

**MOON RIVER MOLY LTD.**  
**(FORMERLY MOON RIVER CAPITAL LTD.)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**(Expressed in Canadian Dollars)**



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## Independent Auditor's Report

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To the Shareholders of Moon River Moly Ltd.

### Opinion

We have audited the consolidated financial statements of Moon River Moly Ltd. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and 2024, and the consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Group is in the exploration and evaluation stage and has not generated any revenues, incurred a net loss of \$1.4 million during the year ended December 31, 2025 and, as of that date, has an accumulated deficit of \$8.8 million. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that may cast significant doubt on the Group'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 of current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

#### *Provision for Reclamation*

##### *Description of the key audit matter*

As at December 31, 2025, the Group recorded a provision for reclamation of \$22.6 million related to the future costs of decommissioning and rehabilitating the Endako Mine, as disclosed in Notes 2c, 3f and 11 to the consolidated financial statements.



The determination of the provision for reclamation involves management judgment and estimation uncertainty, including assumptions related to the scope of reclamation activities, estimated future costs, inflation rates, and the discount rate used to measure the present value of the obligation in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities.

This area was determined to be a key audit matter requiring special audit consideration given the significance of the balance and the degree of judgment and estimation involved in estimating the provision for reclamation.

*How the key audit matter was addressed in the audit*

Our audit procedures included, but were not limited to, the following:

- Evaluated the work of management's expert, including assessing their qualifications and objectivity;
- Involved specialists with expertise in environmental and reclamation matters to assist in evaluating the work of management's external expert, including assessing the technical cost assumptions and underlying methodology that form the basis of the cost estimates, and the scope of rehabilitation activities with consideration to applicable laws and regulations;
- Assessed the discount and inflation rates comparing them to observable market data and external economic indicators; and
- Evaluated the related disclosures in the consolidated financial statements.

#### Other Information

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in Management's Discussion and Analysis for the year ended December 31, 2025.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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.

We obtained the Management's Discussion and Analysis for the year ended December 31, 2025 prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the 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 IASB, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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



## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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



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

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

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

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario  
April 24, 2026

**MOON RIVER MOLY LTD.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2025 AND DECEMBER 31, 2024**  
(Expressed in Canadian dollars)

		December 31 2025	December 31 2024
	Notes	\$	\$
<b>ASSETS</b>			
Current			
Cash and cash equivalents		784,953	2,286,359
Short-term investments		-	500,000
Restricted cash and short-term investments	5	2,869,100	5,179,443
Amounts receivable	6	551,135	650,194
Prepaid expense		460,070	390,347
		<u>4,665,258</u>	<u>9,006,343</u>
Restricted cash	5	27,045,528	29,492,703
Property, plant and equipment	7	2,423,621	2,437,730
		<u>29,469,149</u>	<u>31,930,433</u>
<b>Total assets</b>		<u>34,134,407</u>	<u>40,936,776</u>
<b>LIABILITIES</b>			
Current			
Amounts payable and accrued liabilities	8,17	1,225,262	2,006,075
Provision for care & maintenance	10	2,869,100	3,025,819
Provision for reclamation	11	-	2,153,624
		<u>4,094,362</u>	<u>7,185,518</u>
Earnout payment liability	9	2,281,019	2,550,000
Provision for care & maintenance	10	7,061,956	9,276,360
Provision for reclamation	11	22,572,345	22,686,766
		<u>36,009,682</u>	<u>41,698,644</u>
<b>SHAREHOLDERS' EQUITY</b>			
Capital stock	12	5,907,109	5,773,539
Warrants	13	-	49,500
Share-based payment	14	1,044,977	908,533
Deficit		<u>(8,827,361)</u>	<u>(7,493,440)</u>
		<u>(1,875,275)</u>	<u>(761,868)</u>
<b>Total liabilities and shareholders' equity</b>		<u>34,134,407</u>	<u>40,936,776</u>

Nature of operations and going concern - note 1

Commitments & contingencies – note 20

Subsequent event – note 22

Approved on behalf of the board on April 24, 2026

**"Paul Parisotto"**  
**Paul Parisotto, Director**

**" Ian McDonald "**  
**Ian McDonald, Director**

*The accompanying notes are an integral part of the condensed interim consolidated financial statements.*

**MOON RIVER MOLY LTD.**  
**STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(Expressed in Canadian dollars)

	Notes	2025 \$	2024 \$
<b>Expenses</b>			
Acquisition, exploration and evaluation	4	1,325,403	1,061,513
Corporate administration	15,17	1,431,680	1,096,095
Share based payment		179,836	538,880
Changes to reclamation provision	11	(433,891)	1,694,253
Change to fair value of earnout liability		(268,961)	-
Depreciation	7	14,109	5,682
<b>Loss before other items</b>		<u>2,248,176</u>	<u>4,396,423</u>
<b>Other items</b>			
Interest income	16	(1,098,343)	(1,104,605)
Finance cost	5	227,480	-
<b>Net loss and comprehensive loss for the year</b>		<u>1,377,313</u>	<u>3,291,818</u>
<b>Net loss per common share</b>			
- Basic and diluted		<u>0.042</u>	<u>0.100</u>
<b>Weighted average common share outstanding</b>			
- Basic and diluted		<u>33,168,347</u>	<u>32,960,000</u>

*The accompanying notes are an integral part of the condensed interim consolidated financial statements.*

