VERDE AGRITECH LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Second Quarter Ended 30 June 2026

VERDE AGRITECH LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS

VERDE AGRITECH LIMITED

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE

Second Quarter Ended 30 June 2026

The accompanying unaudited consolidated financial statements of Verde AgriTech Limited (“Verde”, the "Company", or the “Group”) for the three and six months ended 30 June 2026 have been prepared by and are the responsibility of the Company's management. They have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ issued by the International Accounting Standards Board (“IASB”) and do not include all of the information and disclosures that would be required by International Financial Reporting Standards for annual audited financial statements. The interim consolidated financial statements should be read in conjunction with the Group’s audited financial statements including the notes thereto for the year ended 31 December 2025. The financial information has not been reviewed or audited by the Group’s auditor.

These financial statements have been approved by the Audit Committee and the Board of Directors of the Group.

VERDE AGRITECH LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the quarter ended 30 June 2026.

All amounts expressed in Canadian dollars.

	Note	**3 months ended 30 Jun 2026 $'000**	3 months ended 30 Jun 2025 $'000	**6 months ended 30 Jun 2026 $'000**	6 months ended 30 Jun 2025 $'000
Revenue		**3,425**	4,800	**5,102**	7,652
Production costs		**(1,638)**	(2,049)	**(3,063)**	(3,541)
Gross Profit		**1,787**	2,751	**2,039**	4,111
Sales and distribution expenses		**(2,310)**	(1,714)	**(3,662)**	(3,680)
General and administrative expenses		**(1,594)**	(2,063)	**(2,758)**	(3,826)
Operating (Loss) / Profit		**(2,117)**	(1,026)	**(4,381)**	(3,395)
Finance income		**108**	60	**187**	133
Finance costs		**(1,623)**	(1,454)	**(3,166)**	(2,935)
(Loss) / Profit before tax from continuing operations		**(3,632)**	(2,420)	**(7,360)**	(6,197)
Income tax expense		**(5)**	(6)	**(6)**	(10)
(Loss) / Profit		**(3,637)**	(2,426)	**(7,366)**	(6,207)

(Loss) / Earnings per share ($)	**3 months ended 30 Jun 2026 $'000**	3 months ended 30 Jun 2025 $'000	**6 months ended 30 Jun 2026 $'000**	6 months ended 30 Jun 2025 $'000
Basic (loss) / earnings per share	**(0.064)**	(0.046)	**(0.131)**	(0.118)
Dilutive (loss) / earnings per share	**(0.064)**	(0.046)	**(0.131)**	(0.118)

VERDE AGRITECH LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 30 June 2026

All amounts expressed in Canadian dollars.

	Note	**3 months ended 30 Jun 2026 $'000**	3 months ended 30 Jun 2025 $'000	**6 months ended 30 Jun 2026 $'000**	6 months ended 30 Jun 2025 $'000
(Loss) / Profit for the period		**(3,637)**	(2,426)	**(7,366)**	(6,207)

Other comprehensive income

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations	(55)	(340)	**909**	1,418
Total comprehensive loss for the period attributable to equity holders of the parent	**(3,692)**	(2,766)	**(6,457)**	(4,789)

VERDE AGRITECH LIMITED

STATEMENT OF CASH FLOWS

For the Quarter Ended 30 June 2026

All amounts expressed in Canadian dollars.

