

Granada Gold Mine Inc.
Condensed Interim Financial Statements
For the six months ended December 31, 2025, and 2024

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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Granada Gold Mine Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

Granada Gold Mine Inc.
Statements of Financial Position

As at December 31, 2025, and June 30, 2025
(unaudited - in Canadian dollars)

		December 31, 2025	June 30, 2025
	Note	\$	\$
Assets			
Current			
Cash		13,420	11,013
Amounts receivable	5,15	50,288	22,401
Prepaid expenses		31,849	25,345
Marketable securities	6	73,970	37,367
Total current assets		169,527	96,126
Non-Current			
Reclamation deposit	7	384,421	384,421
Property and equipment	8	31,202	35,777
Total Assets		585,150	516,324
Liabilities			
Current			
Trade payables, accrued liabilities and provisions	9,15	13,249,511	12,195,580
Flow-through premium	10	-	76,312
Secured loans payable	11	1,563,285	1,501,688
Total current liabilities		14,812,796	13,773,580
Non-Current			
Provision for site reclamation and restoration	7	383,264	380,061
Total Liabilities		15,196,060	14,153,641
Deficit			
Share Capital	12.1	74,284,042	73,845,446
Reserves	12.2	415,444	634,500
Deficit		(89,310,396)	(88,117,263)
Total Deficit		(14,610,910)	(13,637,317)
Total Liabilities and Deficit		585,150	516,324

Nature of operations and going concern (Note 2)
Commitments and contingencies (Notes 7, 10, 11 and 16)
Subsequent events (Note 20)

Approved on behalf of the Board on February 23, 2026

“Frank Basa”
Director

“Daniel Barrette”
Director

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

Granada Gold Mine Inc.
Statements of Loss and Comprehensive Loss
For the three and six months ended December 31, 2025, and 2024
(in Canadian dollars)

		<i>Six months ended December 31, 2025</i>	<i>Six months ended December 31, 2024</i>	<i>Three months ended December 31, 2025</i>	<i>Three months ended December 31, 2024</i>
	<i>Note</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>	<i>\$</i>
Exploration and evaluation expenses	13	262,656	44,079	246,513	(81,524)
Corporate expenses					
Administrative and general expenses		25,434	20,718	14,478	16,195
Financing fees	11	74,742	56,875	44,249	28,723
Professional fees	15	395,964	436,015	266,172	391,812
Filing costs and shareholder information		16,708	19,437	12,442	15,687
Travel		-	2,052	-	1,038
Total corporate expenses		512,848	535,097	337,341	453,455
Total expenses		775,504	579,176	583,854	371,931
Other expenses (income)					
Equipment rental	15	-	(38,400)	-	(12,400)
Interest and other expenses (income)		(76,312)	1,283	(76,312)	-
Stock-based compensation		248,185	-	-	-
Part XII.6 penalty and interest	9	68,892	64,790	34,747	32,829
Flow-through indemnification action provision	9	242,113	277,289	122,277	140,391
Unrealized loss (gain) on marketable securities	6	(36,604)	54,264	(14,736)	9,529
Loss on sale of equipment		-	(2,627)	-	(7,570)
Loss on settlement of debt		-	(114,593)	-	(114,593)
Total other expenses (income)		446,274	242,006	65,976	48,186
Net and comprehensive loss for the period		1,221,778	821,182	649,830	420,117
Weighted average number of shares outstanding (basic and diluted)					
Basic and diluted loss per share	14	0.007	0.005	0.004	0.003

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

Granada Gold Mine Inc.
Statements of Changes in Equity
For the six months ended December 31, 2025, and 2024
(in Canadian dollars)

	<i>Number of Shares</i>	<i>Share capital \$</i>	<i>Reserves \$</i>	<i>Deficit \$</i>	<i>Total equity \$</i>
Balance at June 30, 2024	158,830,815	72,603,942	1,598,099	(86,417,356)	(12,215,315)
Net loss for the period	-	-	-	(821,182)	(821,182)
Shares issued for cash	5,714,286	200,000	-	-	200,000
Flow-through allocation	-	(71,729)	-	-	(71,729)
Share issuance costs	571,428	(13,985)	13,985	-	-
Settlement of debt	-	171,890	-	-	171,890
Expiry of stock options	-	-	(91,490)	91,490	-
Expiry of warrants	-	(336,237)	336,237	-	-
Balance at December 31, 2024	165,116,529	72,553,881	1,856,831	(87,147,048)	(12,736,336)
Balance at June 30, 2025	165,116,549	73,845,446	634,500	(88,117,263)	(13,637,317)
Net loss for the period	-	-	-	(1,221,778)	(1,221,778)
Stock option grant	-	-	248,185	-	248,185
Expiry of stock options	-	-	(28,645)	28,645	-
Expiry of warrants	-	438,596	(438,596)	-	-
Balance at December 31, 2025	165,116,549	74,284,042	415,444	(89,310,396)	(14,610,910)

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

Granada Gold Mine Inc.