**MOON RIVER MOLY LTD.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(Expressed in Canadian dollars)

	Number of Common Shares	Capital Stock \$	Warrants \$	Share-Based Payment \$	Deficit \$	Total \$
<b>Balance January 1, 2024</b>	32,960,000	5,773,539	49,500	369,653	(4,201,622)	1,991,070
Vesting of previously issued stock options	-	-	-	450,068	-	450,068
Stock options issued	-	-	-	88,812	-	88,812
Net loss for the period	-	-	-	-	(3,291,818)	(3,291,818)
<b>Balance December 31, 2024</b>	<b>32,960,000</b>	<b>5,773,539</b>	<b>49,500</b>	<b>908,533</b>	<b>(7,493,440)</b>	<b>(761,868)</b>
<b>Balance January 1, 2025</b>	32,960,000	5,773,539	49,500	908,533	(7,493,440)	(761,868)
Vesting of previously issued stock options	-	-	-	144,629	-	144,629
Stock options issued	-	-	-	35,207	-	35,207
Stock options cancelled	-	-	-	(43,392)	43,392	-
Exercise of warrants	336,280	133,570	(49,500)	-	-	84,070
Net loss for the year	-	-	-	-	(1,377,313)	(1,377,313)
<b>Balance December 31, 2025</b>	<b>33,296,280</b>	<b>5,907,109</b>	<b>-</b>	<b>1,044,977</b>	<b>(8,827,361)</b>	<b>(1,875,275)</b>

*The accompanying notes are an integral part of the condensed interim consolidated financial statements.*

**MOON RIVER MOLY LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 and 2024**  
(Expressed in Canadian dollars)

	2025	2024
	\$	\$
<b>Cash flows from operating activities</b>		
Net loss for the period	(1,377,313)	(3,291,818)
Share-based payments	179,836	538,880
Depreciation	14,109	5,682
Change in reclamation provision	(433,891)	1,694,253
Change in fair value of earnout payment	(268,981)	-
Payment for Endako reclamation expenditures	(1,834,154)	(5,049,320)
Payment for Endako care and maintenance expenditures	(2,371,123)	(1,388,859)
Loss on disposal of equipment	-	4,640
Decrease in restricted cash	4,757,518	5,214,348
	<u>(1,333,999)</u>	<u>(2,272,194)</u>
Movements in working capital		
Decrease (increase) in amounts receivable and prepaid expenses	29,336	(766,405)
Increase (decrease) in accounts payable and accrued liabilities	(780,813)	1,549,365
Net cash used in operating activities	<u>(2,085,476)</u>	<u>(1,489,234)</u>
<b>Cash flows from investing activities</b>		
Cash acquired from the acquisition of Endako	-	2,329,856
Cash used in the acquisition of Endako	-	(123,982)
Proceeds from maturity of short-term investments	500,000	(500,000)
Additions to equipment	-	(47,468)
Net cash received from investing activities	<u>500,000</u>	<u>1,658,406</u>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of warrants	84,070	-
Net cash received from financing activities	<u>84,070</u>	<u>-</u>
<b>Change in cash and cash equivalents</b>	(1,501,406)	169,172
Cash and cash equivalents, beginning of period	<u>2,286,359</u>	<u>2,117,187</u>
Cash and cash equivalents, end of period	<u>784,953</u>	<u>2,286,359</u>

*The accompanying notes are an integral part of the condensed interim consolidated financial statements.*

**MOON RIVER MOLY LTD.**  
**NOTES TO 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**

Moon River Moly Ltd. (formerly Moon River Capital Ltd.) (the "**Company**" or "**Moon River**") was incorporated under the laws of the Province of Ontario on August 6, 2019. The Company completed its initial public offering on March 20, 2020 and its common shares are traded on the TSX Venture Exchange ("**TSXV**"). The Company's registered office is at 100 King Street West, Suite 7010 PO Box 70 Toronto Ontario M5X 1B1.

Prior to November 15, 2023, the Company was a Capital Pool Company ("**CPC**") within the meaning of the TSXV Policy 2.4 that had not commenced commercial operations and had no assets other than cash. The Company did not carry on business, other than the identification and evaluation of companies, business, or assets with a view to completing a proposed Qualifying Transaction ("**QT**") as specifically contemplated in the CPC policies of the TSXV.

On November 15, 2023, the Company completed the acquisition of all of Generation Mining Limited's ("**GM**") rights and interests in the Davidson Property consisting of six mineral leases covering approximately 1,631.8 hectares and seven mineral claims covering 2,202.02 hectares located near the town of Smithers, British Columbia, which hosts a large molybdenum-tungsten deposit (the "**Davidson Property**"). The transaction constituted the Company's QT as defined in Policy 2.4 – Capital Pool Companies of the TSXV.

Following the completion of the QT, the TSXV approved the listing of the common shares of the Company as a tier 2 mining issuer and the common shares resumed trading on the TSXV under the ticker symbol "**MOO.V**" (previously "**MOO.P**") on November 20, 2023.

On May 17, 2024, the Company filed Articles of Amendment under the Business Corporations Act with the Province of Ontario, changing its name from Moon River Capital Ltd. To Moon River Moly Ltd.

There has been no determination whether the Company's interests in its properties contain mineral resources which are economically recoverable. Significant expenditures are required to locate and establish mineral deposits, to develop metallurgical processes and to construct mining and processing facilities. The Company's continued existence is dependent upon discovery of economically recoverable reserves, the ability to obtain necessary financing to complete development and future profitable production or proceeds from disposition. The Company's acquisition, exploration and evaluation operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its evaluation, development and mining activities, the Company is required to hold certain permits. There is no assurance that the Company's existing permits will be renewed or that new permits that are applied for will be granted. The Company has taken steps to verify title to properties in which it has an interest in accordance with industry standards for the current stage of development of such properties, however, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory requirements. The Company's properties may also be subject to increases in taxes and royalties, renegotiating contracts, and political uncertainty.

These consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months at the minimum. There are material uncertainties that may cast significant doubt about the appropriate use of the going concern assumption as the Company is in the exploration and evaluation stage and has not generated any revenues. At December 31, 2025, the Company has an accumulated deficit of \$8.8 million, incurred a net loss of \$1.4 million for the year ended December 31, 2025 (2024 - \$3.3 million) and expects to incur further losses in the development of its business.