Cash flows from operating activities	3 months ended 30 Jun 2026 $'000	3 months ended 30 Jun 2025 $'000	6 months ended 30 Jun 2026 $'000	6 months ended 30 Jun 2025 $'000
Operating profit/(loss)	(3,632)	(2,420)	(7,360)	(6,197)
Depreciation	889	801	1,710	1,607
Amortization of mineral property	-	-	-	-
Depletion of mineral property	-	2	2	3
Loss from disposal of property, plant and equipment	2	1	17	401
Loss from disposal of Right-of-use assets	-	-	-	35
Foreign exchange differences	98	(59)	492	649
Share-based payments and non-cash bonuses	34	72	102	233
Derivative financial instruments	-	-	-	3
Deferred taxes	-	-	-	-
Expected credit losses on trade receivable	532	(5)	557	519
Finance costs	1,586	1,427	3,096	2,865
Decrease/(Increase) in inventories	(278)	301	(463)	175
Decrease / (Increase) in receivables	(1,066)	(477)	(984)	(2,236)
(Decrease) / Increase in payables	541	613	1,095	1,483
Cash generated/(utilized) in operations	**(1,294)**	**256**	**(1,736)**	**(460)**
Interest paid	(31)	(49)	(112)	(214)
Taxation paid	(1)	(4)	(5)	(8)
Net cash (utilized) / generated in operating activities	**(1,326)**	**203**	**(1,853)**	**(682)**
Cash flows from investing activities				
Financial investments	-	-	-	-
Acquisition of mineral property assets	-	(39)	(3)	(42)
Acquisition of property, plant and equipment	(609)	(37)	(818)	(102)
Net cash utilized in investing activities	**(609)**	**(76)**	**(821)**	**(144)**
Cash flows from financing activities				
Bank loan received	-	-	-	-
Bank loans payments (principal)	(32)	(9)	(61)	(9)
Lease Liabilities Additions	-	-	-	-
Lease liabilities payments	-	-	-	(43)
Proceeds from issue of shares	-		4,052	
Net cash generated from financing activities	**(32)**	**(9)**	**3,991**	**(52)**
Net increase/(decrease) in cash and cash equivalents	(1,967)	118	1,317	(878)
Cash and cash equivalents at beginning of period	6,385	2,480	2,985	3,476
Effect of exchange rate fluctuations on cash held	(303)	(218)	(187)	(218)
Cash and cash equivalents at end of period	**4,115**	**2,380**	**4,115**	**2,380**

VERDE AGRITECH LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026
All amounts expressed in Canadian dollars.

Assets	Note	30 June 2026 ($'000) ($'000)	31 Dec 2025 ($'000)
Property, plant and equipment	5	**42,380**	**39,445**
Mineral properties	6	**19,586**	**18,374**
Other assets	7	**435**	**396**
Deferred tax asset		**2,848**	**2,595**
Total non-current assets		**65,249**	**60,810**
Inventory		**1,839**	**1,376**
Trade and other receivables		**5,699**	**5,311**
Cash and cash equivalents	13	**4,115**	**2,985**
Total current assets		**11,653**	**9,672**
Total assets		**76,902**	**70,482**
Equity attributable to the equity holders of the parent			
Issued capital	9	**21,342**	**20,664**
Capital contribution		**49,862**	**49,862**
Warrants reserve	10	**3,374**	**-**
Merger reserve		**(4,557)**	**(4,557)**
Translation reserve		**(14,015)**	**(14,924)**
Accumulated losses		**(37,526)**	**(30,262)**
Total equity		**18,480**	**20,783**
Liabilities			
Interest-bearing loans and borrowings	12	**48,316**	**41,997**
Provisions		**139**	**128**
Total non-current liabilities		**48,455**	**42,125**
Trade and other payables		**3,178**	**2,148**
Interest-bearing loans and borrowings	12	**6,783**	**5,421**
Other financial liabilities	8	**6**	**5**
Total current liabilities		**9,967**	**7,574**
Total liabilities		**58,422**	**49,699**
Total equity and liabilities		**76,902**	**70,482**

VERDE AGRITECH LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

All amounts expressed in Canadian dollars.