Statements of Cash Flows

For the six months ended December 31, 2025, and 2024
(in Canadian dollars)

		2025	2024
	Note	\$	\$
OPERATING ACTIVITIES			
Net loss		(1,221,778)	(821,182)
Depreciation	8	4,575	8,681
Stock-based compensation		248,185	-
Interest on secured loans payable	11	61,597	56,875
Part XII.6 penalties and interest	9	68,892	64,790
Flow-through indemnification provision	9	242,113	277,289
Unrealized loss (gain) on marketable securities	6	(36,603)	54,264
Change in provision for reclamation and restoration	7	3,203	3,231
Loss on sale of equipment	8	-	(2,627)
Gain on settlement of debt		-	(114,593)
Other income		(76,312)	-
Changes in non-cash working capital items:			
Amounts receivable		(27,887)	(39,260)
Prepaid expenses		(6,504)	-
Trade payables, accrued liabilities and provisions		742,926	454,074
Net cash generated from (used in) operating activities		2,407	(58,458)
INVESTING ACTIVITIES			
Proceeds from sale of equipment		-	51,487
Total cash generated from investing activities		-	51,487
FINANCING ACTIVITIES			
Net proceeds from share issuance (for cash)		-	200,000
Total cash generated from financing activities		-	200,000
Increase (decrease) in cash		2,407	193,029
Cash, beginning of the period		11,013	9,146
Cash, end of the period		13,420	202,175

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

Granada Gold Mine Inc.
Notes to the unaudited Condensed Interim Financial Statements
For the three and six months ended December 31, 2025, and 2024
(in Canadian dollars)

1. Statement of incorporation and nature of activities

Granada Gold Mine Inc. (“Granada” or the “Company”) is domiciled in Canada and was incorporated on July 17, 1985, under the Company Act of British Columbia. The Company is a publicly-traded-company with its shares listed on the TSX Venture Exchange (“TSXV”), the Frankfurt Stock Exchange, and the US over the counter (“OTC”) market. The principal business of the Company is the acquisition, exploration and development of mineral property interests. The Company’s head office is located at 3028 Quadra Court, Coquitlam, British Columbia, V3B 5X6.

2. Basis of presentation and going concern

Basis of presentation

These Financial Statements have been prepared on an accrual basis and are based on historical costs, except certain financial instruments that have been measured at fair value. The Financial Statements are presented in Canadian dollars, which is also the Company’s functional currency, except where otherwise indicated.

All values are rounded to the nearest dollar, except per share values.

Statement of compliance

The unaudited condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards (“IAS”) 34, ‘Interim Financial Reporting’ using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may ultimately differ from these estimates.

Going concern

These unaudited condensed interim financial statements for the three and six months ended December 31, 2025, have been prepared on a going concern basis, which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2025, the Company had not yet achieved profitable operations, had cash of \$13,420 (June 30, 2025 - \$11,013), current assets of \$169,527 (June 30, 2025 - \$96,126), current liabilities of \$14,812,796 (June 30, 2025 - \$13,773,580) and has incurred accumulated losses of \$89,310,396 (June 30, 2025 - \$88,117,263) since inception.

The Company continues to rely on additional equity financing and the conversion of existing convertible loans. Management has prepared cash-flow forecasts showing that, without further financing, the Company would be unable to meet its obligations beyond the next 12 months.

Granada Gold Mine Inc.
Notes to the unaudited Condensed Interim Financial Statements

For the three and six months ended December 31, 2025, and 2024
(in Canadian dollars)

2. Basis of presentation and going concern (continued)

Going concern (continued)

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral deposits that are economically recoverable. The Company will periodically have to obtain additional funds to continue its exploration activities, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continuing existence is dependent upon the discovery of economically recoverable reserves and resources, the preservation of its interest in the underlying properties, the ability of the Company to obtain necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and the achievement of profitable operations.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, and renegotiation of contracts.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed inappropriate. Such adjustments could be material.

The Company has a need for equity capital and financing for working capital and exploration and development of its properties. Because of continuing operating losses and a significant working capital deficiency, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operations. These conditions indicate the existence of material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern.

Approval of the financial statements

These Financial Statements of the Company for the three and six months ended December 31, 2025, were approved and authorized for issue by the Board of Directors on February 23, 2026.

Granada Gold Mine Inc.
Notes to the unaudited Condensed Interim Financial Statements
For the three and six months ended December 31, 2025, and 2024
(in Canadian dollars)

3. Material accounting policies

The accounting policies set out in the Company's audited financial statements for the year ended June 30, 2025, have been applied consistently to these unaudited condensed interim financial statements.

4. Judgements and estimates

The preparation of the Company's unaudited condensed interim financial statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and contingent liabilities. Actual results may differ from these estimates, and such differences could be material.

In the process of applying the Company's accounting policies, management has made the same judgments, estimates, and assumptions which were set out in the Company's audited financial statements for the year ended June 30, 2025.

5. Amounts receivable

Amounts receivable consist of balances due to the Company arising from refundable tax credits and sales tax recoveries. These amounts are expected to be realized within the normal operating cycle.

6. Marketable securities

As at December 31, 2025, the Company held marketable securities consisting of common shares and warrants of two publicly traded exploration companies, both related parties with common directors and officers. The fair value of common shares is based on quoted market prices, while warrants are valued using the Black-Scholes option pricing model. During the six months ended December 31, 2025, the Company recognized an unrealized gain of \$36,604 (2024 – loss of \$54,264) on these instruments.

