploration Stage Company)*

## Notes to the Consolidated Financial Statements

**For the years ended December 31, 2025 and 2024**

*(Expressed in Canadian Dollars)*

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### 13. Contingencies – continued

#### **Brazil**

The Company's Brazilian subsidiary, Samsul, has been named as a defendant in a lawsuit filed by federal prosecutors in 2015 seeking indemnification in the amount of approximately 500,000 Brazilian Reals for violation of mining laws and regulations in Brazil. Samsul is one of two defendants in this lawsuit and furthermore, the Company was not in control of Samsul at the time these alleged violations occurred.

In addition, Samsul is also named as the sole defendant in six tax claims filed by the Brazilian Mining Agency (ANM) and the Brazilian Environmental Protection Agency (IBAMA) initiated between 2005 and 2018 with an aggregate claim amount of approximately 180,000 Brazilian Reals. The Company plans to rigorously defend against these claims.

The Company does not expect the final outcome of these claims to have a material impact on the Company's consolidated financial statements, and as a result, no provision has been recorded as of December 31, 2025 and 2024.

#### **Mongolia**

During the year ended December 31, 2021, Golden Grouse received a tax act reassessment for \$2.7 billion Tugriks (MNT), approximately \$1 million from the Mongolian Tax Authority ("MTA").

The 2021 tax assessment comprises four items, of which the Company strongly refutes the merit of three including the very vast majority of the liability sought relating to a retrospective tax assessment of the 2016 merger with IBEX (the agreed liability owed is 16.2 million MNT, significantly less than the 100 million MNT deposit Kincora has had to place with the MTA to dispute the reassessment).

The 2016 IBEX merger required a prior tax assessment, which followed an audit of the IBEX entity's prior-year periods and the on-shore and off-shore agreements to the merger (IBEX and parent entities). The 2016 tax assessment was paid and relied upon by Mongolian government departments to facilitate the merger and was a condition precedent to close the merger with any adverse liability enabling both counterparties to withdraw from the merger (Note 7). In the Company's view, the 2021 tax assessment's retrospective liability is not in line with the 2016 tax assessment and Mongolian law, and there is no basis for a different determination.

Kincora has been defending its position since 2021 having already once had the case heard through the three levels of the Mongolian judicial system and is again currently appealing to the Supreme Court having been through the first two-levels of the judicial system again in 2025.

In early 2025, a court appointed review by independent Mongolian tax experts, the Company's position was supported by the First Instance Administrative Court, which ruled in-line with the Company's and its legal advisor's long-standing position regarding the original 2016 tax assessment. The Mongolian Tax Authority (MTA) subsequently appealed this decision, with the Appeal Court upholding the MTA's appeal. The Company and its legal counsel maintain that there is no substantive basis for the Appeal Court's decision and have appealed to the Supreme Court.

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 13. Contingencies – continued

#### Mongolia - continued

On October 28, 2025, the Supreme Court of Mongolia overturned the Appeal Court's decision, instructing the MTA to conduct a new review audit within 6 months. Following the Supreme Court decision, the MTA has issued a re-inspection notice requesting the submission of relevant documentation and a statement of the Company's position. The Company is in the process of preparing the requested documents for submission. As at the date of issuance of these financial statements, no further developments have occurred.

The Company does not expect the final outcome of these proceedings to have a material impact on the Company's consolidated financial statements, and as a result, no provision has been recorded as of December 31, 2025 and 2024.

### 14. Income Tax

A reconciliation of income taxes at statutory rates is as follows (*In thousands \$*):

|                                                         | December 31,<br>2025 | December 31,<br>2024 |
|---------------------------------------------------------|----------------------|----------------------|
| Loss for the year                                       | \$ (3,444)           | \$ (2,556)           |
| Statutory tax rate                                      | 27%                  | 27%                  |
| Expected tax recovery                                   | (930)                | (690)                |
| Permanent differences                                   | 310                  | 234                  |
| True-up of prior year balances                          | (76)                 | -                    |
| Foreign tax differences                                 | (34)                 | (21)                 |
| Change in unrecognized deductible temporary differences | 730                  | 477                  |
| Total tax recovery                                      | \$ -                 | \$ -                 |

The significant components of the Company's unrecorded deferred tax assets and liabilities are as follows (*In thousands \$*):

|                                                | December 31,<br>2025 | December 31,<br>2024 |
|------------------------------------------------|----------------------|----------------------|
| <i>Deferred tax assets</i>                     |                      |                      |
| Exploration and evaluation assets              | \$ 5,152             | \$ 5,071             |
| Equipment                                      | 257                  | 322                  |
| Share issuance costs                           | 50                   | 161                  |
| Non-capital losses available for future period | 12,705               | 11,695               |
| Allowable capital losses                       | -                    | 185                  |
| Unrecognized deferred tax assets               | \$ 18,164            | \$ 17,434            |

# Kincora Copper Limited

(An Exploration Stage Company)

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

### 14. Income Tax – continued

The significant components of the Company's temporary differences and unused tax losses are as follows (In thousands \$):

|                                                 | December 31,<br>2025 | December 31,<br>2024 | Expiry Date Range |
|-------------------------------------------------|----------------------|----------------------|-------------------|
| Exploration and evaluation assets               | \$ 20,892            | \$ 20,611            | No expiry date    |
| Equipment                                       | 1,026                | 1,268                | No expiry date    |
| Share issuance costs and other                  | 184                  | 597                  | 2019-2026         |
| Allowable capital losses                        | -                    | 712                  | No expiry date    |
| Non-capital losses available for future periods | \$ 44,068            | \$ 40,407            | 2026-2044         |

### 15. Subsequent events

On March 4, 2026, the Company completed a private placement of 3,809,524 shares, raising gross proceeds of A\$4,000,000 (\$3,887,200), with attaching 1,904,762 options. The options are exercisable at A\$1.35 (\$1.31) per share and expire three years from the date of issue.

Subsequent to the year ended December 31, 2025, the Company issued a total of 90,000 shares for exercise of warrants at \$0.50 per share.

Subsequent to the year ended December 31, 2025, the Company issued a total of 268,324 shares for exercise of options at A\$0.75 per share.

Subsequent to the year ended December 31, 2025, the Company granted 78,403 stock options with an exercise price of \$1.31 (A\$1.35) for a term of 2 years.