**MOON RIVER MOLY LTD.**  
**NOTES TO 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 (CONTINUED)**

The Company's continuing operations as intended are dependent upon the ability to obtain the necessary financing to explore and commercialize its mineral claims and administer overhead expenses. Should the Company fail to commercialize its mineral claims, its ability to raise sufficient financing to maintain operations may be impaired and, accordingly, the Company may be unable to realize the carrying value of its net assets. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**2. BASIS OF PRESENTATION**

**Statement of Compliance**

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) that were in effect on December 31, 2025.

These consolidated financial statements were authorized for issue by the Company's Board of Directors on April 24, 2026.

**Subsidiaries**

Subsidiaries are entities controlled by the Company. These consolidated financial statements include the accounts of the Company and those of its wholly owned subsidiary Moon River Molybdenum BC Ltd, including the subsidiary's 25% interests in the assets, liabilities, income and expenses of the Endako Mine joint operation that was acquired in 2024 (note 5).

**Joint Arrangements**

A joint arrangement is defined as an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement between two or more parties. This exists only when the decisions about the relevant activities that significantly affect the returns of the arrangement require the unanimous consent of the parties sharing control.

A joint operation is a joint arrangement whereby the parties have joint control of the arrangement and have rights to the assets and obligations for the liabilities relating to the arrangement. The Company's 25% interest in the Endako Mine (note 4) is recognized as a joint operation. Accordingly, the Company has reflected its percentage of ownership of the assets, liabilities, income and expenses of the Endako Mine joint arrangement in these consolidated financial statements.

**Critical judgements and estimates**

The preparation of these financial statements in conformity with IFRS Accounting Standards requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results may differ from those estimates.

Judgments are made in the selection and assessment of the Company's accounting policies. Estimates are used mainly in determining the measurement of recognized transactions and balances. Estimates are based on historical experience and other factors, including expectations of future events believed to be reasonable under the circumstances. Judgments and estimates are often interrelated. The Company's judgments and estimates are continually re-evaluated to ensure they remain appropriate. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

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**2. BASIS OF PRESENTATION (CONTINUED)**

**Critical judgements and estimates (continued)**

Following are the accounting policies that are subject to judgments and estimates that the Company believes could have the most significant impact on the amounts recognized in these consolidated financial statements:

(a) Asset acquisition versus business combination

With each acquisition, the Company has to determine whether it should be accounted for as a business combination or an asset acquisition. As dictated by IFRS 3, the components of a business must include inputs, processes and outputs. Management has assessed the acquisition for the 25% interest in the Endako Mine (note 4) and has concluded that it did not include all the necessary components of a business. As such, it has been recorded as an asset acquisition.

(b) Joint Arrangements

The classification of joint arrangements as either joint operations or joint ventures requires significant judgment. In determining the appropriate classification, management considers the rights and obligations arising from the contractual arrangements and the legal structure of the arrangement.

These judgments are made based on the specific facts and circumstances of each arrangement and are reviewed regularly to ensure appropriate classification under IFRS 11. Management has assessed the acquisition for the 25% interest in the Endako Mine (note 4) and has concluded that it is a joint operation under IFRS 11. Accordingly, the Company has reflected its percentage of ownership of the assets, liabilities, revenues and expenses of the Endako Mine joint arrangement in these consolidated financial statements.

(c) Provision for reclamation and care and maintenance

Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation, care and maintenance and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation, care and maintenance and remediation work required to comply with existing laws and regulations at each mining operation and exploration and development property. In addition, future changes to environmental laws and regulations may increase the extent of reclamation, care and maintenance and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for reclamation, care and maintenance and restoration. The provision represents management's best estimate of the present value of the future reclamation, care and maintenance and restoration obligation. Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future reclamation, care and maintenance and restoration costs are subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and changes in mine life, and as new information concerning the Company's closure and reclamation obligations becomes available.

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

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**3. MATERIAL ACCOUNTING POLICIES**

The material accounting policies applied in these consolidated financial statements are set out below.

**(a) Cash and cash equivalents**

Cash and cash equivalents consists of cash, high-interest savings vehicles and Guaranteed Investment Certificates (GIC's) expiring in 90 days or less or are readily redeemable to known amounts and subject to insignificant risk of change in value. At December 31, 2025, the Company has a redeemable GIC maturing in six months earning interest at 2.7% per annum.

**(b) Property, Plant and Equipment**

The Company's property, plant and equipment is mainly acquired through the acquisition of its 25% interest in the Endako Mine (note 5). Buildings, plant and equipment at the Endako Mine are recorded at cost, including all expenditures incurred to prepare an asset for its intended use. An item of property, plant and equipment is de-recognized upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between any proceeds received and the carrying amount of the asset) is included in the consolidated statements of operations and comprehensive loss in the year the asset is de-recognized.

Property, plant and equipment are depreciated on a straight-line basis over their expected useful life. Depreciation commences when the assets are considered available for use. Once property, plant and equipment are considered available for use, they are measured at cost less accumulated depreciation and applicable impairment losses.

Where an item of property, plant and equipment comprises major components with different useful lives, the components are depreciated separately but are grouped for disclosure purposes as building, plant and equipment. Major overhaul expenditures and the cost of replacement of a major component are depreciated over the average expected period between major overhauls.

Management annually reviews the estimated useful lives, residual values and depreciation methods of the Company's property, plant and equipment and when events and circumstances indicate that such a review should be undertaken. Changes to estimated useful lives, residual values or depreciation methods resulting from such reviews are accounted for prospectively.