	As at December 31, 2025		As at June 30, 2025	
	Cost (\$)	Fair Value (\$)	Cost (\$)	Fair Value (\$)
Nord Precious Metals Mining Inc.				
238,150 common shares	1,214,565	70,254	1,214,565	35,723
294,100 share purchase warrants	1,293,503	-	1,293,503	-
Coniagas Battery Metals Inc.				
46,173 common shares	-	3,694	-	1,616
23,086 share purchase warrants	-	22	-	28
Total marketable securities		73,970		37,367

The share purchase warrants of Nord expired unexercised during the period.

Granada Gold Mine Inc.
Notes to the unaudited Condensed Interim Financial Statements

For the three and six months ended December 31, 2025, and 2024
(in Canadian dollars)

6. Marketable securities (continued)

On March 11, 2024, Nord completed a spin-out of Coniagas Battery Metals Inc ("Coniagas"), and as a result, the Company received 46,173 common shares, and 23,086 share purchase warrants for no additional consideration.

The share purchase warrants of Coniagas are exercisable for \$0.40 until March 18, 2026. The Black-Scholes inputs for valuing these warrants were as follows:

	December 31, 2025	June 30, 2025
Stock price	\$0.080	\$0.035
Exercise price	\$0.40	\$0.40
Expected remaining life	0.16 years	0.72 years
Risk free interest rate	2.55%	2.60%
Volatility rate	207.63%	153.26%
Dividend rate	0%	0%

7. Reclamation Deposit and Liability

The Company has provided a reclamation deposit to the Ministère des Ressources naturelles et des Forêts (MERN) of Quebec as security for future site restoration obligations related to its exploration activities. The deposit in the amount of \$384,421 (June 30, 2025 – \$384,421) is refundable upon satisfactory completion of reclamation work or transfer of obligations.

The Company's provision for closure and reclamation costs is based on management's estimates of the costs to rehabilitate the area explored as well as an estimate of the future timing of the costs to be incurred. Management has assessed a total future liability of approximately \$535,558 (June 30, 2025 – \$521,140) based on an inflation rate of 3.52% (June 30, 2025 – 3.11%) and recognized a reclamation liability of \$383,264 (June 30, 2025 – \$380,061) based on a discount rate of 2.77% (June 30, 2025 – 2.57%). Reclamation is estimated to commence in 2030 (June 30, 2025 – 2030).

For the six months ended December 31, 2025, and year ended June 30, 2025, the change in reclamation liability can be broken down as follows:

	December 31, 2025	June 30, 2025
	\$	\$
Opening balance	380,061	376,830
Accretion	3,203	3,231
Ending Balance	383,264	380,061

Granada Gold Mine Inc.
Notes to the unaudited Condensed Interim Financial Statements
For the three and six months ended December 31, 2025, and 2024
(in Canadian dollars)

8. Property and equipment

The Company's property and equipment consist primarily of vehicles and trucks used to support exploration activities at its mineral property.

	Equipment \$	Trucks \$	Total \$
Cost			
As at June 30, 2024	148,667	122,525	271,192
Disposal	(103,980)	-	(103,980)
As at June 30, 2025 and December 31, 2025	44,687	122,525	167,212
Accumulated depreciation			
As at June 30, 2024	77,226	93,471	170,697
Additions	6,653	9,206	15,859
Disposals	(55,121)	-	(55,121)
As at June 30, 2025	28,758	102,677	131,435
Additions	1,584	2,991	4,575
As at December 31, 2025	30,342	105,668	136,010
Net book value at December 31, 2025	14,345	16,857	31,202
Net book value at June 30, 2025	15,929	19,848	35,777
Net book value at June 30, 2024	71,441	29,054	100,495

9. Trade payables, accrued liabilities and provisions

Trade and other payables include amounts due to suppliers, related parties, and provisions for tax-related exposures and indemnities arising from flow-through share issuances and audit reassessments.

	December 31, 2025	June 30, 2025
Trade payable	1,332,091	1,453,324
Accrued liabilities	1,061,081	825,502
Due to related companies	3,016,618	2,388,038
Part XII.6 taxes and interest ⁽ⁱ⁾	1,361,332	1,292,440
Flow-through indemnification provision ⁽ⁱⁱ⁾	6,080,504	5,838,391
Quebec tax audit provision ⁽ⁱⁱⁱ⁾	397,885	397,885
	13,249,511	12,195,580

- (i) The Company has estimated potential Part XII.6 taxes in relation to unspent flow-through expenditures for fiscal years 2011 to 2017 and 2019 to 2020. During the six months ended December 31, 2025, the Company has accrued an additional \$68,892 (2024 - \$64,790) for Part XII.6 taxes, interest and penalties on the shortfall (note 17).

Granada Gold Mine Inc.
Notes to the unaudited Condensed Interim Financial Statements
For the three and six months ended December 31, 2025, and 2024
(in Canadian dollars)

9. Trade payables, accrued liabilities and provisions (continued)

- (ii) The Company has estimated potential indemnity in relation to unspent flow-through expenditure for fiscal years 2011 to 2017. During the six months ended December 31, 2025, the Company accrued an additional \$242,113 (2024 - \$277,289) for indemnification and interest on the shortfall and made settlements against that liability of \$NIL (2024 - \$NIL) (note 17).
- (iii) The Company has recorded a payable of \$397,885 (June 30, 2025 - \$397,885) related to proposed Quebec tax credit reassessments (note 17).

