



Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

INDEX	Page
Management's Responsibilities for Financial Statements	
Statements of Financial Position	1
Statements of Comprehensive Income (Loss)	2
Statements of Changes in Shareholders' Equity	3
Statements of Cash Flows	4
Notes to the Financial Statements	5-26

To the Shareholders of Argo Gold Inc.:

Opinion

We have audited the financial statements of Argo Gold Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2025 and December 31, 2024, and the statements of comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company had a working capital deficiency and an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment for Oil and Gas assets

Key Audit Matter Description

Refer to Note 7 - Oil and gas properties in the financial statements.

The Company had \$1,223,714 of oil and gas producing assets (O&G assets) as at December 31, 2025 and depletion and depreciation expense was \$419,039 for the year then ended. The Company depletes O&G assets on a unit-of-production basis over the life of their proved (1P) reserves. Key assumptions developed by management to determine 1P reserves include forward price estimates, expected future rates of production, the amount and timing of future development expenditures, and engineering data. The Company's reserves are evaluated by an independent qualified reserve evaluator (management's expert).

During the year, impairment indicators were identified for the Company's oil and gas assets, primarily related to changes in commodity prices and operating performance. As a result, management performed impairment testing in accordance with IAS 36 Impairment of Assets and recognized an impairment loss. The impairment assessment required significant judgment, including the estimation of future production volumes, commodity prices, operating and development costs, abandonment costs, and the selection of an appropriate discount rate. Given the magnitude of the oil and gas assets, the judgment involved in the impairment assessment, and the recognition of an impairment loss during the year, we considered this matter to be of most significance in our audit.

Audit Response

We responded to this matter by performing audit procedures over impairment testing. Our audit work in relation to this included, but was not restricted to, the following:

- Evaluating management's identification of impairment indicators, including changes in commodity price assumptions and operating performance;
- Assessing the appropriateness of the cash-generating units used in the impairment assessment;
- Testing the mathematical accuracy of management's impairment models;
- Evaluating key assumptions used in the impairment assessment, including forecast commodity prices, production profiles, and operating costs, by comparing them to historical performance, and external market data where appropriate;
- Obtaining and reviewing independent reserve report prepared by management's third-party expert to identify any contradicting evidences;
- Assessing the competence of management's expert and the reserve report by reviewing the available report to data obtained elsewhere during the course of the audit and third party publicly available information in order to benchmark the assumptions applied by the expert;
- Evaluating the adequacy of the related disclosures in the financial statements, including disclosure of the impairment loss recognized during the year and the key assumptions applied.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Calgary, Alberta

April 29, 2026

MNP LLP

Chartered Professional Accountants



Statement of Financial Position As At December 31,

(Expressed in Canadian Dollars)	Notes	2025	2024
Assets			
Current assets			
Cash		\$ 130,017	\$ 289,915
Accounts receivable	12	97,198	203,511
Prepaid expenses		3,992	3,793
Total current assets		231,207	497,219
Non-current assets			
Oil wells	7	1,223,714	1,990,093
Land -oil properties	7	44,088	44,088
Mineral properties	6	781,616	765,750
Equipment - office	8	2,702	1,075
Total Assets		\$ 2,283,327	\$ 3,298,225
Liabilities and Equity			
Current liabilities			
Accounts payable		\$ 342,627	\$ 389,634
Accrued liabilities		289,336	227,703
HST Payable		13,582	13,494
Loan	10	1,109,683	1,109,683
Total Current Liabilities		1,755,228	1,740,514
Long-Term Liabilities			
Asset retirement obligation	13	95,326	84,642
Total Liabilities		1,850,554	1,825,156
Shareholders' Equity			
Share capital	9(a)(b)	15,529,321	15,648,670
Deficit		(15,096,548)	(14,175,601)
Total Shareholders' Equity		432,773	1,473,069
Total Liabilities and Shareholders' Equity		\$ 2,283,327	\$ 3,298,225

Nature of operations and going concern Note 1
 Commitments and contingencies Note 11
 Subsequent event Note 14
 Approved by the Board of Directors and authorized on April 29, 2026