The following table sets out the useful lives of certain assets depreciated using the straight-line basis:

	Useful Life
Building	20 years
Equipment & Vehicles	2 to 20 years

**MOON RIVER MOLY LTD.**  
**NOTES TO 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)**

**(c) Impairment of non-financial assets**

The Company's non-financial assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated. Long-lived assets that are not amortized are subject to an annual impairment assessment. An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company considers each mineral property to be a cash-generating unit. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs 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 current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

The Company has not recorded any impairment of non-financial assets as at December 31, 2025.

**(d) Exploration and evaluation expenditures**

Exploration and evaluation expenditures relate to those activities involving the search for mineral deposits with economic potential, the process of obtaining more information about existing mineral deposits, the determination of technical feasibility and the assessment of commercial viability of a mineral interest.

The Company expenses all exploration and evaluation expenditures, within an area of interest until management determines the mineral interest to be technically feasible and commercially viable.

Technical feasibility and commercial viability of a mineral interest generally coincide with the establishment of proven and probable reserves; however, this determination may be impacted by management's assessment of certain modifying factors, including, but not limited to the status of environmental permit applications and the status of mining leases or permits. Upon demonstrating technical feasibility and commercial viability, all subsequent costs directly relating to the development and advancement of the related mineral interest are capitalized as mineral development costs within properties, plant and equipment.

**(e) IAS 37 – Provisions, Contingent Liabilities and Contingent Assets**

An entity must recognise a provision if, and only if a present obligation, legal or constructive, has arisen as a result of a past obligation event, payment is probable, and the amount can be estimated reliably. An obligating event is an event that creates a legal or constructive obligation and, therefore, results in an entity having no realistic alternative but to settle the obligation. A constructive obligation arises if past practice creates a valid expectation on the part of a third party.

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance expense ("notional interest").

**MOON RIVER MOLY LTD.**  
**NOTES TO 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)**

**(e) IAS 37 – Provisions, Contingent Liabilities and Contingent Assets (continued)**

The Company assumed obligations for reclamation and care and maintenance expenditures at the Endako Mine upon the Endako Acquisition (note 4). The provisions are measured at the amounts that they are expected to cost the entity to settle the obligations.

Provisions for reclamation and care and maintenance require the use of estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mine site, as well as the timing of the reclamation activities and estimated discount rate. The Company assesses and revises its reclamation and care and maintenance provision on a periodic basis or when new material information becomes available. Adjustments to the estimated amount and timing of future reclamation and care and maintenance cash flows are a normal occurrence in light of the significant judgments and estimates involved and reflected in the consolidated statement of operations and loss. The principal factors that can cause expected cash flows to change are the construction of new facilities, changes in water quality that impact the extent of water treatment required and changes in laws and regulations governing the protection of the environment, etc.

Actual costs incurred may differ from those amounts estimated. Changes in future costs could materially impact the estimate of care and maintenance and reclamation provisions. The provisions represent management's best estimate of the present values of the future care and maintenance, reclamation and remediation costs based on environmental disturbances as at the reporting date. A change in any, or a combination of, the key assumptions used to determine the provisions, could have a material impact on the carrying value of the provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required, the provision is reversed.

**(f) Share-based payments**

The Company may grant stock options to buy common shares of the Company to directors, officers, employees and services providers. The board of directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted.

The fair value of share purchase options granted is recognized as an expense or charged to an asset as appropriate, with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The fair value for share purchase options granted to employees or those providing services similar to those provided by a direct employee is measured at the grant date and each tranche is recognized using the accelerated method basis over the period during which the share purchase options vest. The fair value of the share purchase options granted is measured using the Black Scholes option pricing model, taking into account the terms and conditions upon which the share purchase options were granted.

**(g) Income Taxes**

Income tax on the profit or loss consists of current and deferred tax. Income tax expense 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 period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

**MOON RIVER MOLY LTD.**  
**NOTES TO 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)**

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

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) Loss per Share**

Loss per share is computed by dividing the net loss attributable to common shareholders by the weighted average number of shares outstanding during the period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

**(i) Financial Instruments**

Financial assets

The Company classifies its financial assets in the following categories:

- i. Fair value through profit or loss (FVTPL)
- ii. Fair value through other comprehensive income (FVTOCI)
- iii. Amortized cost

The determination of the classification of financial assets is made at initial recognition. The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL

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

The Company has no financial assets in the category as at December 31, 2025 or 2024.

Financial assets at Fair-value through other comprehensive income

Financial assets carried at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument bases) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value remains in other comprehensive income (loss) and is not recycled to profit or loss.

The Company has no financial assets in the category as at December 31, 2025 or 2024.

Financial assets at amortized cost

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest.

**MOON RIVER MOLY LTD.**  
**NOTES TO 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)**

**(i) Financial Instruments (continued)**

The Company's cash and cash equivalents, restricted cash, and investments are recorded at amortized cost as they meet the required criteria. A provision for loss is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting period.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Financial liabilities at FVTPL

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statements of operations and comprehensive loss. Contingent consideration related to the Endako Acquisition (note 9) is classified in this category as at December 31, 2025. The Company had no liabilities in this category as at December 31, 2025.

Other financial liabilities

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include amounts payable and accrued liabilities which are classified at amortized cost.

Fair value hierarchy

The Company classifies financial instruments recognized at fair value in accordance with a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value as per IFRS 7. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Refer to note 18 for the fair value hierarchy of the Company's financial instruments recognized at fair value at December 31, 2025 and 2024.

**MOON RIVER MOLY LTD.**  
**NOTES TO 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)**

**(j) New standards and interpretations not yet adopted**

The following accounting standards and amendments to accounting standards issued by the IASB have not yet been adopted by the Company. The Company is evaluating the impact of these standards and amendments on its consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 which sets out requirements for the presentation and disclosure of information in the financial statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the consolidated statements of operations, disclosure of management-defined performance measures related to the income statement and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted.