10. Flow-Through Premium Liability

During the year ended June 30, 2025, the Company issued flow-through shares for total gross proceeds of \$200,000. Pursuant to the terms of the flow-through share agreements, the Company is required to incur qualifying Canadian exploration expenditures and renounce the tax benefits of such expenditures to the subscribers.

The difference between the price of the flow-through shares and the market price of the Company's common shares at the date of issuance is recognized as a flow-through premium liability. This liability represents the obligation to deliver the tax benefits associated with the qualifying expenditures to the investors.

The flow-through premium liability is initially recorded as a deferred liability and is subsequently recognized in profit or loss as the Company incurs and renounces qualifying expenditures.

As at December 31, 2025, the flow-through premium liability was \$Nil (June 30, 2025 - \$76,312). During the six months ended December 31, 2025, the Company recognized \$76,312 in income related to the settlement of the flow-through premium liability (2024 - \$Nil).

11. Secured Loans payable

As at December 31, 2025, the Company's secured borrowings totaled \$1,563,285 (June 30, 2025 - \$1,501,688), including interest accrued during the six months ended December 31, 2025, of \$74,742 (2024 - \$56,875). These borrowings are secured by a first-ranking lien on the Granada Gold Property, bear interest at 8% per annum (calculated monthly, payable annually), and are repayable on demand. Each facility has an initial three-year term, automatically renewing for successive three-year periods unless the lender provides 30 days' written notice prior to the current term's expiry. The outstanding loan balance is subject to repayment in full at any time at the sole discretion of the lender.

A clause in each loan allows lenders to elect repayment in refined gold (principal and accrued interest) instead of cash upon the Company achieving Commercial Production (defined as producing and pouring at least 3,000 oz of refined gold from the Granada Gold Property). The gold price is fixed at US\$800 per ounce, with the CAD-USD rate based on the Bank of Canada's rate at repayment. No such event having occurred, no derivative liability is recognized.

Granada Gold Mine Inc.
Notes to the unaudited Condensed Interim Financial Statements
For the three and six months ended December 31, 2025, and 2024
(in Canadian dollars)

11. Secured Loans payable (continued)

Loan date	Principal loan amount \$	Balance at June 30, 2025 \$	Interest during the Period \$	Balance at December 31, 2025 \$
August 4, 2015	200,000	352,198	14,446	366,644
August 4, 2015*	100,000	176,061	7,222	183,283
August 4, 2015*	429,016**	744,220	30,526	774,746
November 14, 2017***	125,000	229,209	9,403	238,612
Totals		1,501,688	61,597	1,563,285

* These loans have been entered into with a director of the Company or a corporation controlled by a director.

** The loan was amended on August 4, 2023, and the principal loan amount matches the amount of the amended agreement.

*** This loan has been entered into with a close relative of a director of the Company and includes a conversion feature. Initially, two \$125,000 convertible loans were issued, with the conversion feature valued at \$74,856 classified as equity and recorded in reserves, and the liability portion at \$175,144 accreted to face value over three years at a 20% effective interest rate. One loan was repaid in February 2022, derecognizing its liability and transferring the equity portion to retained earnings; no conversion rights remain. The remaining loan carries a liability of \$201,184 and an equity portion of \$37,428 as at December 31, 2025.

12. Share capital

12.1 Authorized Share Capital

The Company has an authorized share capital of an unlimited number of common shares with no par value.

As at December 31, 2025, the Company had 165,116,549 common shares issued and outstanding (June 30, 2025 – 165,116,549).

12.2 Common Shares Issuances

Year ended June 30, 2025

Private Placements

On December 30, 2024, the Company closed a private placement of 5,714,286 Quebec Flow-Through (QFT) of the Company, at a price of \$0.035 per QFT for aggregate gross proceeds of \$200,000. The Company issued 571,428 non-transferable finder's shares and warrants. Each finder's warrant is exercisable into one non-flow-through common share at exercise price of \$0.05 per share for a period of three years. The finder's shares were valued at \$11,429, based on the trading price of the Company's shares on the closing date. The warrants were valued at \$9,623 using the Black-Scholes option-pricing model. The following weighted average assumptions were used: share price - \$0.02; risk free interest rate – 2.90%; expected volatility – 185.2% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 3 years.

Granada Gold Mine Inc.
Notes to the unaudited Condensed Interim Financial Statements

For the three and six months ended December 31, 2025, and 2024
(in Canadian dollars)

12. Share capital (continued)

12.3 Equity reserve – Warrants

Changes in warrants outstanding for the six months ended December 31, 2025, and the year ended June 30, 2025

	Period ended December 31, 2025		Year ended June 30, 2025	
	# of Warrants	Weighted Average Exercise Price	# of Warrants	Weighted Average Exercise Price
Beginning Balance	9,706,521	\$ 0.050	43,649,498	\$ 0.081
Issued	-	-	571,428	\$ 0.050
Expired or cancelled	(9,135,093)	\$ 0.050	(34,514,405)	\$ 0.089
Ending Balance	571,428	\$ 0.050	9,706,521	\$ 0.050

As at December 31, 2025, and June 30, 2025 the following share purchase warrants were outstanding:

Expiry Date	December 31, 2025			June 30, 2025		
	# of Warrants	Exercise Price	Remaining Life in years	# of Warrants	Exercise Price	Remaining Life in years
August 27, 2025	-	-	-	3,043,478	\$ 0.050	0.16
September 4, 2025	-	-	-	913,043	\$ 0.050	0.18
September 27, 2025	-	-	-	5,178,572	\$ 0.050	0.24
December 27, 2027	571,428	\$ 0.050	2.24	571,428	\$ 0.050	2.49
Total	571,428	\$ 0.050	1.99	9,706,521	\$ 0.05	0.34

