



Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025

(Expressed in US Dollars)

(Unaudited)

STEPPE GOLD LTD.**Condensed Interim Consolidated Statements of Financial Position**

(All dollar amounts expressed in thousands of United States Dollars)

	Notes	March 31, 2026	December 31, 2025
ASSETS			
Current assets			
Cash	3	73,061	68,295
Receivables and other assets	4	3,167	3,209
Due from related parties	5	-	2,114
Prepayments	6	4,453	4,621
Inventories	7	44,032	35,202
Investment in bonds	8	105,275	103,781
Total current assets		229,988	217,222
Long-term assets			
Property, plant and equipment	9	136,185	137,779
Right-of-use assets	10	7,432	707
Exploration and evaluation assets		1,643	1,643
Long term investments		315	225
Deferred tax asset		2,298	802
Total long-term assets		147,873	141,156
Total assets		377,861	358,378
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Amounts payable and other liabilities	11	11,705	10,762
Streaming arrangement in default	13	10,696	8,265
Current streaming arrangement	13	2,518	2,170
Convertible debenture - loan liability	14	2,760	-
Convertible debenture - derivative	14	1,580	3,349
Triple Flag Gold Prepay Loan	15	7,514	7,207
Short-term loans payable	16	71,030	63,154
Current lease liability	17	2,875	314
Current tax liability		12,677	13,720
Due to Boroo Singapore		945	945
Total current liabilities		124,300	109,886
Long-term liabilities			
Asset retirement obligation	12	17,574	17,070
Non-current streaming arrangement	13	40,090	29,797
Convertible debenture - loan liability	14	-	2,697
Long-term loans payable	16	31,349	41,484
Non-current lease liability	17	3,155	319
BORO bond	18	-	14,300
Total long-term liabilities		92,168	105,667
Total liabilities		216,468	215,553
Shareholders' equity			
Share capital	19	55,422	55,422
Translation reserve		(2,142)	(1,509)
Retained earnings		108,190	88,976
Total equity attributable to the owners of the Company		161,470	142,889

Non-controlling interest	(77)	(64)
Total shareholders' equity	161,393	142,825
Total liabilities and shareholders' equity	377,861	358,378

Subsequent events

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

Approved on behalf of the Board:

(Signed) "Tserenbadam Dugeree" _____, Director (Signed) "Batjargal Zamba" _____, Director

STEPPE GOLD LTD.**Condensed Interim Consolidated Statements of Income and Comprehensive Income**

(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts)

	Notes	March 31, 2026	March 31, 2025
Revenue	20	53,180	32,368
Cost of sales	21	(14,556)	(14,894)
Gross profit		38,624	17,474
Exploration and evaluation expenditures		(53)	(6)
Corporate administration expenses	22	(2,555)	(2,403)
Operating profit		36,016	15,065
Finance costs	23	(11,870)	(6,454)
Foreign exchange gains		1,045	459
Net profit before tax		25,191	9,070
Income tax	25	(5,990)	(2,483)
Profit for the period		19,201	6,587
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss:			
Cumulative translation adjustment		(633)	71
Comprehensive income for the period		18,568	6,658
Net profit attributable to shareholders of the Company		19,214	6,600
Net loss attributable to non-controlling interest		(13)	(13)
		19,201	6,587
Comprehensive income attributable to shareholders of the Company		18,581	6,671
Net loss attributable to non-controlling interest		(13)	(13)
		18,568	6,658
Basic net earnings per share		0.08	0.03
Diluted net earnings per share		0.08	0.03
Weighted average number of common shares outstanding - basic	24	252,827,187	252,827,187
Weighted average number of common shares outstanding - diluted	24	257,238,952	257,238,952

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

STEPPE GOLD LTD.**Condensed Interim Consolidated Statements of Cash Flows**

(All dollar amounts expressed in thousands of United States Dollars)

Three Months Ended	Notes	March 31, 2026	March 31, 2025
Operating activities			
Net profit for the period		19,201	6,587
<u>Adjustments to net profit:</u>			
Change in fair value of stream liability	13	13,072	2,977
Change in fair value of convertible debenture derivative	14	(1,769)	22
Change in fair value of Triple Flag Gold Prepay loan	15	307	1,061
Change in fair value of long term investments	23	(90)	73
Change in fair value of ATC consideration	5	(75)	(119)
Interest expense	23	2,173	4,142
Accretion and financing costs	23	400	637
Depreciation		2,269	3,413
Interest income	23	(1,494)	(1,660)
Foreign exchange loss/(gain)		(587)	(246)
Loss on inventory write off	7	(35)	(49)
Bad debt	23	(40)	(355)
Deferred tax benefit		(1,496)	(1,095)
Operating cash flows before changes in non-cash working capital items		31,836	15,388
<u>Changes in non-cash working capital items:</u>			
Inventories		(6,380)	(6,286)
Receivables and other assets		248	(124)
Amounts payable and other liabilities		9,624	4,607
Cash generated from operations		35,328	13,585
Interest paid	16	(4,598)	(5,549)
Income tax paid		(8,529)	(15,593)
Net cash generated/(used) from operating activities		22,201	(7,557)
Investing activities			
Acquisition of property, plant and equipment	9	(2,648)	(1,735)
Cash paid for right-of-use assets	10	(1,380)	-
Deposit on property, plant and equipment	9	-	(143)
Proceeds from ATC sales	5	2,215	3,032
Net cash generated/(used) in investing activities		(1,813)	1,154
Financing activities			
Repayment of BORO Bond	18	(14,300)	-
Repayment of loans payable	16	(1,131)	(21,229)
Interest paid on convertible debenture	14	-	(52)
Repayment of Gold Prepay loan	15	-	(2,907)
Lease payments	17	(191)	(56)
Net cash used in financing activities		(15,622)	(24,244)
Net increase/(decrease) in cash		4,766	(30,647)
Cash at the beginning of the period		68,295	47,132
Cash at the end of the period		73,061	16,485