	Share capital ($'000)	Capital contribution ($'000)	Warrants reserve ($'000)	Merger reserve ($'000)	Translation reserve ($'000)	Accumulated losses ($'000)	Total ($'000)
Balance at 1 January 2025	**20,652**	**49,862**	**-**	**(4,557)**	**(16,750)**	**(18,872)**	**30,335**
Comprehensive profit/(loss)							
Loss for the period	-	-	-	-	-	(6,207)	(6,207)
Foreign exchange translation differences	-	-	-	-	1,418	-	1,418
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**1,418**	**(6,207)**	**(4,789)**
Transactions with owners							
Issue of share capital	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	233	233
Total transactions with owners	**-**	**-**	**-**	**-**	**-**	**233**	**233**
Balance at 30 June 2025	**20,652**	**49,862**	**-**	**(4,557)**	**(15,332)**	**(24,846)**	**25,779**
Comprehensive profit/(loss)							
Loss for the period	-	-	-	-	-	(5,463)	(5,463)
Foreign exchange translation differences	-	-	-	-	408		408
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**408**	**(5,463)**	**(5,055)**
Transactions with owners							
Issue of share capital	12	-	-	-	-	-	12
Share-based payments			-			47	47
Total transactions with owners	**12**	**-**	**-**	**-**	**-**	**47**	**59**
Balance at 31 December 2025	**20,664**	**49,862**	**-**	**(4,557)**	**(14,924)**	**(30,262)**	**20,783**
Balance at 1 January 2026	**20,664**	**49,862**	**-**	**(4,557)**	**(14,924)**	**(30,262)**	**20,783**
Comprehensive profit/(loss)							
Loss for the period	-	-	-	-	-	(7,366)	(7,366)
Foreign exchange translation differences	-	-	-	-	909	-	909
Total comprehensive loss for the period	**-**	**-**	**-**	**-**	**909**	**(7,366)**	**(6,457)**
Transactions with owners							
Issue of share capital	678	-	3,374	-	-	-	4,052
Share-based payments	-	-	-	-	-	102	102
Total transactions with owners	**678**	**-**	**3,374**	**-**	**-**	**102**	**4,154**
Balance at 30 June 2026	**21,342**	**49,862**	**3,374**	**(4,557)**	**(14,015)**	**(37,526)**	**18,480**

VERDE AGRITECH LIMITED
NOTES TO THE GROUP FINANCIAL STATEMENTS

1. Corporate information

The consolidated financial statements of Verde Agritech Limited and its subsidiaries (together referred to as the ‘Group’) for the quarter ended 30 June 2026 were authorised for issue on August 6, 2026, in accordance with a resolution of the directors. Verde Agritech Limited (the parent) is a limited company incorporated and domiciled in Singapore and whose shares are publicly traded on the Toronto Stock Exchange (“TSX”) under the symbol “NPK”, and on the OTC Markets (“OTCQX”) under the symbol “VNPKF”. The registered office is located at Collyer Quay, #17-00, Collyer Quay Centre, Singapore 049318.

The principal activity of the Group is mineral extraction and the production and sale of fertilizer.

2. Material accounting policies

2.1 Basis of preparation

The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial information are the same as those described in the Group’s audited consolidated financial statements and notes thereto for the year ended 31 December 2025. The annual financial statements are prepared in accordance with international accounting standards and with IFRSs as promulgated by the International Accounting Standards Board (“IASB”) and their interpretations issued by the IFRIC.

In the opinion of management, the accompanying interim financial information includes all adjustments considered necessary for fair and consistent presentation of financial statements. These interim consolidated financial statements should be read in conjunction with the Group’s audited financial statements and notes for the year ended 31 December 2025.

The statutory accounts for the year ended 31 December 2025 have been filed with SEDAR+. The auditors’ report on these accounts was unqualified.

The consolidated financial statements have been prepared on a historical cost basis and are presented in Canadian dollars (“CAD”) rounded to the nearest thousand ($’000), except when otherwise indicated.

Going concern basis of preparation

For the period ended 30 June 2026, the Group reported operating revenue of $5,102, a net loss of -$7,366 and net cash flows from operating activities of -$1,853. Moreover, the Group presented a working capital surplus of $1,686.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

When assessing the going concern basis of preparation, the Directors have assessed historical sales experience and the saleability of the Products, along with forward orders taken and expected cash generation and reserves.