The fair value of the warrants issued during the six months ended December 31, 2025, and the year ended June 30, 2025, was estimated based on the following ranges of key assumptions:

Warrants Reserve	Period ended December 31, 2025	Year ended June 30, 2025
Exercise Price	-	\$ 0.050
Expected Life	-	3 years
Dividend Yield	-	Nil
Volatility	-	186%
Risk Free Interest Rate	-	2.94%
Fair Value	-	\$ 0.017

Granada Gold Mine Inc.
Notes to the unaudited Condensed Interim Financial Statements
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(in Canadian dollars)

12. Share capital (continued)

12.4 Equity reserve – Stock Options

The Company's Stock Option Plan (the "Plan") provides for the granting of stock options to directors, officers, employees and consultants of the Company. Share options are granted for a term not to exceed ten years from the date of grant. All options are subject to a four-month holding period from the date of grant, if granted at the price lower than the market price; options granted at market prices are not subject to the hold period. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company which may be reserved for the issuance shall be 10% of the issued and outstanding shares at the time of the option grant.

On September 16, 2025, the Company granted stock options to certain directors, officers, and consultants to purchase an aggregate of 5,400,000 common shares in the capital of the Company. The stock options are exercisable for a term of five years at an exercise price of \$0.05 per share. Directors and officers were granted 3,400,000 stock options as part of the grant.

The following table shows a summary of the changes in the Company's stock option activities for the six months ended December 31, 2025, and the year ended June 30, 2025:

	Period ended December 31, 2025		Year ended June 30, 2025	
	# of Stock Options	Weighted Average Exercise Price	# of Stock Options	Weighted Average Exercise Price
Beginning Balance	3,825,000	\$ 0.050	4,950,000	\$ 0.067
Granted	5,400,000	\$ 0.050	-	-
Expired or cancelled	-	-	(1,125,000)	\$ 0.124
Ending Balance	9,225,000	\$ 0.050	3,825,000	\$ 0.050

The following table shows a listing of all stock options issued and outstanding as at December 31, 2025, and June 30, 2025. All of the Company's stock options are fully vested and exercisable as at the date of these financial statements.

Expiry Date	December 31, 2025			June 30, 2025		
	# of Stock Options	Exercise Price	Remaining Life in years	# of Stock Options	Exercise Price	Remaining Life in years
February 14, 2026	1,525,000	\$ 0.050	0.12	1,525,000	\$ 0.050	0.62
June 4, 2029	2,300,000	\$ 0.050	3.43	2,300,000	\$ 0.050	3.93
September 16, 2030	5,400,000	\$ 0.050	4.71	-	-	-
Total	9,225,000	\$ 0.050	3.63	3,825,000	\$ 0.050	2.61

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12. Share capital (continued)

12.4 Equity reserve – Stock Options (continued)

The fair value of the stock options granted during the three months ended December 31, 2025, and year ended June 30, 2025 was estimated based on the following ranges of key assumptions:

Stock Options Reserve	Period ended December 31, 2025	Year ended June 30, 2025
Exercise Price	\$ 0.050	-
Expected Life	5 years	-
Dividend Yield	Nil	-
Volatility	153.28%	-
Risk Free Interest Rate	2.74%	-
Fair Value	\$0.046	-

13. Exploration and evaluation expenditures

Granada Property, Quebec, Canada

The Company holds 100% interest in certain mining leases and claims. The mining leases are subject to a 2% Gross Metal Royalty (“GMR”), ½ of which may be purchased for \$1,000,000 and a 1% Net smelter royalty (“NSR”) and 23 of the original mining claims are subject to a 1% NSR. Additionally, there is a 2% NSR on 26 claims, half of which may be purchased for \$1,000,000.

The breakdown of exploration expenditures for the three and six months ended December 31, 2025, and 2024 is as follows:

	Six months ended December 31, 2025 \$	Six months ended December 31, 2024 \$	Three months ended December 31, 2025	Three months ended December 31, 2024
Assay and testing	156,450	3,700	155,481	3,700
Depreciation	4,575	8,681	2,288	3,950
Equipment	666	745	443	745
Facility expense	6,896	17,761	5,181	12,885
Geology	24,978	-	24,978	(35,000)
Personnel costs	259	338	120	56
Project management and engineering	45,064	4,270	45,064	(74,365)
Reclamation costs	3,203	3,231	(1,288)	1,616
Permits and licensing	20,565	5,353	14,246	4,889
Total exploration expenses	262,656	44,079	246,513	(81,524)

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13. Exploration and evaluation expenditures (continued)

Granada Property, Quebec, Canada (continued)

The Company has determined that as at December 31, 2025, and 2024, the Granada Property has not met the technical feasibility and commercial viability criteria to be capitalized and classified as mining properties. Accordingly, the Company expensed all exploration and evaluation expenditures in the periods. As of December 31, 2025, and June 30, 2025, the Company did not hold any assets classified as mining properties.