Supplemental disclosure of non-cash flow information:

Asset retirement obligation cost	9	331	-
Asset retirement obligation movement	12	(331)	-
Right of use assets		5,524	-
Lease liability	17	(5,524)	-

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

STEPPE GOLD LTD.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity****For the three months ended March 31, 2026 and March 31, 2025**

(All dollar amounts expressed in thousands of United States Dollars, other than share amounts)

	Notes	Number of shares	Share capital	Translation Reserve	Retained Earnings	Sub-total	Non- controlling interest	Total equity
			\$		\$	\$	\$	\$
Balance as at January 1, 2025		252,827,187	55,422	(1,571)	56,242	110,093	(28)	110,065
Profit for the period	25	-	-	-	6,600	6,600	(13)	6,587
Other comprehensive income		-	-	71	-	71	-	71
Balance as at March 31, 2025		252,827,187	55,422	(1,500)	62,842	116,764	(41)	116,723
Balance as at January 1, 2026		252,827,187	55,422	(1,509)	88,976	142,889	(64)	142,825
Profit for the period	25	-	-	-	19,214	19,214	(13)	19,201
Other comprehensive loss		-	-	(633)	-	(633)	-	(633)
Balance as at March 31, 2026		252,827,187	55,422	(2,142)	108,190	161,470	(77)	161,393

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

STEPPE GOLD LTD.

Notes to Condensed Interim Consolidated Financial Statements For the three months ended March 31, 2026 and March 31, 2025

(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

1. Nature of operations

Steppe Gold Ltd. (the "Company" or "Steppe Gold") was incorporated under the laws of the Business Corporations Act (Ontario) by Articles of Incorporation dated October 5, 2016. The head office of the Company is located at Blue Sky Tower, 7th floor, Peace Avenue 17, Sukhbaatar District 1, Ulaanbaatar 14241, Mongolia and the mailing address of the Company is located at 342-6110 Currents Drive NW, Edmonton, Alberta, T6W 0L7.

Group ownership

As a result of the Boroo Gold Transaction, Boroo Gold is 100% owned by Steppe Gold, whose parent company is Boroo Singapore through its ownership of 56.88% of the shares of Steppe Gold.

Operations

The Group is focused on operating, developing, exploring and acquiring precious metal projects in Mongolia. The Company's producing mines are the Altan Tsagaan Ovoo Property (the "ATO Project" or "ATO"), located in Eastern Mongolia, and Boroo and Ulaanbulag (together the "Boroo Project") located in Selenge Aimag and Tuv Aimag, Mongolia.

Customer concentration

The Group sells all gold production to a single customer, Trade and Development Bank ("TDB"). Revenue is recognized upon delivery to TDB in accordance with IFRS 15. Due to regulatory restrictions on gold exports from Mongolia, downstream physical settlement of gold occurs within the domestic system.

Basis of Preparation

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The condensed interim consolidated financial statements should be read in conjunction with the consolidated annual financial statements of the Company as at and for the year ended December 31, 2025, available on SEDAR+ at www.sedarplus.ca, as some disclosures from the annual consolidated financial statements have been condensed or omitted.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 14, 2026.

These condensed interim consolidated financial statements have been prepared in US dollars ("USD"), which is the Group's presentation currency. As of March 31, 2026, the functional currency was determined to be USD for its Mongolian wholly-owned subsidiaries and Steppe Investment Limited, and to be the Canadian dollar ("CAD") for Steppe Gold Ltd., and all Canadian subsidiaries.

Going Concern

At the date of approving these condensed interim consolidated financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. Accordingly, the condensed interim consolidated financial statements have been prepared on a going concern basis.

2. Material accounting policies

The accounting policies and significant judgements applied by the Group in these condensed interim consolidated financial statements are consistent with those applied by the Group in its annual consolidated financial statements for the year ended December 31, 2025.

Adoption of new and revised Standards

The Group has adopted the following amendments and interpretations issued by the IASB that are relevant to its operations and effective for accounting periods that begin on or after January 1, 2026:

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(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

Amendments

IFRS 9, IFRS 7

The Company adopted amendments to IFRS 9 and IFRS 7 effective January 1, 2026. The amendments clarify classification and measurement requirements and update related disclosure requirements. The adoption did not have a material impact on the Company's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

The Company adopted the Annual Improvements to IFRS Accounting Standards – Volume 11 effective January 1, 2026. These amendments include minor changes to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The adoption of these amendments did not have a material impact on the Company's condensed interim financial statements.