2. Material accounting policies (continued)

2.1 Basis of preparation (continued)

The Directors believe that the assumptions used to estimate the Group's results are reasonable, but any changes in the macroeconomic scenario may have adverse impacts on the Group's ability to continue as a going concern. In the event that the Group's cash generation, together with its current cash reserves, is not sufficient to fulfil its cash obligations and requirements, the Directors will seek in advance other forms of capital inflow, which may include debt restructuring.

In conclusion, based on the Group's current cash balance, and Group's expectation regarding cash generation, working capital and current debt requirements, the Directors have a reasonable expectation that the Group will maintain the continuity of its activities for at least the next 12 months.

3. Operating segments

The Group's operations relate to the mining of mineral deposits and the sale of multi-nutrient potassium specialty fertilizer marketed in Brazil, with support provided from Singapore. Accordingly, the Group has one operating segment.

4. Loss per share

Basic loss per share

The calculation of basic loss per share at 30 June 2026 was based on the loss attributable to ordinary shareholders of -$7,366 (30 June 2025: -$6,207) and a weighted average number of Ordinary Shares outstanding during the period ended 30 June 2026 of 56,443,724 (30 June 2025: 52,669,724) calculated as follows:

Loss attributable to ordinary shareholders

	6 months ended 30 Jun 2026	6 months ended 30 Jun 2025
Loss for the period ($'000)	(7,366)	(6,207)
Loss attributable to ordinary shareholders ($'000)	(7,366)	(6,207)

Weighted average number of ordinary shares

	Number 30 Jun 2026	Number 30 Jun 2025
Weighted average number of ordinary shares outstanding – basic ('000)	56,444	52,670
Dilutive Stock options	-	-
Weighted average number of ordinary shares outstanding – dilutive ('000)	56,444	52,670
Basic (loss) / earnings per share	(0.131)	(0.118)
Diluted (loss) / earnings per share	(0.131)	(0.118)

4. Loss per share (continued)

The determination of the weighted average number of ordinary shares outstanding for the calculation of diluted earnings per share does not include the following effect of stock options which were anti-dilutive to earnings per share. For the period ended 30 June 2026, as a result of the loss for the period the stock options are deemed anti-dilutive.

	6 months ended 30 Jun 2026	6 months ended 30 Jun 2025
Anti-dilutive Stock options	5,010	4,836

VERDE AGRITECH LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

5. Property, plant and equipment

($'000)	Land and buildings	Plant and equipment	Computer equipment	Furniture and fixtures	Other assets	Total
Cost						
Balance at 1 January 2025	17,789	27,399	722	129	850	46,889
Additions	10	68	12	-	168	258
Disposals	-	-	(13)	-	(446)	(459)
Transfers	-	-	-	-	-	-
Effect of movements in foreign exchange	1,338	2,060	51	10	52	3,511
Balance at 31 December 2025	19,137	29,527	772	139	624	50,199
Balance at 1 January 2026	19,137	29,527	772	139	624	50,199
Additions	14	-	-	-	804	818
Disposals	-	(92)	(2)	-	-	(94)
Effect of movements in foreign exchange	1,866	2,877	76	16	101	4,936
Balance at 30 June 2026	**21,017**	**32,312**	**846**	**155**	**1,529**	**55,859**
Depreciation and impairment losses						
Balance at 1 January 2025	1,307	5,233	422	62	-	7,024
Depreciation charge for the period	545	2,508	147	11	-	3,211
Transfers	-	-	-	-	-	-
Depreciation on disposals	-	-	(12)	-	-	(12)
Effect of movements in foreign exchange	99	397	31	4	-	531
Balance at 31 December 2025	**1,951**	**8,138**	**588**	**77**	**-**	**10,754**
Balance at 1 January 2026	**1,951**	**8,138**	**588**	**77**	**-**	**10,754**
Depreciation charge for the period	292	1,339	73	6	-	1,710
Depreciation on disposals	-	(76)	(1)	-	-	(77)
Effect of movements in foreign exchange	198	827	60	7	-	1,092
Balance at 30 June 2026	**2,441**	**10,228**	**720**	**90**	**-**	**13,479**
Carrying amounts						
At 1 January 2025	16,482	22,166	300	67	850	39,865
At 31 December 2025	**17,186**	**21,389**	**184**	**62**	**624**	**39,445**
At 1 January 2026	17,186	21,389	184	62	624	39,445
At 30 June 2026	**18,576**	**22,084**	**126**	**65**	**1,529**	**42,380**