14. Loss per share

Loss per share has been calculated by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The details of the calculation for the three and six months ended December 31, 2025, and 2024, are as follows:

	Six months ended December 31, 2025	Six months ended December 31, 2024	Three months ended December 31, 2025	Three months ended December 31, 2024
Net loss for the period	1,221,778	821,182	649,976	420,117
Weighted average number of common shares outstanding	165,116,549	158,967,461	165,116,549	159,104,107
Loss per share (basic and diluted)	0.007	0.005	0.004	0.003

For the three and six months ended December 31, 2025, and 2024, potential dilutive common shares from incentive stock options and warrants have not been included in the loss per share calculation as they would result in a reduction of the loss per share.

15. Related party transactions

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the Company and comprise of the members of the Board of Directors (executive and non-executive), as well as the President and Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”), the Corporate Secretary, and persons related to the CEO.

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15. Related party transactions (continued)

Compensation paid to key management is presented for the three and six months ended December 31, 2025, and 2024:

	Six months ended December 31, 2025 \$	Six months ended December 31, 2024 \$	Three months ended December 31, 2025 \$	Three months ended December 31, 2024 \$
Company owned by the CEO*	220,000	220,000	110,000	110,000
Company owned by the CFO	30,000	-	22,500	-
Corporate Secretary	36,000	36,000	18,000	18,000
Company owned by a relative of the CEO	12,000	12,000	6,000	6,000
Company that the former CFO is employed with	17,531	29,490	-	12,120
Share-based compensation	211,416	-	-	-
	526,947	297,490	156,500	146,120

* The Company retains the services of a company owned by the CEO of the Company to carry out exploration work on its resource properties and for management services.

Other related party transactions

During the six months ended December 31, 2025, the Company recorded \$Nil (2024 - \$38,400) in equipment rental revenue from Nord. In prior years, equipment rental revenue, was recognized in Accounts Receivable. The amount of \$287,116 that would have been recognized in Accounts Receivable at June 30, 2025, has been off-set against the Company's balance owing to Nord.

Amounts due to Related Parties

All amounts due to related parties are unsecured, non-interest bearing and due on demand.

	December 31, 2025 \$	June 30, 2025 \$
Company owned by the CEO		
Fees	1,570,800	1,350,800
Out-of-pocket expenses	95,090	72,473
Corporate Secretary	161,300	125,300
Company owned by a relative of the CEO	55,432	42,652
Due to Nord**	2,968,084	2,390,050
Due to Coniagas	48,534	48,534
Company that the former CFO is employed with	-	37,275
Total amounts payable to related parties	4,899,240	4,067,084

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15. Related party transactions (continued)

** As of December 31, 2025, the Company owed \$2,968,084 to Nord, a company with common officers and directors (June 30, 2025 – \$2,390,050). Of this amount \$50,546 (June 30, 2025 – \$50,546) was included in accounts payable for services received from Nord's subsidiary.

The above amounts are unsecured, non-interest bearing and are due on demand.

Of the secured loans payable, \$1,196,641 was due to related parties as at December 31, 2025 (June 30, 2025 - \$1,149,490) (note 11).

See also notes 5, 6, 11, 12.2 and 16.

16. Commitments and Contingencies

Environmental obligations

The Company's operations are subject to governmental laws and regulations regarding environmental protection. The environmental consequences are hardly identifiable, whether with the outcomes, the impacts or the deadline.

As at December 31, 2025, and June 30, 2025, to the best knowledge of its management, the Company is in conformity with the laws and regulations.

Flow-through obligations

The Company is partly financed by the issuance of flow-through shares. However, there are no guarantees that the funds spent by the Company will qualify as Canadian exploration expenditures, even if the Company has taken all the necessary measures for this purpose. Disallowance of certain expenses by the tax authorities would have a negative tax-impact for investors.

Moreover, tax rules regarding flow-through investments set deadlines for carrying out the exploration work no later than the first of the following dates:

- i) Two years following the flow-through investment;
- ii) One year after the Company has renounced the tax deductions relating to the exploration work.

The Company has indemnified the subscribers of current and previous flow-through offerings against any tax-related amounts that become payable by shareholders in the event the Company does not meet its expenditure commitment. See Note 9.

As at December 31, 2025, the Company has \$Nil remaining to spend on qualifying Canadian exploration expenditures to satisfy its current flow-through obligations.

Canada Revenue Agency audit

The Canada Revenue Agency ("CRA") is auditing certain of the Company's corporate tax returns and flow-through filings from 2012 to 2017 and 2019 to 2020 and has assessed that the Company had flow-through shortfalls in certain of those years. Accordingly, the Company has recorded a provision for the estimated cost to indemnify flow-through share subscribers for their possible personal income tax reassessments.

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16. Commitments and Contingencies (continued)

Canada Revenue Agency audit (continued)

In estimating the liability, the Company has assumed the following:

- The subscribers would be taxable at the highest marginal personal tax rate;
- That all non-corporate subscribers are eligible for the federal 15% investment tax credit; and
- That Quebec subscribers are eligible for the 150% or 120% additional CEE deduction.

The ultimate amount owing and the timing of any payments to investors are highly uncertain as they are dependent on each taxpayer's individual tax situation as well as if, or when, they are reassessed by the CRA.

The Company has also accrued the estimated Part XII.6 tax and similar Quebec tax on the potential shortfalls.