"Judy Baker"
 Judy Baker
 Director

"George Langdon"
 George Langdon
 Director

The accompanying notes form an integral part of these financial statements



Statement of comprehensive income (loss)
For the years ended

(Expressed in Canadian Dollars)	Notes	2025	2024
Revenue	12	\$ 1,519,855	\$ 2,241,635
Expenses			
Oil and gas operating expenses	7	493,071	595,380
Oil and gas depletion, depreciation and accretion	7,13	419,039	399,828
Mineral properties exploration and evaluation	6	40,439	25,937
Management fees	10	120,000	60,000
Consulting fees		49,400	10,636
Professional fees		222,943	228,440
Business development		45,206	131,393
Investor relations		72,000	92,563
General and administrative		101,170	62,511
Listing filing and regulatory fees		29,457	31,965
Impairment of oil and gas assets	7	481,023	-
Depreciation - office equipment	8	2,188	2,864
Total Expenses		2,075,936	1,641,517
		(556,081)	600,118
Bank charges and other		(19,069)	(1,589)
Interest income		-	7,508
Interest expense - short-term loan	10	(135,232)	(110,220)
Financing fees- short-term loan	10	(200,000)	-
Realized loss on investment	10	(10,565)	-
Realized loss on notes receivable		-	(58,733)
Net comprehensive income (loss) for the year		(\$920,947)	437,084
Basic and fully diluted earnings per share		(0.01)	0.01
Weighted average number of shares outstanding – basic and diluted		72,087,774	73,565,524

The accompanying notes form an integral part of these financial statements



Interim Statements of Cash Flows
For the years ended

(Expressed in Canadian Dollars)	Notes	2025	2024
Cash flows from operating activities			
Net income (loss) for the year		(\$920,947)	\$437,084
Adjustments not affecting cash:			
Depletion expense	7	419,039	399,708
Realized loss on notes receivable		-	58,733
Realized loss on Investment		10,565	-
Asset retirement obligation		3,375	120
Impairment of oil and gas assets		481,023	33,648
Depreciation expense	8	2,188	2,864
Operating cash flows before changes in non-cash working capital		(4,757)	932,157
Changes in non-cash working capital			
HST (payable) receivable		88	15,681
Accounts receivable and note receivable		106,313	(\$51,670)
Prepaid expenses		(199)	97,298
Accounts payable and accrued liabilities		255,376	(1,697)
Interest paid		(240,750)	(39,338)
Cash generated by operating activities		116,071	952,431
Cash flows from investing activities			
Property, plant and equipment additions		(146,055)	(714,263)
Shares purchased	10	(10,565)	-
Cash (used in) from investing activities		(156,620)	(714,263)
Cash flows from financing activities			
Share buy-back	9	(\$119,349)	(23,142)
Cash (used in) from financing activities		(\$119,349)	(23,142)
Decrease in cash during the year		(159,898)	215,026
Cash, beginning of year		289,915	74,889
Cash, end of year		\$130,017	\$289,915

The accompanying notes form an integral part of these financial statements



Statement of Changes in Shareholders' Equity
For the years ended

(Expressed in Canadian Dollars)	Note	Share Capital		Reserves			Total
		Number of Shares	Amount	Warrants	Stock Options	Deficit	
Balance at December 31, 2023		72,335,581	\$ 15,561,812	\$ -	\$ -	(\$14,612,685)	\$ 949,127
Shares issued to purchase property	6	1,000,000	70,000	-	-	-	70,000
Shares cancelled - 2024	9	(240,057)	(23,142)	-	-	-	(23,142)
Shares issued - December 19, 2024	6	500,000	40,000	-	-	-	40,000
Net comprehensive income for the year		-	-	-	-	437,084	\$ 437,084
Balance at December 31, 2024		73,595,524	\$ 15,648,670	\$ -	\$ -	(\$14,175,601)	\$ 1,473,069
Shares cancelled	9	(1,507,750)	(119,349)	-	-	-	(119,349)
Net comprehensive loss for the year		-	-	-	-	(920,947)	(920,947)
Balance at December 31, 2025		72,087,774	\$ 15,529,321	\$ -	\$ -	(\$15,096,548)	\$ 432,773



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Argo Gold (the "Company" or "Argo Gold") was incorporated under the laws of Ontario on December 9, 1995. The Company is listed on the Canadian Stock Exchange ("CSE"), having the symbol ARQ. The Company is currently engaged in the acquisition, exploration, and development of mineral properties, and the production, exploration, and development resource properties in Western Canada. The address of the Company's corporate office and principal place of business is 25 Adelaide Street East, Suite 1400 Toronto, Ontario, M5C 3A1, Canada.