6. Mineral properties

	Total ($'000)
Cost	
Balance at 1 January 2025	17,928
Additions	211
Mine closure provision	6
Effect of movements in foreign exchange	918
Balance at 31 December 2025	**19,063**
Balance at 1 January 2026	19,063
Additions	3
Effect of movements in foreign exchange	1,277
Balance at 30 June 2026	**20,343**
Amortization	
Balance at 1 January 2025	638
Amortisation charge for the year	6
Effect of movements in foreign exchange	45
Balance at 31 December 2025	**689**
Balance at 1 January 2026	689
Amortisation charge for the period	2
Effect of movements in foreign exchange	66
Balance at 30 June 2026	**757**
Carrying amounts	
At 1 January 2025	17,290
At 31 December 2025	**18,374**
At 1 January 2026	18,374
At 30 June 2026	**19,586**

7. Other assets

($'000)	30 June 2026	31 Dec 2025
Receivables	435	396
Total	**435**	**396**

Long-term receivables are comprised primarily of judicial deposits.

8. Other financial assets and liabilities

($'000)	30 June 2026	31 Dec 2025
Derivative - Swap contracts	6	5
Total	**6**	**5**

9. Share capital

Issued - Ordinary Shares	30 June 2026		31 Dec 2025	
	Number	$'000	Number	$'000
At 1 January	**52,693,724**	**20,664**	52,669,724	20,652
Issuance of ordinary shares	3,750,000	678	24,000	12
At end of period	**56,443,724**	**21,342**	**52,693,724**	**20,664**

During the period, the Company completed a brokered private placement through the issuance of 3,750,000 units at C$1.20 per unit, for gross proceeds of C$4,500. Transaction costs directly attributable to the offering, including agent commissions, legal fees and related filing costs, amounted to C$448. Accordingly, net proceeds of C$4,052 were recognized in issued capital.

10. Share warrants

	30 June 2026		31 Dec 2025	
	Number	$'000	Number	$'000
At 1 January	**-**	**-**	-	-
Issuance of ordinary shares	3,862,500	3,374	-	-
At end of period	**3,862,500**	**3,374**	**-**	**-**

3,750,000 Ordinary Share purchase warrants were issued on 12 March 2026 in connection with the Placement, together with 112,500 broker warrants issued to the Agent, for a total of 3,862,500 warrants. Each warrant is exercisable to purchase one Ordinary Share at an exercise price of $1.65 for a period of 30 months following the closing date of the Offering, expiring on 12 September 2028. The warrants are unlisted. The fair value of the share purchase warrants at the date of issuance was estimated at $0.87 per warrant using the Black-Scholes model, based on assumptions including expected volatility of 140.37%, a risk-free interest rate of 3.12%, no expected dividends, and an expected life of 2.5 years.

The fair value of services received in return for the warrants issued is measured by reference to the fair value of the warrants issued in the absence of information on the fair value of the services provided. The share warrant reserve reflected the value of outstanding share warrants based on the fair value of the share warrants at the time of issue.