The CRA has also assessed penalties of approximately \$2,200,000 which the Company has not accrued. The Company believes the assessment of these penalties is without merit and has filed Notices of Objection to dispute the assessment. To date, the CRA has rejected the Notices of Objection, and the Company has submitted to the tax court. The outcome of the proceedings cannot be determined at this time and accordingly, no amounts have been accrued in these financial statements relating to the penalties.

A continuity of the provision for the shareholder indemnity for the six months ended December 31, 2025 and year ended June 30, 2025 is as follows:

	December 31, 2025	June 30, 2025
	\$	\$
Opening Balance	5,838,391	5,363,853
Accrual for additional provision and interest	242,113	474,538
Ending Balance	6,080,504	5,838,391

Revenue Quebec

Revenue Quebec has commenced an audit of the Company's Quebec tax credit filings for 2020, 2021, 2022 and 2023. As at December 31, 2025, the Company maintains a provision of \$397,885 (June 30, 2025 - \$397,885) for the value of tax credits that are in dispute. Revenue Quebec is also proposing to assess penalties of approximately \$225,000, which the Company has not accrued. The Company believes the assessment of these penalties is without merit and is disputing them. The outcome of the dispute cannot be determined at this time and accordingly, no amounts have been accrued in these financial statements relating to the penalties.

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16. Commitments and Contingencies (continued)

Service agreements

The Company has consulting service agreements with related parties (certain officers and directors).

- i) Effective January 1, 2007, and amended December 1, 2010, May 16, 2013, and March 1, 2015, the Company entered into a management agreement with Grupo Moje Limited ("Grupo"), a company owned by a director and officer of the Company to provide management services of Frank Basa in consideration for a nominal annual fee of \$1.
This agreement also requires that if the agreement is terminated by the Company upon or following a change in control or change of management the Company shall make a payment to Grupo equal to 480 ounces of gold with the dollar amounts to be calculated based on the price of gold on the date of termination of the agreement. As a triggering event has not taken place, the contingent payment has not been reflected in these financial statements.
- ii) Effective January 1, 2014, the Company entered into a management agreement with Mineral Recovery Management Systems Corp. ("MRMSC"), a company controlled by Frank Basa, to provide project management, engineering and geological services to the Company in consideration of \$25,000 per month for the services of Frank Basa and \$11,666.67 per month for the services of Elaine Basa. Either party may terminate this agreement by giving four months' notice to the other, subject to certain provisions of the agreement.
- iii) Effective September 9, 2025, the Company entered into a management agreement with Heidi Gutte Consulting Inc. ("HGC"), a company controlled by Heidi Gutte, to provide accounting and Chief Financial Officer services to the Company in consideration of \$7,500 per month for the services of Heidi Gutte. Either party may terminate this agreement by giving three months' notice to the other, subject to certain provisions of the agreement.

Claims, lawsuits and other complaints

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity. The outcome of these litigations cannot be reasonably determined, as a result, no amounts have been accrued as at December 31, 2025.

17. Capital management policies and procedures

The Company's objectives in managing its capital are to safeguard its ability to continue as a going concern and to fund its exploration and evaluation activities and administrative costs. The Company considers its capital to comprise shareholders' equity, consisting of common shares, reserves, and deficit, which totaled a deficiency of \$89,310,396 at December 31, 2025 (June 30, 2025 - \$88,117,263).

As the Company's mineral property interests are in the exploration stage and do not generate revenue, it relies on external financing, primarily through issuing new shares, to support exploration and operational needs. Management adjusts the capital structure based on available funds and evaluates potential new properties for acquisition based on their geologic and economic merit. The Board does not establish quantitative return on capital criteria, relying on management's expertise to secure financing.

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17. Capital management policies and procedures (continued)

Management reviews its capital management approach regularly and believes it is appropriate given the Company's size and stage of development. No changes were made to this approach during the six months ended December 31, 2025, or the year ended June 30, 2025. The Company is subject to TSX Venture Exchange (TSXV) rules requiring working capital or financial resources of at least \$50,000 or sufficient to cover six months of general and administrative expenses, whichever is greater. As at December 31, 2025, the Company may not be compliant with all TSXV policies; the impact of this potential violation is unknown and depends on the TSXV's discretion.

18. Financial assets and liabilities

The carrying amounts and fair value of financial instruments presented in the statement of financial position are as follows:

	December 31, 2025	June 30, 2025
Financial assets		
Cash	13,420	11,013
Amounts receivable	50,288	22,401
Marketable securities	73,970	37,367
Reclamation deposit	384,421	384,421
Total financial assets	522,099	455,202

18. Financial assets and liabilities (continued)

	December 31, 2025	June 30, 2025
Financial liabilities		
Trade payable and accrued liabilities	13,249,511	12,195,580
Secured loans payable	1,563,285	1,501,688
Total financial liabilities	14,812,796	13,697,268

The carrying value of the above financial instruments is considered to be a reasonable expectation of fair value because of the short-term nature of these instruments.