These financial statements have been prepared on a going concern basis, which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements. Such adjustments could be material. It is not possible to predict whether the Company will be able to raise adequate financing or to ultimately attain profitable levels of operations. Changes in future conditions could require material write downs of the carrying values.

The business of exploring for minerals and oil and gas involves a high degree of risk and there can be no assurance that the exploration programs will result in profitable operations. The Company is in the process of exploring oil and gas opportunities. The Company's has not yet determined if its mineral properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties, and the new acquired oil and gas property is dependent upon the establishment of a sufficient quantity of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition of these assets.

The recoverability of the carrying value of mineral properties, oil wells and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its property interests on an advantageous basis. While management has been historically successful in raising the necessary capital, it cannot provide assurance that it will be successful in future financing activities or be able to execute its business strategy.

As at December 31, 2025, the Company had a cumulative deficit of \$15,096,548 and current assets of \$231,207 to cover current liabilities of \$1,755,228. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

2 BASIS OF PRESENTATION

(a) *Statement of Compliance*

These financial statements have been prepared in accordance with IFRS® Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) in effect at January 1, 2025. The policies set out were consistently applied to all periods presented unless otherwise noted.

(b) *Basis of Presentation*

These financial statements have been prepared on the historical cost basis, except for financial instruments designated at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using accrual basis of accounting except for cash flow information. These financial statements are presented in Canadian dollars, which is the Company's functional currency. All values are rounded to the nearest dollar.

(c) *Approval of the Financial Statements*

The financial statements were authorized for issue by the Board of Directors of the Company on April 29, 2026.

(d) *Use of Estimates and Judgement*

The preparation of financial statements in conformity with IFRS requires that management make judgements, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities, profits and expenses. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Key sources of judgements

Determination of Cash generating units (“CGU”)

The company’s assets are aggregated into CGUs based on their ability to generate largely independent cash flows and are used for impairment testing. CGUs are determined by similar geological structures, similar exposure to market risk, shared infrastructure and geographical proximity. As at December 31, 2025 and December 31, 2024, the Company had two oil and gas CGUs (Lindbergh and Lloydminster) and four mining CGUs (Uchi Gold, Talbot lake, and North Saskatchewan, Uranium, and North Saskatchewan Gold).

Going concern

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay its ongoing operation expenditures and to meet its liabilities for the ensuing year, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances (Note 1).

Key sources of estimates

Assets retirement obligations

The Company records management’s best estimate of the present value of the future cash requirements of any assets’ retirement obligations as a long-term liability in the period in which the related environmental disturbance occurs based on the net present value of the estimated future costs. This obligation is adjusted at each period end to reflect the passage of time and any changes in the estimated future costs underlying the obligation. In determining this obligation, management must make a number of assumptions about the amount and timing of future cash flows and discount rate to be used. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

Reserves

Reserves are used in the unit-of-production calculation for depletion and depreciation as well as impairment analysis. The quantity of reserves is subject to a number of estimates and projections including assessment of engineering data, projected future rates of production, commodity prices, regulatory changes, operating costs and sustaining capital expenditures. However, all reserve and associated financial information is evaluated and reported on by a firm of qualified independent reserve evaluators in accordance with the standards prescribed by applicable securities regulator.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

The calculation of future cash flows based on these reserves is dependent on a number of estimates including: production volumes, facility performance, commodity prices, and royalties, operating costs, sustaining capital and tax rates. The price used in the Company's assessment of future cash flows is based on the Company's independent evaluator's estimate of future prices and evaluated for reasonability by the Company against other available information.

Taxes

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates, and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

Expected credit loss

The Company's trade and other receivables are typically short-term in nature and the Company recognizes an amount equal to the lifetime ECL on receivables for which there has been a significant increase in credit risk since initial recognition. The Company measures loss allowances based on historical experience and including forecasted economic conditions. The amount of ECLs is sensitive to changes in circumstances of forecast economic conditions.