11. Share-based payments

During the period, the Group granted share options to key personnel to purchase shares in the entity. The number and weighted average exercise prices of share options are as follows:

	30 June 2026		31 Dec 2025	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the period	$1.32	4,857,074	$1.42	4,923,985
Granted during the period	$0.87	300,000	$0.73	300,000
Exercised during the period	-	-	$0.49	(24,000)
Cancelled/Forfeited during the period	$1.13	(146,702)	$1.57	(342,911)
Outstanding at the end of the period	**$1.30**	**5,010,372**	**$1.32**	**4,857,074**
Exercisable at the end of the period	**$0.76**	**3,930,607**	**$0.76**	**3,825,176**

The options outstanding at 30 June 2026 have an exercise price in the range of $0.40 to $7.76 (31 December 2025: $0.40 to $7.76) and a weighted average remaining contractual life of 6.8 years (31 December 2025: 6.7 years).

Issue date	**Vesting period**
June 2026	33% on 1st anniversary of issue, followed by 33% in year two and final 34% in year three.

At 30 June 2026, 3,930,607 of the options had vested (31 December 2025: 3,825,176).

Fair value of share options and assumptions ($)	**30 June 2026**	31 Dec 2025
Weighted average fair value of options granted during the period	$0.64	$0.51
Weighted average share price	$0.83	$0.73
Weighted average exercise price	$0.87	$0.73
Expected volatility (expressed as weighted average volatility used in the modelling under Black-Scholes model)	139%	110.69%
Option life	3	3
Expected dividends	-	-
Risk-free interest rate (based on national government bonds)	3.08%	2.83%

The expected volatility is based on the historic volatility of the share price (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. There are no market conditions associated with the share option grants.

($'000)	**30 June 2026**	**31 Dec 2025**
Total expense recognised as employee costs	102	280

11. Share-based payments (continued)

Details of share options outstanding at 30 June 2026 are as follows:

Number of Options							Exercisable period	
Outstanding at beginning of period	Granted	Forfeited	Exercised	Outstanding at end of period	Exercisable at end of period	Exercise price ($)	Grant date	Expiry date
131	-	-	-	131	131	$0.61	24 Sep 2018	24 Sept 2028
35,000	-	-	-	35,000	35,000	$0.61	24 Sep 2018	24 Sept 2028
124,490	-	-	-	124,490	124,490	$0.63	01 Mar 2019	01 Mar 2029
167,500	-	-	-	167,500	167,500	$0.63	01 Mar 2019	01 Mar 2029
10,000	-	-	-	10,000	10,000	$0.67	1 Sept 2019	1 Sept 2029
10,684	-	-	-	10,684	10,684	$0.40	25 Mar 2020	25 Mar 2030
11,683	-	-	-	11,683	11,683	$1.22	5 Mar 2021	5 Mar 2031
750,000	-	-	-	750,000	750,000	$1.22	5 Mar 2021	5 Mar 2031
6,245	-	(2,571)	-	3,674	3,674	$1.21	10 May 2021	10 May 2031
7,662	-	(831)	-	6,831	3,831	$7.76	16 Mar 2022	16 Mar 2032
3,000	-	(1,800)	-	1,200	1,200	$7.11	5 Nov 2022	5 Nov 2032
80,500	-	(16,000)	-	64,500	23,200	$2.23	19 May 2023	19 May 2033
98,452	-	-	-	98,452	98,452	$2.23	19 May 2023	19 May 2033
736,179	-	-	-	736,179	493,240	$2.32	15 July 2023	15 July 2033
70,000	-	(3,500)	-	66,500	21,000	$1.20	28 Mar 2024	28 Mar 2034
1,900,000	-	-	-	1,900,000	1,900,000	$1.20	28 Mar 2024	28 Mar 2034
101,548	-	-	-	101,548	67,022	$0.74	17 May 2024	17 May 2034
419,000	-	(25,000)	-	394,000	121,000	$0.80	19 June 2024	19 June 2034
100,000	-	-	-	100,000	66,000	$0.83	27 June 2024	27 June 2034
5,000	-	-	-	5,000	1,000	$0.71	12 Aug 2024	12 Aug 2034
20,000	-	-	-	20,000	4,000	$0.63	12 Dec 2024	12 Dec 2034
85,000	-	(25,000)	-	60,000	6,000	$0.48	13 Aug 2025	13 Aug 2035
115,000	-	(72,000)	-	43,000	11,500	$0.99	19 Nov 2025	19 Nov 2035
-	300,000	-		300,000	-	$0.87	01 June 2026	01 June 2036
4,857,074	**300,000**	**(146,702)**	**-**	**5,010,372**	**3,930,607**			