19. Financial risks

The Company is exposed to various risks in relation to its financial instruments. The main types of risks the Company is exposed to are credit risk and liquidity risk. The Company's main financial risk exposure and its financial risk management policies are as follows:

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19. Financial risks (continued)

Credit risk

Credit risk relates to the risk that one party to a financial instrument will not fulfill some or all of its obligations, thereby causing the Company to sustain a financial loss. The Company's maximum exposure to credit risk is limited to the carrying amount of cash and amounts receivable at the reporting date for the aggregate amounts of \$63,708 at December 31, 2025 (June 30, 2025 - \$33,414). This amount excludes the Reclamation deposit of \$384,421. The risk related to cash is considered negligible as the Company deals with a reputable financial institution whose credit rating is excellent, and the cash held in trust is accessible as and when required. As at December 31, 2025, the risk related to amounts receivable is considered negligible, as they exclusively consist of sales taxes receivable from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. As at December 31, 2025, the Company had \$13,249,511 (June 30, 2025 - \$12,195,580) in accounts payable and accrued liabilities and cash of \$13,420 (June 30, 2025 - \$11,013) to settle short term liabilities. The Company's trade payables generally have contractual maturities of 30 days or less and are subject to normal trade terms. See note 11 for details of the maturities of secured loans payable.

Foreign currency risk

Foreign currency risk arises from fluctuations in exchange rates that could impact the Company's financial performance. As at December 31, 2025, the Company conducts substantially all transactions, including exploration and evaluation costs and administrative expenses, in Canadian dollars, its functional and reporting currency. The Company holds no significant assets or liabilities denominated in foreign currencies, resulting in minimal exposure to foreign currency risk. No hedging instruments are currently used. Management monitors potential currency risks and will reassess its approach if the Company engages in foreign currency transactions in the future.

Market risk

Market risk is the risk that changes in market prices, such as commodity prices and interest rates, could impact the Company's financial position or the future economic feasibility of its exploration and evaluation activities. As an exploration-stage company, Granada has no revenue or capitalized exploration properties, and its market risk exposure is primarily related to potential future gold price fluctuations and interest rate changes affecting its financial instruments. The objective of market risk management is to monitor and mitigate exposures to ensure the Company's ability to fund ongoing exploration and operational needs. No hedging instruments are currently used. Management regularly reviews market conditions and adjusts its financing strategies as needed.

Commodity Price Risk

The Company does not currently produce or sell gold, so it has no direct exposure to commodity price fluctuations. However, future gold price movements could affect the economic viability of the Company's mineral property interests if commercial production is achieved. Management monitors gold market trends to assess potential impacts on future project development.

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19. Financial risks (continued)

Market risk (continued)

Interest Rate Risk

The Company's secured loans (Note 11) bear a fixed interest rate of 8% per annum, resulting in minimal exposure to interest rate fluctuations. Changes in market interest rates could affect the cost of future borrowings, if any.

Price risk on marketable securities

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. This risk is managed through a careful selection of investments and other financial instruments within the parameters of the investment strategies.

Sensitivity Analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve-month period:

- i) The Company receives low interest rates on its cash balances and carries debt with fixed interest rates. As such, the Company does not have significant interest rate risk.
- ii) The Company does not hold balances in foreign currencies to give rise to exposure to foreign currency risk.
- iii) The Company's receivables are composed primarily of refundable sales taxes owing from the government of Canada. As such, the Company does not have significant credit risk relating to its receivables.

The Company's marketable securities are comprised of common shares and warrants of Nord and Coniagas. A 10% change in the share price of the Company's marketable securities would result in a corresponding change to net loss in the amount of \$7,408 for the six months ended December 31, 2025 (2024 - \$6,700).

Classification of Financial Instruments

The Company's financial instruments consist of cash, amounts receivable, marketable securities, trade other payables and provisions, and secured loans payable. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and current market rates for similar financial instruments.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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19. Financial risks (continued)

Market risk (continued)

As at December 31, 2025, and June 30, 2025, the Company did not have any assets measured at fair value that require classification within the fair value hierarchy, except for its marketable securities:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
December 31, 2025 marketable securities	73,948	22	-	73,970
June 30, 2025 marketable securities	37,339	28	-	37,367

There were no transfers to or from Level 2, or Level 3 during the six months ended December 31, 2025, and the year ended June 30, 2025.

20. Subsequent events

On February 18, 2026, the Company closed a private placement, issuing 58,949,400 Units (the "Units") at a price of \$0.05 per Unit for aggregate gross proceeds of \$2,947,470. Each Unit is comprised of one common share of the Company (each, a "Share") and one Common Share purchase warrant (the "Warrants") of the Company. Each Warrant entitling the holder thereof to purchase an additional Share at a price of \$0.075 per Common Share for a period of five (5) years from the date of issuance. The securities to be issued under the Offering, including the Shares underlying the Warrants will be subject to a hold period of four months and one day, under applicable Canadian securities laws and the policies of the TSXV. The Offering remains subject to the approval of the TSXV.

In connection with the Offering, the Company shall pay finders fees to certain qualified and approved finders, in cash totaling \$135,730 and issue a total of 2,714,600 non-transferable share purchase warrants (the "Finder's Warrants") as permitted under the rules of the TSX Venture Exchange. Each Finder's Warrant will be exercisable at a price of C\$0.07 per share for a period of five years from the date of issue.

On February 10, 2026, the Company issued 200,000 common shares upon the exercise of 200,000 stock options for gross proceeds of \$10,000.

On January 20, 2026, the Company issued 3,000,000 common shares to settle \$300,000 worth of debt owed to certain non-arm's length creditors.

Subsequent to December 31, 2025, and as at the date of this report, the Company borrowed an additional \$526,112 cash from Nord. The amounts are unsecured, non-interest bearing and have no fixed term of repayment.