New and revised IFRS Accounting Standards issued but not yet effective

The following Standards that are relevant to the Group are effective for annual periods beginning after January 1, 2026. The Group has not yet adopted any of this new standard:

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 is a new IFRS Accounting Standard aimed at improving how companies communicate in their financial statements. IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements.

IFRS 18 means companies will:

- In the statement of profit or loss—report two new defined subtotals including operating profit, based on a new set of requirements for classifying income and expenses in categories;
- In the notes—disclose information about some performance measures defined by management, which IFRS 18 identify as “management-defined performance measures” (MPMs); and
- In both the primary financial statements and the notes—group items applying enhanced requirements for aggregation and disaggregation of information.

IFRS 18 also introduces limited changes to the statement of cash flows.

All companies that prepare financial statements that comply with IFRS Accounting Standards are required to apply IFRS 18 retrospectively from January 1, 2027, with specific transition provisions. Earlier application is permitted.

The Company is currently assessing the impact of the standard on its consolidated financial statements.

Basis of consolidation

These condensed interim consolidated financial statements for the three months ended March 31, 2026 incorporate the Company and its wholly-owned and controlled subsidiaries as set out below:

Company Name	Country of Incorporation	Nature of Operations	Ownership Interest March 31, 2026
Steppe Gold LLC	Mongolia	Mining	100%
Boroo Gold LLC	Mongolia	Mining	100%
Steppe Investments Limited	British Virgin Islands	Investment	100%
Steppe West LLC	Mongolia	Holding Company	100%
Corundum Geo LLC	Mongolia	Mining	80%
Anacortes Mining Corp.	Canada	Holding Company	100%

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Notes to Condensed Interim Consolidated Financial Statements

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(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

New Oroperu Resources Inc.	Canada	Holding Company	100%
S.A. Mining Ventures Limited	Canada	Holding Company	100%
T.C. Mining Inc.	Canada	Holding Company	100%
687211 British Columbia Ltd.	Canada	Holding Company	100%

Critical Accounting Estimates and Judgments

The preparation of the Company's condensed interim consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

The significant judgments applied and key sources of estimation uncertainty were consistent with those disclosed in the Company's audited annual consolidated financial statements for the year ended December 31, 2025, except as noted below.

Valuation of Stream Liability

During the three months ended March 31, 2026, the carrying value of the stream liability increased by \$13,072 primarily due to changes in gold price assumptions and discount rates used in the valuation model.

The fair value of the stream liability is determined using discounted cash flow methodologies that incorporate estimates and assumptions related to future production, delivery schedules, commodity prices and discount rates. Changes in these assumptions could materially impact the carrying value of the liability. The valuation methodology used to determine the fair value of the stream liability has remained unchanged during the period from year-end December 31, 2025.

3. Cash

	March 31, 2026	December 31, 2025
	\$	\$
Bank balances	73,061	68,295
Total cash	73,061	68,295

Bank accounts are freely available and generate market rate interest.

4. Receivables and other assets

	March 31, 2026	December 31, 2025
	\$	\$
Tax receivable	125	88
Deposit	413	415
Other receivables	2,629	2,706
Total receivables and other assets	3,167	3,209

The carrying value of trade and other receivables classified at amortized cost approximates fair value.

5. Due from related parties

On April 11, 2024, the Company sold the Tres Cruces Project ("ATC") to Boroo Singapore and its subsidiary, the Company's indirect parent company, for CAD\$11.7 million (approximately \$8,545) in cash, payable over 18 months beginning as of August 1, 2024. The last instalment of ATC sale receivable amount was collected on February 10, 2026.

The table below represents the balance due from related parties:

Balance as at January 1, 2025	5,936
Proceeds received from ATC sale	(4,233)
Fair value adjustment	253
Foreign exchange difference	158

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Notes to Condensed Interim Consolidated Financial Statements

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(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

Balance as at December 31, 2025	2,114
Proceeds received from ATC sale	(2,215)
Fair value adjustment	75
Foreign exchange difference	26
Balance as at March 31, 2026	-

6. Prepayments

	March 31, 2026	December 31, 2025
	\$	\$
Prepayments to suppliers	4,207	4,406
Prepaid insurance	156	109
Prepaid rent	22	29
Other prepayments	68	77
Total prepayments	4,453	4,621

7. Inventories

	March 31, 2026	December 31, 2025
	\$	\$
Stockpiles of ore	22,894	16,389
Heap leach pad inventory	4,137	4,292
Gold in circuit	3,638	2,942
Finished goods	1,150	40
	31,819	23,663
Consumables and supplies	20,973	20,334
Provision for inventory obsolescence	(8,760)	(8,795)
	12,213	11,539
Total inventories	44,032	35,202

During the three months ended March 31, 2026, the Company recognized a net reversal of inventory write-downs of \$35 (year ended December 31, 2025: \$247), primarily related to slow-moving and obsolete spare parts, based on a review of inventory aging and operational requirements. The write-down and reversals are recognized in finance cost (Note 22) in the condensed interim consolidated income statement.