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model.

12. Interest-bearing loans and borrowings

($'000)	30 June 2026	31 Dec 2025
Non-current liabilities ($'000)		
Bank loans	48,316	41,997
Current liabilities ($'000)		
Bank loans	6,783	5,421
Total	**55,099**	**47,418**

The Group did not receive any loans during the period.

12. Interest-bearing loans and borrowings (Continued)

Summary of Interest-bearing loans and borrowings

	2026 (C$'000)	2025 (C$'000)	Repayable by	Total interest payable*
Working capital[(a)]	50,817	43,803	Sep, 2034	CDI[(1)]+2.0%
Working capital	2,732	2,276	Sep, 2034	TR[(2)]
Fixed asset acquisition[(b)]	446	463	Oct, 2029	CDI[(1)]+2.0%
Fixed asset acquisition[(b)]	1,147	966	Sep, 2034	CDI[(1)]+2.0%
Transaction costs	(43)	(90)	Apr, 2028	-
Total	**55,099**	**47,418**		

1) - CDI, (from Portuguese "Certificado de Depósito Interbancário") is the average of interbank overnight rates in Brazil. As at 30 June, 2026, the 12 months cumulative rate was 14.77%.
(2) - Taxa Referencial (TR), currently at around 2.02% per year.

Bank loans are secured as follows:
Indicator [(a)] – Plant / Factory
Indicator[(b)] – Fixed charge over the equipment purchased

Interest-bearing loans and borrowings are denominated in BRL.

Maturity profile of the bank loans is as follows:

	2026			2025		
	Due in less than 1 year	Due in 2-4 years	Due in more than 4 years	Due in less than 1 year	Due in 2-4 years	Due in more than 4 years
	$'000	$'000	$'000	$'000	$'000	$'000
Bank Loans	6,783	20,349	27,967	5,421	21,678	20,319

In October 2024, the Company entered into a debt renegotiation agreement that was subsequently homologated by a Brazilian civil court. The agreement provides for an 18-month grace period for principal payments and a six-month grace period for interest payments, effective from the agreement's official start date, followed by a 108-month repayment term.

The repayment schedule establishes that the Company will repay 10% of the debt during the first three years following the grace period, 30% between the fourth and sixth years, and the remaining 60% over the final three years. For interest payments, the Company will make fixed monthly payments of R$100,000 between the sixth and eighteenth months from the start date. After this period, interest rates will be adjusted to CDI + 1.25% for the first three years, increasing to CDI + 2.5% thereafter.

This renegotiation has resulted in a substantial reduction of short-term debt obligations, as reflected in the updated maturity profile. The plan aims to strengthen the Company's cash flow and ensure better financial management throughout the judicial recovery process.

13. Financial instruments

The Board of Directors determines, as required, the degree to which it is appropriate to use financial instruments and hedging techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign exchange risk, interest rate risk and liquidity risk, each of which is discussed below. There is no perceived credit risk as the Group and Company have minimal other financial receivables and bank deposits are made with financial institutions considered to have strong credit ratings.

Foreign currency risk

The Group's cash resources are mainly held in Canadian dollars and Brazilian real. Exchange rate fluctuations may adversely affect the Group's financial position and results. The Group's financial results are reported in Canadian dollars, and its revenues, costs and finance costs are primarily incurred in Brazilian real.