**(k) Comparative information**

Certain comparative information has been reclassified in the prior year to conform to the current years presentation. Specifically, Parts and supplies inventory in the prior year has been reclassified to Property, plant and equipment as it relates to spare parts for specific equipment that are long-term in nature.

**4. MINERAL PROPERTIES**

**Davidson Property**

The Davidson Property consists of six mineral leases covering 1,631.80 hectares and ten mineral claims covering 3,266.36 hectares, located near the town of Smithers, British Columbia, which hosts a molybdenum-copper-tungsten deposit.

The rights to remove and ship therefrom all ore, bullion, concentrates and minerals recovered in any manner from the Davidson Property (collectively, the “**Rights**”) were held by Generation Mining Limited (“**GM**”) through the Davidson Agreement, which was entered on April 1, 2016 between a predecessor of GM and Roda Holdings Inc. (“**Roda**”). The Company acquired all of GM’s Rights to the Davidson Property in November 2023.

Roda maintains registered title to the Davidson Property, and shall transfer the title to Moon River upon either: (i) Moon River obtaining bona fide funding commitments in amounts sufficient to construct a mine capable of mining at least 500,000 tons of ore per year where registration of title documents is required by the parties providing funding; or (ii), on notice to Roda of commencement of commercial production at levels sufficient to result in the mining of at least 500,000 tons of ore within one year from commencement of commercial production. In consideration of the Rights, Moon River shall pay Roda \$100,000 per fiscal year and reimburse Roda for the annual lease and property maintenance payments in connection with the mining leases.

Upon transfer of title from Roda to Moon River, Moon River shall pay Roda a 3% Net Smelter Royalty (“**NSR**”). If the NSR payments to Roda in a fiscal year are less than \$100,000, Moon River must make a payment to Roda equivalent to the difference between the NSR payments for the fiscal year and \$100,000. As security for the performance of Moon River’s obligations under the Davidson Agreement, Roda also has a first ranking mortgage of and security interest in Moon River’s right, title and interest in the Davidson Agreement, the Davidson Property and minerals and mineral products extracted or produced therefrom.

Moon River has a right of first refusal in respect of the transfer from Roda to any third party of all or any part of the Davidson Property, the NSR, or any of Roda’s rights under the Davidson Agreement.

The Company incurred mineral exploration and evaluation costs of \$477,183 (2024 - \$975,018) on the Davidson Property in the year ended December 31, 2025.

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

**4. MINERAL PROPERTIES (CONTINUED)**

**Endako Mine**

On May 30, 2024, the Company closed the transaction to acquire a 25% participating interest in the Endako molybdenum mine complex in British Columbia (the “**Endako Mine**”) through the acquisition of all outstanding shares of Sojitz Moly Resources Inc. (“**SMR**”), a wholly owned subsidiary of Sojitz Corporation (“**Sojitz**”), pursuant to a share purchase agreement dated February 28, 2024 (the “**SPA**”), with Sojitz (the “**Endako Acquisition**”).

The Endako Mine is managed through the Endako joint venture pursuant to an Exploration, Development and Mine Operating Agreement dated as of June 12, 1997 (the “**Endako JV**”) between SMR (now Moon River Molybdenum BC Ltd.) and the 75% interest holder Thompson Creek Mining Ltd. (now Thompson Creek Metals Company Inc.) (“**TCM**”), a subsidiary of Centerra Gold Inc.

Mining operations at the Endako Mine began in 1965 and were suspended in December 2014, not long after the commissioning of a new mill in 2012, because of market conditions. The Endako Mine has been placed on care and maintenance and managed by its 75% interest holder TCM since July 2015.

Exploration and evaluation costs of \$848,220 (2024 - \$86,495) related to Endako were expensed in the year ended December 31, 2025.

The following table summarizes the Company’s cumulative acquisition, exploration and evaluation expenditures which have been expensed according to the Company’s accounting policy:

	December 31 2025 \$	Additions 2025 \$	December 31 2024 \$	Additions 2024 \$	December 31 2023 \$
Davidson Property	4,825,396	477,183	4,348,213	975,018	3,373,195
Endako Mine	1,014,117	848,220	165,897	86,495	79,402
Total	5,839,513	1,325,403	4,514,110	1,061,513	3,452,597

**5. RESTRICTED CASH**

	December 31 2025 \$	December 31 2024 \$
Cash held in escrow	29,628	2,017,146
Short-term investments held in escrow	2,839,472	3,162,297
	2,869,100	5,179,443
Non-current: short-term investment held in escrow	1,940,528	14,017,703
Non-current: reclamation bond	25,105,000	15,475,000
	29,914,628	34,672,146

At December 31 2025, restricted cash consists of \$4,809,628 (2024 - \$19,197,146) cash and short-term investments held in escrow to be used for future care and maintenance and reclamation of the Endako Mine, of which approximately \$2,869,100 are projected to be spent within twelve months after December 31, 2025 (2024 - \$5,179,443). During the year, the Company’s share of the reclamation bond on the Endako Mine, in the form of a cash backed letter of credit issued to the Province of British Columbia, increased from \$15,475,000 to \$25,105,000. The increase in the reclamation bond was funded by the Company’s restricted cash held in escrow. The Company incurred finance costs of \$227,480 in the year ended December 31, 2025, in renewing and amending the cash backed letter of credit.