8. Investment in bonds

The table below represents the investment in bonds:

	March 31, 2026	December 31, 2025
	\$	\$
Balance, beginning of the year	103,781	97,050
Accrued interest income	1,494	6,731
Balance, end of the period	105,275	103,781

Boroo Gold currently holds 4 bonds which were issued by Boroo Singapore, its indirect parent company. The realisation of these bonds, which were due for redemption on December 31, 2025, is reliant on the operations of Boroo Singapore and Minera Boroo Misquichilca SA ("MBM"), a gold mining company with operations located in Peru, which is a subsidiary of Boroo Singapore. The bonds are callable in certain circumstances. On December 31, 2025, the Company agreed to extend the maturity date of the outstanding bonds from December 31, 2025 to December 31, 2026. Except for the extension of the maturity date, all terms and conditions of the bonds remain unchanged. As the bonds had been extended multiple times, the modification was assessed as substantial. Accordingly, the existing bonds were derecognized and replaced with new financial assets recognized at fair value using a market-based interest rate.

The Company performed an impairment assessment of its investments in bonds as at March 31, 2026 and identified no indicators of impairment. The Group concluded that the investments remain fully recoverable under current conditions.

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Notes to Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and March 31, 2025

(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

This assessment is consistent with the conclusions reached at December 31, 2025.

A summary of the outstanding investment in bonds is as follows:

1. On October 31, 2019, Boroo Gold subscribed for \$40,000 in 40,000 bonds with \$1 par value of which \$1,000 was outstanding at March 31, 2026 plus accumulated accrued interest of \$7,901 (December 31, 2025: \$7,883). The bonds bear interest at 8% per annum and mature on December 31, 2026. Interest income of \$18 was recognized during the three months ended March 31, 2026 (three months ended March 31, 2025: \$20).
2. On March 3, 2021, Boroo Gold subscribed for \$100,000 in 10,000 bonds with \$10 par value of which \$51,337 was outstanding at March 31, 2026 plus accumulated accrued interest of \$40,386 (December 31, 2025: \$38,962). The bonds bear interest at 12.5% per annum and mature on December 31, 2026. Interest income of \$1,473 was recognized during the three months ended March 31, 2026 (three months ended March 31, 2025: \$1,582).
3. On May 12, 2022, Boroo Gold subscribed for \$8,000 in 800 bonds with \$10 par value of which \$1,000 was outstanding at March 31, 2026 plus accumulated accrued interest of \$1,516 (December 31, 2025: 1,494). The bonds bear interest at 10% per annum and mature on December 31, 2026. Interest income of \$22 was recognized during the three months ended March 31, 2026 (three months ended March 31, 2025: \$25).
4. On September 28, 2022, Boroo Gold subscribed for \$5,000 in 500 bonds with \$10 par value of which \$1,000 was outstanding at March 31, 2026 plus accumulated accrued interest of \$1,135 (December 31, 2025: 1,105). The bonds bear interest at 13.4% per annum and mature on December 31, 2026. Interest income of \$30 was recognized during the three months ended March 31, 2026 (three months ended March 31, 2025: \$33).

9. Property, plant and equipment

	Property and Equipment	Mineral Property	Stripping cost	Equipment under construction	Asset Retirement Cost	Total
	\$	\$	\$	\$	\$	\$
Cost						
Balance at December 31, 2025	200,412	17,124	10,208	54,100	28,647	310,491
Additions	1,053	178	46	1,372	-	2,649
Change in asset retirement cost	-	-	-	-	331	331
Disposal	(232)	-	-	-	-	(232)
Balance at March 31, 2026	201,233	17,302	10,254	55,472	28,978	313,239
Accumulated depreciation						
Balance at December 31, 2025	137,843	5,560	1,281	-	28,028	172,712
Additions	4,497	12	18	-	18	4,545
Disposal	(203)	-	-	-	-	(203)
Balance at March 31, 2026	142,137	5,572	1,299	-	28,046	177,054
Net book value						
Balance at December 31, 2025	62,569	11,564	8,927	54,100	619	137,779
Balance at March 31, 2026	59,096	11,730	8,955	55,472	932	136,185

Property and equipment include mine site buildings, construction camp, plant and equipment at the Boroo and ATO mine sites and mobile equipment. Mineral property assets include capitalized reserve acquisition costs and capitalized development costs and exploration and evaluation costs.

Equipment under construction is not depreciated and includes \$40,000 of milestone payments made under the procurement and construction contract with Hexagon Build Engineering LLC (the "EPC Contract"), along with borrowing costs capitalized.

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(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

Subsequent to March 31, 2026, on April 10, 2026, the Company advanced an additional \$21,350 to Hexagon Engineering LLC under the existing EPC Contract to support the continued development of ATO Phase 2.

Pledge on items of property, plant and equipment

As at December 31, 2025, all of the assets of Steppe Mongolia, including a pledge of the ATO Project mining license and the exploration licenses owned by Steppe Mongolia, and all of the assets of Steppe BVI were pledged as security for the Stream Agreement granted to the Company (Note 12). Steppe Mongolia's licenses, movable properties and immovable properties were pledged under the TDB Gold II Loan and ATO Phase 2 Loan agreements (Note 15). An intercreditor agreement governs the priority and rankings of charges between TDB and Triple Flag. As at December 31, 2025, buildings and certain plant and equipment were pledged for obtaining loans from TDB and MIK (Note 15).