Impairment of non-financial assets

While assessing whether any indications of impairment exist for mineral properties and oil and gas wells, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of mineral properties. Internal sources of information include the manner in which the mineral properties are being used or are expected to be used and indications of expected economic performance of the properties. Estimates include but are not limited to estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital costs, reductions in the amount of recoverable mineral reserves and mineral resources and/or adverse current economics can result in a write-down of the carrying amounts of the Company's mineral properties.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION

New standards and interpretation not yet adopted

The Company adopted the following amendments to IFRS issued by the IASB that are mandatorily effective for accounting periods beginning on or after January 1, 2025. Their adoption has not had a material impact on disclosures or amounts reported in these financial statements.

On May 30, 2024, the IASB issued amendments to IFRS 9 and IFRS 7 Classification and Measurement of financial instruments. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environmental, social and governance (ESG) (targets)); and update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). These amendments apply to Amendments to IAS 1 Presentation of Financial Statements.

The mandatory effective date for adoption is effective to annual periods beginning on or after January 1, 2026.

Based on preliminary assessment performed by the Company, these amendments are not expected to have a significant impact on its financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new accounting standard.

Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash

Cash consists of cash on deposit with a major Canadian bank.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Mineral properties

All costs related to the acquisition of mineral properties, including option payments, are capitalized on an individual prospect basis. Amounts received for the sale of mineral properties and for option payments are treated as reductions of the cost of the property, with payments in excess of capitalized costs recognized in profit or loss. The recoverability of the amounts capitalized for the undeveloped mineral properties is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the mineral property. If a mineral property does not prove viable, all unrecoverable costs associated with the project net of any impairment provisions are written off.

Exploration and evaluation expenditures are recognized in profit or loss. Costs incurred before the Company has obtained legal rights to explore on areas of interest are recognized in profit or loss. Expenditures incurred by the Company in connection with the exploration and evaluation of mineral resources after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable are capitalized.

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyance history characteristics of many mineral properties. The Company has investigated title to all of its mineral properties and proposed acquisition of mineral property interests and to the best of its knowledge the properties are in good standing.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as mineral property costs or recoveries when the payments are made or received.

Disposition or Abandonment of Properties

Proceeds received from the sale of any interest in a mineral property are first credited against the carrying value of the property, with any excess included in operations for the period. If a property is abandoned, the acquisition cost of the property is written off to operations.

Oil and Gas wells

Expenditures on the construction, installation and completion of infrastructure facilities and drilling of development wells are capitalized as oil and gas assets. Costs incurred to operate and maintain wells and equipment to lift oil and gas to the surface are expensed.

Oil and Gas assets are stated at historical cost, less any accumulated depletion and any allowance for impairment. Cost includes expenditures that are directly attributable to the acquisition of the assets. Subsequent accumulated costs are depleted using the units-of- production method. Depletion is calculated using ratio of production in the year to the remaining total proved producing reserves before royalties. These estimated are evaluated and reported on by independent reserve engineers annually. Proved producing reserves are estimated using independent reserve engineer reports.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Impairment

The application of the Company's accounting policy for acquisition costs related to mineral and oil and gas properties, requires judgement in determining whether there are future economic benefits, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If information becomes available suggesting that the recovery of the carrying value is unlikely, the amount to be written off is expensed in the statement of operations in the period when the new information becomes available. The Company assesses each cash generating unit ("CGU") at each reporting date to determine whether any indication of impairment exists.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the assets in an arm's length transaction between knowledgeable and willing parties. The carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss in the statement of loss for the period.

Impairment is determined for an individual asset unless the asset does not generate cash inflows that are independent of those generated from other assets or group of assets, in which case, the individual assets are grouped together into CGUs for impairment purposes.

An impairment exists when the carrying amount of the asset, or group of assets, exceeds its recoverable amount. The impairment loss is the amount by which the carrying value exceeds the recoverable amount and such loss is recognized in the statement of operations.

The recoverable amount of an asset is the higher of its fair value less costs to dispose and its value in use.

A previously recognized impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized such that the recoverable amount has increased. The carrying amount after a reversal must not exceed the carrying amount (net of depreciation) that would have been determined had no impairment loss been recognized.

Joint operations

All of the Company's petroleum and natural gas exploration and production activities are conducted jointly with others, and, accordingly, these financial statements reflect only the Company's proportionate interest in such activities.