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

**6. AMOUNTS RECEIVABLE**

	December 31 2025 \$	December 31 2024 \$
HST recoverable	128,645	92,368
Accrued interest on short term cash deposit	415,629	546,044
Other	6,861	11,782
	<u>551,135</u>	<u>650,194</u>

**7. PROPERTY, PLANT AND EQUIPMENT**

The Company acquired property, plant and equipment (“PP&E”) through the acquisition of the Endako Mine on May 30, 2024 (note 4). The following is a summary of the carrying value of the Company’s share of the PP&E at the Endako Mine at December 31, 2025:

	Land \$	Buildings \$	Equipment & Vehicles \$	Total \$
At January 1, 2024				
Cost	-	-	-	-
Cost - Endako acquisition - (May 30, 2024)	16,398	26,744	2,205,140	2,248,282
Additions	-	-	199,770	199,770
Dispositions	-	-	(4,640)	(4,640)
Accumulated depreciation	-	-	(5,682)	(5,682)
Net book value at December 31, 2024	<u>16,398</u>	<u>26,744</u>	<u>2,394,588</u>	<u>2,437,730</u>
Accumulated depreciation	-	-	(14,109)	(14,109)
Net book value at December 31, 2025	<u>16,398</u>	<u>26,744</u>	<u>2,380,479</u>	<u>2,423,621</u>

The Company had no PP&E prior to the acquisition of Endako Mine. Building and equipment in the amount of \$2,423,621, are not being depreciated as they are not in use and are reflected at cost at the date of acquisition and at December 31, 2025.

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	December 31 2025 \$	December 31 2024 \$
Accounts payable	215,820	1,111,033
Payable to related parties (note 17)	2,825	2,825
Accrued liabilities	1,006,617	892,217
Total accounts payable and accrued liabilities	<u>1,225,262</u>	<u>2,006,075</u>

The accrued liabilities of \$1,006,617 (2024 - \$892,217) as at December 31, 2025 consist of \$748,781 (2024 - \$764,717) pertaining to Moon River’s portion of the accrued invoices for work performed by various vendors on reclamation and care and maintenance projects at the Endako Mine in 2025, and accrued professional fees of \$257,836 (2024 - \$127,500).

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

**9. EARNOUT PAYMENT LIABILITY**

As a consideration for the Endako Acquisition (note 4), the Company paid \$1 to Sojitz and agreed to make four earn-out payments, contingent on the annualized average market price of molybdenum (“Mo”) reaching or exceeding US\$26 per pound (USD per lb Mo) during the prior year, payable annually to Sojitz beginning on May 30, 2027 and ending on May 30, 2030 (the “**Earn Out Payments**”) in accordance with the following table:

<b>Average market price of molybdenum during the prior year (USD per lb Mo)</b>	<b>Payment to Sojitz (CAD)</b>
Less than \$26.00	\$0
\$26.00-\$26.99	\$2,000,000
\$27.00-\$27.99	\$2,200,000
\$28.00-\$28.99	\$2,400,000
\$29.00-\$29.99	\$2,600,000
\$30.00 or higher	\$2,800,000

The Earn Out Payments payable by the Company to Sojitz shall not exceed \$10 million in aggregate and are payable irrespective of whether or not the Endako Mining is in production at such time. The fair value of the Earn Out Payments was estimated to be approx. \$2,550,000 at the time of the Endako Acquisition (and at December 31, 2024) and \$2,281,019 as at December 31, 2025. The estimated fair value was calculated using the Monte Carlo pricing model with the following assumptions: volatility of 27% (2024 – 28%), risk free interest rate of 3.4% (2024 – 4.2%) and discount rate of 9.5% (2024 – 10.5%). The most significant input impacting fair value is the volatility assumption. A 20% increase in the volatility assumption would increase the fair value of the instrument by approximately \$72,000 (2024 – \$45,000). Conversely, a 20% decrease would decrease the fair value by approximately \$144,000 (2024 – \$10,000).

**10. PROVISION FOR CARE & MAINTENANCE**

On the Endako Acquisition, the Company recognized a provision for care and maintenance in the amount of \$13,691,038, arising from the Company’s obligation for the 25% share of the ongoing care and maintenance costs at the Endako Mine pursuant to the SPA with Sojitz (note 4). This amount was funded by Sojitz as part of the SPA and represents Moon River’s portion of the estimated care and maintenance costs for the Endako Mine.

The Company’s share of the care and maintenance expenses totaled \$3,759,982 during the period from the date of the Endako Acquisition to December 31, 2025 (2024 - \$1,388,787). The amount is recorded as a reduction to the care and maintenance provision.. The provision is reviewed and adjusted at each balance sheet date to reflect changes in the discount rate used and future cash flows to settle the obligation. There are no material revisions to the provision at December 31, 2025.

As at December 31, 2025, the Company has reflected \$2,869,100 (2024 - \$3,025,819) as a current liability representing management’s estimate of its portion of the Endako JV’s care and maintenance obligation in the following twelve months from the balance sheet date.

**11. PROVISION FOR RECLAMATION**

In connection with the Endako Acquisition, the Company recognized a provision for reclamation in the amount of \$28,195,457, arising from the Company’s obligation for the 25% share of the closure costs at the Endako Mine pursuant to the SPA with Sojitz (note 4). As at December 31, 2025, the provision is \$22,572,345 (2024 - \$24,840,390) reflecting a decrease of \$2,268,045 in 2025. The net changes are due to payments of reclamation expenditures made during the year ended December 31, 2025 and a decrease in the reclamation cost estimates partially offset by the accretion of the liability. The provision is reviewed and adjusted at each balance sheet date to reflect changes in the discount rate used and future cash flows to settle the reclamation obligation.

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

**11. PROVISION FOR RECLAMATION (CONTINUED)**

The following table reconciles the beginning and ending carrying amounts of the Company's provision for reclamation.

	December 31 2025 \$	December 31 2024 \$
<b>Balance, beginning of year</b>	24,840,390	-
Additions on Endako Acquisition	-	28,195,457
Changes in cost estimates	(1,312,358)	1,134,227
Accretion Expense	878,467	560,026
Liabilities settled	(1,834,154)	(5,049,320)
Balance, end of period	<u>22,572,345</u>	<u>24,840,390</u>
Current portion	-	2,153,624
Non-current portion	22,572,345	22,686,766
Total Provision for reclamation	<u>22,572,345</u>	<u>24,840,390</u>

The current portion of the liability is \$nil as at December 31, 2025 as no reclamation expenditures are expected in the twelve months following the balance sheet date. The current portion of the liability was \$2,153,624 in the prior year, reflecting management's estimate of its portion of the Endako JV's reclamation obligation in the twelve months following December 31, 2024.