10. Right-of-use assets

	Mining mobile equipment	Motor vehicles	Office lease	Total
	\$	\$	\$	\$
Cost				
Balance at December 31, 2025	-	501	1,090	1,591
Additions	6,904	-	-	6,904
Foreign exchange difference	-	(21)	(18)	(39)
Balance at March 31, 2026	6,904	480	1,072	8,456
Accumulated depreciation				
Balance at December 31, 2025	-	72	812	884
Additions	102	14	24	140
Balance at March 31, 2026	102	86	836	1,024
Net book value				
Balance at December 31, 2025	-	429	278	707
Balance at March 31, 2026	6,802	394	236	7,432

The Company's right-of-use assets consist of office premises, light motor vehicles, and mining mobile equipment.

During the three months ended March 31, 2026, the Company entered into lease agreements for three dump trucks and one hydraulic mining shovel, classified as mining mobile equipment, with lease terms of three years and an interest rate of 13% per annum. As a result, the Company recognized additions to right-of-use assets of \$6,904 (December 31, 2025: \$4,401).

11. Amounts payable and other liabilities

Amounts payable and other liabilities of the Company are principally comprised of amounts outstanding for purchases relating to general operating activities.

	March 31, 2026	December 31, 2025
	\$	\$
Amounts payable	8,532	8,188
Accrued liabilities	1,545	806
Deferred revenue	-	84
Other tax payables	1,146	1,604
Other payables	482	80
Total amounts payable and other liabilities	11,705	10,762

12. Asset retirement obligation

The Group recognizes provisions for decommissioning and restoration obligations associated with its mining operations.

During the three months ended March 31, 2026, there were no material changes to the estimated future cash flows,

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(All dollar amounts expressed in thousands of United States Dollars, other than share and per share amounts or unless otherwise noted)

timing of rehabilitation activities, or discount rates used in measuring the asset retirement obligation.

The carrying amount of the provision reflects the unwinding of the discount recognized as a finance cost during the period.

A summary of the Company's asset retirement obligations as at March 31, 2026 and December 31, 2025 are presented below:

	March 31, 2026	December 31, 2025
	\$	\$
Balance, beginning of the period	17,070	16,970
Change in estimate of asset retirement obligation	331	(673)
Accretion	173	773
Balance, end of the period	17,574	17,070
Less: Current	-	-
Non-Current	17,574	17,070

13. Streaming arrangement

The Group is party to a metals purchase and sale agreement with Triple Flag in respect of gold and silver production from the ATO Project (the "Stream Agreement"). The Stream Agreement was originally entered into on August 11, 2017 by Steppe Mongolia and Steppe Investments Limited (together, "Steppe BVI") and subsequently amended on December 31, 2019.

Under the Stream Agreement, Triple Flag advanced \$28,000 to the Group. In exchange, the Group is obligated to deliver 25% of gold production and 50% of silver production from the ATO Project, subject to annual delivery caps of 7,125 ounces of gold and 59,315 ounces of silver, until aggregate deliveries reach 46,000 ounces of gold and 375,000 ounces of silver.

Deliveries are priced at 99% of the prevailing market price, of which 17% is payable in cash by Triple Flag, with the remaining 83% applied as a credit against the upfront deposit until fully depleted. Following depletion of the upfront deposit, Triple Flag pays 17% of the prevailing market price in cash for all subsequent deliveries.

The Stream Agreement extends for the life of mine and includes production from within a defined stream area, being within 20 kilometres of the boundary of the original ATO Project mineral licenses. The obligations are secured by substantially all assets of Steppe Mongolia and Steppe BVI, including a pledge over mining and exploration licenses, as well as a pledge of shares of Steppe BVI and Steppe Mongolia by Steppe Gold.

The Stream Agreement includes financial covenants based on leverage ratios calculated using net indebtedness and EBITDA, including both historical and forecasted EBITDA measures, with maximum ratios of 2.0 prior to completion of specified delivery thresholds and 2.5 thereafter.

The Stream Agreement is accounted for as a derivative liability measured at fair value through profit or loss. The valuation is determined using a discounted cash flow model incorporating estimates of future production, delivery schedules, commodity price assumptions, and discount rates.

During the three months ended March 31, 2026, the Company recognized a \$13,072 (three months ended March 31, 2025: \$2,977) increase in the fair value of the streaming arrangement liability, primarily driven by higher gold price assumptions and a decrease in the discount rate used in the valuation. The valuation methodology remains consistent with that applied at December 31, 2025.

The Company remains in default of its delivery obligations under the Stream Agreement. As at March 31, 2026, 1,797 ounces of gold and 15,546 ounces of silver (year ended December 31, 2025: 1,637 ounces of gold, 15,486 ounces of silver) remained undelivered, and the related obligation continues to be recognized as a stream arrangement in default.

As at March 31, 2026, the arbitration remains ongoing and no resolution has been reached. The outcome of the proceedings remains uncertain.