The appreciation of the Brazilian real against the Canadian dollar could increase the actual revenues and operating costs of the Group's operations and materially affect the results presented in the Group's financial statements.

Currency exchange fluctuations may also materially adversely affect the Group's future cash flows from operations, its results of operations, financial condition and prospects. The Group has a general policy of not hedging against foreign currency risks. The Group manages foreign currency risk by regularly reviewing the balances held in currencies other than the functional currency to match expected expenditure in foreign currency.

The Group had the following short-term deposits and cash and cash equivalents in various currencies including its presentation currency. The amounts are stated in Canadian dollar equivalents:

Currency ($'000)	30 June 2026	31 Dec 2025
Canadian dollars	2,450	246
Brazilian reais	1,544	2,701
American dollars	108	25
Singaporean dollars	13	13
Total	**4,115**	**2,985**

The Brazilian reais deposits are held as interbank deposit certificates, with no maturity date and track Brazil's short-term interest rate (SELIC), which was 14.25% at June 30, 2026.

Foreign currency risk sensitivity analysis showing a 10% weakening/strengthening of the Brazilian real against the Canadian dollar with all other variables held constant is set out below. 10% represents the reasonable possible exposure.

	Equity ($'000)	
	30 June 2026	31 Dec 2025
10% weakening of Brazilian real	(5,370)	(4,257)
10% strengthening of Brazilian real	4,394	3,483

13. Financial instruments (continued)

Liquidity risk

The Group has relied on revenue generated from the sale of Product, along with shareholder funding and long-term loans to finance its operations. The liquidity risk is significant and is managed by controls over expenditure and cash resources. The Group and Company have borrowings, trade and other payables with a maturity of less than one year with borrowings and a provision greater than one year.

Interest rate risk

The Group's policy is to retain surplus funds in appropriate term deposits with maturities of up to twelve months.

The Group's policy is to make conservative investments, typically linked to the interest rate set by the Brazilian government (SELIC). Variations in this government interest rate can affect financial expenses, as the Group's loans are also tied to the same interest rate.

The Group's average current loan rate is 16.25% per annum. As of June 30, 2026, the SELIC target rate was 14.25% per annum. The Directors do not consider a significant increase in interest rates reasonably possible for the foreseeable future.

Credit risk

Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group generates revenue from the sale of products. Where credit is extended to customers this results in trade receivables which may be subject to default. This risk is mitigated by credit control procedures.

In addition, the Group has a credit risk relating to subsidiary investments. The Group expects loans to subsidiaries to be ultimately repaid from trading cash flows to be generated from its mining activities. Consideration is given at each reporting date as to whether the subsidiaries have sufficient liquid assets to repay the loans if demanded in order to determine the probability of default. The Group measures the lifetime expected credit loss by considering all the different recovery strategies and credit loss scenarios. The recovery strategy considered is a repayment-over-time strategy as net trading cash flows are expected to repay the balances. Likely credit loss scenarios are dependent on the operating capability factors inherent in the successful operation of the mine which include the selling price of the products, future costs and availability of capital, operating costs and tax rates. Sensitivity analysis is performed on the various factors and expected credit losses recognised as appropriate.

Fair values

In the Directors' opinion there is no material difference between the book value and fair value of any of the Group's financial instruments. The non-current loans and financing bear interest at floating interest rates.

13. Financial instruments (continued)

Classes of financial instruments

The classes of financial instruments are the same as the line items included on the face of the statement of financial position and have been analysed in more detail in the notes to the financial statements. The Group's financial assets are measured at amortized cost, and financial liabilities, other than derivative financial instruments, are measured at amortized cost.

14. Subsequent events

The Group evaluated subsequent events through the date these consolidated financial statements were authorized for issue and identified no events requiring adjustment or disclosure.