**12. CAPITAL STOCK**

**Authorized:**

Unlimited number of common shares  
 Unlimited number of special shares issuable in series

During the year ended December 31, 2025, a total of 336,280 common shares were issued upon exercise of warrants.

The changes to the Company's share capital during the year ended December 31, 2025 and 2024 are as follows (note 22):

	Number of Shares	Capital Stock \$
Balance at December 31, 2024	32,960,000	5,773,539
Issued on exercise of warrants	336,280	133,570
Balance at December 31, 2025	<u>33,296,280</u>	<u>5,907,109</u>

**13. WARRANTS**

During the year ended December 31, 2025, a total of 336,280 outstanding warrants were exercised at a price of \$0.25 for gross proceeds of \$84,070. The company has no warrants outstanding as at December 31, 2025 (note 22).

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

**14. STOCK OPTIONS**

The Company has a Stock Option Plan for its directors, officers, employees, and consultants. Stock options granted under the Stock Option Plan have various terms at the discretion of the Board of Directors. Options are granted at a price no lower than the market price of the common shares at the time of the grant.

The changes in stock options during the year ended December 31, 2025 and 2024 are as follows:

	Number of Options	Weighted Average Exercise Price \$
Balance at December 31, 2023	3,090,000	0.32
Stock options issued	200,000	0.72
Balance at December 31, 2024	3,290,000	0.35
Stock options cancelled	(133,334)	0.72
Stock options issued	135,000	0.41
Balance at December 31, 2025	3,291,666	0.34

On May 2, 2025, the Company granted 135,000 stock options to a director and an employee at an exercise price of \$0.41 per share, for a term of 10 years, with up to a third of the options vesting on the date of grant and two tranches in two anniversaries after the grant, a third at the end of the first anniversary year and a third at the end of the second anniversary year. The grant date fair value of the options was estimated at \$0.39 per option for a total of \$52,799, of which \$35,207 have been expensed in the year ended December 31, 2025. The estimated fair value was calculated using the Black-Scholes option pricing model with the following assumptions: share price of \$0.41, expected dividend yield of 0%; expected volatility of 122%; risk free interest rate of 3.18% and expected life of 10 years.

The following table summarizes the stock options outstanding at December 31, 2025:

Exercise Price \$	Options Outstanding	Options Exercisable	Expiry date	Remaining Life to Expiry (Years)
0.25	2,820,000	1,880,000	November 15, 2033	7.9
0.72	66,666	66,666	May 14, 2034	8.4
1.09	270,000	180,000	December 20, 2033	8.0
0.41	135,000	45,000	May 2, 2035	9.3
	3,291,666	2,171,666		

As at December 31, 2025, the options outstanding have a weighted average remaining life of 7.96 (2024 – 8.92) years at a weighted average exercise price of \$0.34 (2024 – \$0.35).

**15. COPORATE ADMINISTRATION EXPENSES**

	Year ended December 31	
	2025	2024
	\$	\$
Professional fees	202,940	159,819
Listing, filing & investor relations	456,037	317,516
Office and general	772,703	618,760
	1,431,680	1,096,095

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

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**16. INTEREST INCOME**

Interest income consists of interest earned and/or accrued on the Company's interest-bearing accounts and short-term investments, including interest earned on restricted cash (note 5). Pursuant to the Trust Indenture dated May 30, 2024 entered into among TSX Trust, Moon River, Sojitz and Moon River BC, the interest earned on the escrow funds is paid to the Company on a quarterly basis.

**17. RELATED PARTY TRANSACTIONS**

The Company's related parties consist of its directors, officers, and significant shareholders.

During the year ended December 31, 2025, a total amount of \$392,000 (2024 - \$349,000) were expensed for professional services provided by key management and officers of the Company, including \$140,000 (2024 - \$142,000) by a company controlled by the Chief Executive Officer and Director of the Company; \$110,000 (2024 - \$80,000) by a company controlled by Chief Financial Officer of the Company; salaries of \$82,000 (2024 - \$67,000) paid to the Corporate Secretary, and gross Director's fees of \$60,000 (2024 - \$60,000) paid to the Executive Chairman and Director of the Company. In addition, the Company paid total gross Director's fees of \$127,500 (2024 - \$97,500) to three non-executive Directors during the year ended December 31, 2025.

During the year ended December 31, 2025 and 2024, the Company paid office rent of \$30,000 to Generation Mining Limited, a significant shareholder of the Company.

Included in accounts payable and accrued liabilities as at December 31, 2025 is \$2,825 (December 31, 2024 - \$2,825) due to the related parties of the Company. Such amounts were due on demand, unsecured and non-interest bearing.

**18. FINANCIAL RISK MANAGEMENT**

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and restricted cash and investments. The Company's cash, restricted cash and investments are held through large Canadian Financial Institutions. The Company has no material concentration of credit risk arising from operations. Management believes the risk of loss to be remote.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities in full. The Company's approach to managing liquidity risk is to ensure that it will have sufficient cash to meet liabilities when due. The Company's financial liabilities include accounts payable and accrued liabilities, all of which have contractual maturities of less than one year and are subject to normal trade terms. In addition, the Company has Earn Out Payment liabilities of up to \$10 million in aggregate, payable annually from May 30, 2027 to May 30, 2030 to the vendor of the 25% participating interest in the Endako Mine, contingent on the annualized molybdenum price reaching US\$26 per pound (note 9).

The Company's primary source of working capital and liquidity is equity financing.