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The continuity of the streaming liability is presented as follows:

	March 31, 2026 \$	December 31, 2025 \$
Balance, beginning of the period	40,232	4,443
Fair value movement for the period	13,072	35,789
Balance, end of the period	53,304	40,232
Streaming arrangement in default	10,696	8,265
Current streaming arrangement	2,518	2,170
Non-current streaming arrangement	40,090	29,797

14. Convertible Debenture

On January 27, 2020, the Company issued \$3,000 of convertible debenture, which were subsequently acquired by the Company's former Chairman and CEO. The debentures mature on January 27, 2027 and bear interest at 13.5% per annum. The debentures are convertible at the option of the holder into common shares of the Company at a fixed conversion price.

The conversion feature is classified as a derivative liability measured at fair value through profit or loss in accordance with IFRS.

The fair value of the conversion feature of the debentures was estimated based on the Black Scholes pricing model using a risk-free interest rate of 2.87% based on 3-year Canadian Government bond yields, an expected dividend yield of 0%, volatility rates of 59.71% based on the Company's historical stock price, and an expected life of 0.83 years (December 31, 2025: risk free rate – 2.57%, dividend yield – 0%, volatility rate – 55.28%).

The changes in the convertible debenture loan liability are as follows:

	March 31, 2026 \$	December 31, 2025 \$
Balance, beginning of the period	2,697	2,477
Accretion	163	625
Interest	(100)	(400)
Foreign exchange	-	(5)
Balance, end of the period	2,760	2,697

The changes in the convertible debenture derivative component are as follows:

	March 31, 2026 \$	December 31, 2025 \$
Balance, beginning of the period	3,349	380
Fair value movement for the period	(1,769)	2,969
Balance, end of the period	1,580	3,349

15. Triple Flag Gold Prepay Loan

The continuity table of the Triple Flag Gold Prepay Loan is as follows:

	March 31, 2026 \$	December 31, 2025 \$
Balance, beginning of the period	7,207	6,914
Repayments	-	(2,907)
Fair value movement for the period	307	3,200
Balance, end of the period	7,514	7,207

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The Company entered into a gold prepayment loan agreement with Triple Flag in 2024. As at March 31, 2026, 1,650 ounces of gold (December 31, 2025: 1,650 ounces of gold) remain outstanding under the agreement.

The loan is measured at fair value, with changes in fair value recognized in profit or loss. The valuation methodology remains consistent with that applied at December 31, 2025.

The Company is in discussions with Triple Flag regarding the settlement of the outstanding obligation.

16. Loans payable

Details of loans payable outstanding at March 31, 2026 and December 31, 2025 were as follows:

	March 31, 2026	December 31, 2025
	\$	\$
ATO Phase 2 Loan (i)	49,600	49,600
TDB Gold II Loan (ii)	2,154	2,154
TDB Blue Sky office loan	1,472	1,603
MIK (iii)	46,734	47,734
Loan interest payable	2,419	3,547
Balance, end of the period	102,379	104,638
Less: current portion	(71,030)	(63,154)
Long-term portion	31,349	41,484

The continuity of loans payable is as follows:

	March 31, 2026	December 31, 2025
	\$	\$
Balance, beginning of the period	104,638	134,142
Repayments	(1,131)	(29,312)
Accrued/capitalised interest	3,470	19,985
Interest paid	(4,598)	(20,625)
Foreign exchange	-	448
Balance, end of the period	102,379	104,638

During the three months ended March 31, 2026, the Company entered into the following arrangements with TDB:

- (i) In March 2026, the Company reached an agreement with TDB to defer the first instalment of \$9,600 of ATO Phase 2 loan to August 9, 2026, with the remaining \$40,000 to be paid in four equal semi-annual instalments between August 9, 2026, and August 9, 2028.
- (ii) In February 2026, the Company reached an agreement with TDB to settle the outstanding balance of \$2,154 under the TDB Gold II Loan through a series of instalment payments, with full repayment expected by July 31, 2026.
- (iii) During the three months ended March 31, 2026, the Company made a repayment of \$1,000 on the loan with Mongolian Mortgage Corporation HFC LLC ("MIK") (formerly TDB Leasing – MIK loan) in accordance with the existing repayment terms. There were no other material changes to the loan during the period.

There were no other material changes to the terms of the Company's loans and borrowings during the period.

17. Lease Liability

The Company has leases in place for its offices in Toronto, Canada, mining mobile equipment, and light motor vehicles. Each lease is reflected on the consolidated statement of financial position as a right-of-use asset (Note 10) and a lease liability.

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The remaining lease term for the offices, mining mobile equipment and the light vehicles range from one to five years. There were lease liability additions related to mining mobile equipment of \$5,524 (December 31, 2025: \$4,096 fully repaid in 2025) during the three months ended March 31, 2026 with the term of three years with 13% interest per annum.

The continuity of lease liability is presented as follows:

	March 31, 2026	December 31, 2025
	\$	\$
Balance, beginning of the period	633	616
Additions	5,524	4,401
Interest expense (Note 23)	64	110
Lease payments	(191)	(4,443)
Foreign exchange	-	(51)
Balance, end of the period	6,030	633
Current lease liability	2,875	314
Non-current lease liability	3,155	319

18. BORO Bond

On December 5, 2024, Boroo Gold issued a \$43,000 bond through Mongolian Mortgage Corporation ("MIK") to finance working capital and equipment improvements. The bond bore interest at 12.3% per annum, payable semi-annually, and was scheduled to mature on March 5, 2027.