The Company's ability to continue operations and fund its business is dependent on management's ability to secure additional financing (note 1). It is anticipated that the Company will continue to rely on equity financing to meet its ongoing working capital requirements in the near term.

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

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**18. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not presently have any interest-bearing debt. The Company's exposure to interest rate risk arises primarily from its cash and cash equivalents and restricted cash and investment balances, which earn interest at variable rates.

Restricted cash is held in escrow in accordance with contractual arrangements (refer to note 5); however, the Company retains the right to earn and receive interest income on these balances. Accordingly, restricted cash is exposed to variability in interest rates in a manner consistent with cash and cash equivalents.

A reasonably possible change in interest rates of 100 basis points, with all other variables held constant, would have increased (decreased) net income by approximately \$307,000 (20X4 – \$370,000), primarily as a result of higher (lower) interest income earned on cash and restricted cash and investment balances.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company currently does not have any financial instruments that would be impacted by changes in market prices except for the earn out liability discussed in note 9.

**Fair Value of Financial Instruments**

The Company values financial instruments carried at fair value using quoted market prices, where available. Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Company maximizes the use of observable inputs within valuation models. When all material inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3. Level 3 fair values are based on a number of valuation techniques other than observable market data. The Earn Out Payments arising from the Endako Acquisition (note 9) are carried at level 3 values on the balance sheet of the Company at December 31, 2025.

**19. CAPITAL MANAGEMENT**

The capital of the Company consists primarily of its shareholders' equity. The Company's policy is to attain adequate capital to sustain the Company's acquisition, evaluation and exploration activities. This is done primarily through equity financing. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risks characteristic of the underlying assets. In order to maintain or adjust the capital structure, the Company will monitor its capital funding and spending to manage current and projected expenditure levels. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. All equity financings require the approval of the Board of Directors.

The Company invests all capital that is surplus to its immediate operational needs in short term, highly liquid financial instruments, such as short-term guaranteed investment certificates, held with a major Canadian financial institution.

The Company has not paid or declared any dividends since the date of its incorporation, nor are any dividends contemplated in the foreseeable future.

The Company does not have any externally imposed capital requirements, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) CDN\$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

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**20. COMMITMENTS AND CONTINGENCIES**

The Company's evaluation and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company considers its operations substantially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company agreed to Earn Out Payments of up to \$10 million in aggregate, payable annually from May 30, 2027 to May 30, 2030 to the vendor of the 25% participating interest in the Endako Mine, contingent on the annualized molybdenum price reaching US\$26 per pound (note 9).

In addition, the Company has commitments required to maintain its rights and titles to its mineral properties as disclosed in note 4 – Mineral properties and exploration and evaluation expenditures.

**21. INCOME TAXES**

The Company has available approximately \$147,606,659 in non-capital loss carry-forwards which can be used to reduce the amount of tax payable in future years. The potential benefit of these losses has not been recognized in these financial statements and will expire if unused as follows:

2032	24,473,725
2033	46,483,504
2034	36,833,160
2035	11,865,199
2036	1,502,097
2037	1,266,575
2038	6,123,205
2039	1,603,584
2040	1,505,705
2041	1,956,460
2042	4,029,357
2043	2,947,938
2044	7,320,251
2045	(304,101)
	<u>147,606,659</u>

The benefit of these amounts has not been recognized in these financial statements.

The Company's effective corporate tax rate varies from the statutory rate of tax in Canada due to the following factors:

The Company's provision for income taxes differs from the amounts computed by applying the basic current rates to loss for the year before taxes, as shown in the following table:

	2025	2024
	\$	\$
Loss before income taxes	(1,377,313)	(3,291,818)
Statutory income tax rate	27.00%	27.00%
Expected income tax recovery	(371,875)	(888,791)
Adjustments:		
Non-deductible expenses	464,117	432,628
Deferred tax assets not recognized / (recognized)	(92,242)	456,163
Deferred income tax provision	-	-

**MOON RIVER MOLY LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
**(Expressed in Canadian dollars)**

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**21. INCOME TAXES (CONTINUED)**

The company has the following unrecognized deductible temporary differences and unused tax losses for which deferred tax assets have not been recognized in these consolidated financial statements.

	2025	2024
	\$	\$
Capital assets and other	99,855,552	102,213,698
Exploration and evaluation properties	5,619,375	4,391,134
Non capital losses and share issue costs	147,606,659	142,401,711
Unrecognized deductible temporary differences	(253,081,586)	(249,006,543)
Benefit recognized in the financial statements	-	-

**22. SUBSEQUENT EVENT**

On February 26, 2026, the Company closed a private placement (the “**Offering**”), pursuant to which 4,246,716 units of the Company (the “**Units**”) were issued at a price of \$0.85 per Unit for gross proceeds of approximately \$3,609,709.

Each Unit consists of one common share of the Company (each, a “**Common Share**”) and one half of one Common Share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder thereof to acquire one Common Share (each, a “**Warrant Share**”) at price of \$1.15 per Warrant Share at any time until February 26, 2028, provided that the Warrants may not be exercised prior to April 27, 2026.

In connection with the Offering, the Company paid the agents a cash commission totaling approximately \$252,670 and issued an aggregate of 297,270 non-transferable broker warrants of the Company (the “**Broker Warrants**”) to the Agents. Each Broker Warrant is exercisable to acquire one Unit (each, a “**Broker Warrant Unit**”) at a price of \$0.85 per Broker Warrant Unit at any time until February 26, 2028, subject to adjustment in certain circumstances. The Broker Warrants, and the Common Shares and Warrants underlying the Broker Warrant Units, are subject to a statutory hold period of four months and one day pursuant to applicable Canadian securities laws, expiring on June 27, 2026. In addition, the company incurred legal and other transaction costs of \$274,168 in connection with the Offering.