The Company made an early partial repayment of \$28,700 during 2025. During the three months ended March 31, 2026, the Company made repayment of \$14,300 to MIK, resulting in full repayment of outstanding BORO bond.

19. Share capital

The Company is authorized to issue an unlimited number of common shares without par value. All issued shares are fully paid.

As at December 31, 2025, the Company had 252,827,187 common shares issued and outstanding with a carrying value of \$55,422.

There were no changes in the number of issued and outstanding common shares during the three months ended March 31, 2026.

20. Revenue

Revenue by metal for the three months ended March 31, 2026 and March 31, 2025 were as follows:

	Three months ended	
	March 31, 2026	March 31, 2025
	\$	\$
Gold revenue	52,994	31,862
Silver revenue	186	506
Total	53,180	32,368

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21. Cost of sales

	Three months ended	
	March 31, 2026	March 31, 2025
	\$	\$
Materials and consumables	4,387	4,247
Royalties	2,740	2,293
Depletion and depreciation	2,165	3,293
Employee compensation	2,075	2,136
Contractors	1,320	1,746
Change in inventory	96	(421)
Exploration cost	20	-
Other expenses	1,753	1,600
Total	14,556	14,894

22. Corporate administration expenses

	Three months ended	
	March 31, 2026	March 31, 2025
	\$	\$
Staff payroll and related costs	587	837
Professional fees	473	448
Management compensation (Note 26)	425	332
Investor relation	137	200
Corporate social responsibility	135	102
Direct general administrative	798	484
Total	2,555	2,403

23. Finance costs

		Three months ended	
	Notes	March 31, 2026	March 31, 2025
		\$	\$
Change in fair value of streaming arrangement	13	13,072	2,977
Interest on loans payable		2,173	4,142
Change in fair value of Triple Flag Gold Prepay Loan	15	307	1,061
Accretion on asset retirement obligation	12	173	461
Accretion on convertible debenture	14	163	149
Accretion on lease liability	17	64	27
Change in fair value of convertible debenture derivative	14	(1,769)	22
Interest on bond investment	8	(1,494)	(1,660)
Interest on current account	9	(414)	(134)
Change in fair value of long-term investment		(90)	73
Change in fair value of ATC sale consideration		(75)	(119)
Bad debts		(40)	(355)
Other finance income/expense		(200)	(190)
Total		11,870	6,454

24. Net earnings per common share

Net profit attributable to common shareholders was \$19,214 (March 31, 2025: \$6,600) for the three months ended March 31, 2026.

The weighted average number of common shares outstanding - basic and diluted for the three months ended March 31, 2026 were 252,827,187 and 257,238,952 (March 31, 2025: basic 252,827,187 and diluted 257,238,952), respectively.

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25. Income Tax

Income tax expense for the three months ended March 31, 2026 has been recognized based on management's best estimate of the weighted average annual effective income tax rate expected for the full financial year.

26. Related party transactions

The Company's related parties include its controlling entities, associated companies, and key management personnel.

During the three months ended March 31, 2026, the Company entered into the following related party transactions:

- On January 21, 2026, the Company entered into a royalty buyback option agreement (the "Option Agreement") with Boroo Singapore in respect of the Alturas gold project in Chile (the "Alturas Project"). Under the Option Agreement, Boroo Singapore granted Steppe Gold a call option to acquire the economic benefit of Boroo Singapore's contractual right to repurchase a 0.25% net smelter return royalty ("NSR") applicable to the Alturas Project. The option may be exercised during the 30-day period commencing November 7, 2029, upon payment by Steppe Gold of \$7,500 to fund the NSR repurchase from the current royalty holder.
- On February 10, 2026, the Company received \$2,215 for ATC sales proceeds from Boroo Singapore and its subsidiary (Note 5).
- On February 27, 2026, TDB Capital acquired indirect beneficial ownership and control of approximately 3.16% of the Company's issued and outstanding common shares. TDB Capital also indirectly beneficially owns and controls approximately 70% of Boroo Singapore, which beneficially owns and controls approximately 56.88% of the Company's issued and outstanding common shares on a non-diluted basis.
- The Company entered into equipment lease arrangements with TDB Leasing of \$5,524.
- The Company recognized interest income of \$1,494 (March 31, 2025: \$1,660) in relation to investment bonds held with Boroo Singapore.
- The Company incurred management fees of \$425 (March 31, 2025: \$332) to key management personnel.

All related party transactions are conducted in the normal course of operations and are measured at the amount of consideration agreed between the parties.

There were no other material related party transactions during the period.

27. Fair value measurements

The Company measures certain financial assets and liabilities at fair value on a recurring basis using a fair value hierarchy, as disclosed in the Company's annual financial statements for the year ended December 31, 2025. Fair value is determined in accordance with IFRS 13 – Fair Value Measurement.

During the three months ended March 31, 2026, the Company recognized changes in fair value related to its streaming arrangement and convertible debenture derivative liability.

The streaming arrangement, classified within Level 3 of the fair value hierarchy, resulted in a net fair value loss of \$13,072 during the period. The loss was primarily driven by changes in key valuation inputs, including commodity price assumptions and discount rate estimates.

The convertible debenture derivative liability, classified within Level 2 of the fair value hierarchy, resulted in a net fair value loss of \$1,769 during the period. The loss was primarily attributable to changes in the Company's share price, volatility assumptions, and other market-based inputs used in the valuation model.

These fair value changes have been recognized in the consolidated statement of income and comprehensive income for the period.

There were no transfers between Levels 1, 2, or 3 of the fair value hierarchy during the three months ended March 31, 2026. Valuation methodologies and classification of financial instruments remain consistent with those disclosed in the annual financial statements for the year ended December 31, 2025.

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28. Contingencies

The Group is subject to various litigation and claims arising in the normal course of business. These matters are consistent with those disclosed in Note 29 of the annual consolidated financial statements for the year ended December 31, 2025, including the Triple Flag Gold Prepay Loan dispute and the Triple Flag streaming arrangement arbitration proceedings.

During the three months ended March 31, 2026, there were no new material contingent liabilities and no material developments in existing matters that would require adjustment to the consolidated financial statements, other than the recognition of additional undelivered metal payables under the streaming arrangement during the period. Management continues to monitor these matters. The ultimate resolution remains subject to uncertainty, however, no additional provisions have been recognized beyond those disclosed in the annual financial statements.

29. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

(i) Credit risk

Credit risk arises from cash, receivables, and investment in bonds. Cash is held with Canadian and Mongolian financial institutions with minimal credit risk.

Investment in bonds issued by Boroo Singapore remains exposed to the financial performance of Boroo Singapore and its underlying subsidiaries, including MBM. There were no indicators of impairment or default during the three months ended March 31, 2026.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not meet its financial obligations as they fall due. The Group manages liquidity through operating cash flows, financing arrangements, and planned capital management activities.

During the period, the Group entered into additional equipment lease arrangements, increasing contractual lease obligations; however, this did not result in a material change to the overall liquidity risk profile.

The maturity analysis of financial liabilities as at March 31, 2026 was as follows:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	\$	\$	\$	\$	\$
Amounts payable and other liabilities	11,705	-	-	-	11,705
Due to Boroo Singapore	945	-	-	-	945
Lease liability	2,875	3,155	-	-	6,030
Streaming arrangement in default	10,696	-	-	-	10,696
Streaming arrangement	2,518	13,486	10,904	15,700	42,608
Convertible debenture – derivative	1,580	-	-	-	1,580
Convertible debenture – loan liability	2,760	-	-	-	2,760
Loans payable	71,030	11,349	20,000	-	102,379
Triple Flag Gold Prepay Loan	7,514	-	-	-	7,514
Total	111,622	27,990	30,905	15,700	186,217

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The maturity analysis of financial liabilities as at December 31, 2025 was as follows:

	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	\$	\$	\$	\$	\$
Amounts payable and other liabilities	10,762	-	-	-	10,762
Due to Boroo Singapore	945	-	-	-	945
Lease liability	314	277	42	-	633
Streaming in default	8,265	-	-	-	8,265
Streaming arrangement	2,170	11,968	8,087	9,742	31,967
Convertible debenture – derivative	3,349	-	-	-	3,349
Convertible debenture – loan liability	-	2,697	-	-	2,697
Loans payable	63,154	21,484	20,000	-	104,638
BORO Bond	-	14,300	-	-	14,300
Triple Flag Gold Prepay Loan	7,207	-	-	-	7,207
Total	96,166	50,726	28,129	9,742	184,763

(iii) Market risk

Market risk is the risk of loss arising from changes in market variables such as interest rates, foreign exchange rates, and commodity prices.

(a) Interest rate risk

The Group is exposed to limited interest rate risk as most borrowings carry fixed interest rates. Cash balances held in financial institutions may fluctuate with market interest rates; however, this exposure is not considered material.

(b) Foreign currency risk

The Group is exposed to foreign exchange risk primarily arising from Mongolian tugrik-denominated balances. Fluctuations in foreign exchange rates may impact the Group's financial results and cash flows. The Group monitors its foreign currency exposure as part of its overall risk management program.

(iv) Commodity price risk

The Group's revenue and financial performance are significantly impacted by gold and silver prices. The increase in the fair value of the streaming arrangement during the period increases sensitivity to commodity price fluctuations and valuation volatility.

30. Capital risk management

The Group manages its capital to ensure it can continue as a going concern and maintain financial flexibility to support its operations and strategic objectives. Capital consists of debt and equity attributable to shareholders. The Group manages its capital structure in response to changes in economic conditions and may adjust it through financing activities or asset transactions as required.

During the three months ended March 31, 2026, there were no changes to the Group's capital management approach. The Group is subject to loan covenants disclosed in Note 13 of the annual consolidated financial statements for the year ended December 31, 2025.

31. Subsequent events

Subsequent to March 31, 2026, on April 10, 2026, the Company advanced an additional \$21,350 to Hexagon Engineering LLC under the existing EPC Contract to support the continued development of ATO Phase 2. The Company is currently in discussions to amend the EPC contract in connection with this development.