Revenue from contracts with customers

The Company principally generates revenue from the sale of commodities, which include crude oil and natural gas. Revenue associated with the sale of commodities is recognized when control is transferred from the Company to its customers. The Company's commodity sale contracts represent a series of distinct transactions. The Company considers its performance obligations to be satisfied and control to be transferred when all the following conditions are satisfied:

- The Company has transferred title and physical possession of the commodity to the buyer;
- The Company has transferred significant risks and rewards of ownership of the commodity to the buyer; and,
- The Company has the present right to payment. Revenue is measured based on the consideration specified in a contract with the customer.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Payment terms for the Company's commodity sales contracts are on the 25th of the month following delivery. The Company does not have any contracts where the period between the transfer of the promised goods or services.

Financial Instruments

Financial asse

Initial recognition and measurement

The Company measures its financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component.

Subsequent measurement is dependent on the financial instrument's classification which, in the case of financial assets, is determined by the context of the Company's business model and the contractual cash flow characteristics of the financial asset. Financial assets are classified into three categories:

- Amortized cost: A financial instrument is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect/disburse contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial instruments measured at amortized cost are measured using the effective interest method.
- Fair value through other comprehensive income ("FVOCI"): A financial instrument held within a business model whose objective is achieved by both collecting/disbursing contractual cash flows and selling/buying a financial instrument and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Fair value through profit or loss ("FVTPL"): A financial asset is classified at FVTPL unless it is measured at amortized cost or classified as FVOCI. However, an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at FVTPL to present subsequent changes in FVOCI with no reclassification of realized gains or losses to profit or loss upon de-recognition of the equity instruments. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition. The classification of a financial liability is irrevocable.

Subsequent measurement – financial assets at FVTPL

Financial assets measured at FVTPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statement of loss. The Company measures its investments at FVTPL.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

The Company classifies its cash, accounts receivable and notes receivable as measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets

IFRS 9 allows a simplified approach to impairment assessment, which requires the expected lifetime loss to be recognized at the time of initial recognition of the financial assets. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases, and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Impairment of financial assets is determined by measuring the assets' expected credit loss ("ECL"). Accounts receivables are due within one year or less; therefore, these financial assets are not considered to have a significant financing component and a lifetime ECL is measured at the date of initial recognition of the accounts receivable. ECL allowances have not been recognized for cash due to the virtual certainty associated with their collection.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. The Company's financial liabilities include accounts payable and accrued liabilities and loan, which are measured at amortized cost. All financial liabilities are recognized initially at fair value.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the effective interest rate EIR method ("EIR"). Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Subsequent measurement – financial liabilities at FVTPL

Financial liabilities measured at FVPL include financial liabilities management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial liabilities measured at FVPL are carried at fair value in the statements of financial position with changes in fair value recognized in other income or expense in the statement of loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the statement of loss.

Fair Value Hierarchy

Financial instruments recorded at fair value on the statements of financial position are classified using a financial value hierarchy that reflects the significance of the inputs used in marking 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 including Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – valuation techniques using inputs for the asset and liability that are not based on observable market data (unobservable inputs).

The carrying values of cash and cash equivalents, accounts payable and accrued liabilities, and the loan liability approximate fair value due to their short-term nature. As at December 31, 2025, the Company has an investment note that is carried at a nil balance and represents the only financial instrument measured at fair value through profit or loss. This instrument is classified within Level 3 of the fair value hierarchy, as its fair value is determined using unobservable inputs.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's common shares, warrants, stock options and flow-through shares are classified as equity instruments. Preference share capital is classified as equity if it is non-retractable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from proceeds.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Warrants

Proceeds from unit placements are allocated between shares and warrants issued according to their relative fair value. The relative fair value of the share component is credited to share capital and the relative fair value of the warrant component is credited to warrant reserve. Upon exercise of the warrants, consideration paid by the warrant holder together with the amount previously recognized in the warrant reserve account is recorded as an increase to share capital.

For those warrants that expire unexercised, the recorded fair value is transferred from warrant reserve to deficit.

Share-Based Payments

The Company accounts for share-based payments using the fair value method. Under this method, compensation expense for employees is measured at fair value on the grant date using the Black-Scholes option pricing model and is recognized as an expense with a corresponding increase in stock option reserve. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the term of the option and stock price volatility.

Upon the exercise of stock options, consideration paid by the option holder together with the amount previously recognized in the stock option reserve account is recorded as an increase to share capital. For those options that are cancelled or expire after vesting, the recorded fair value is transferred from stock option reserve to deficit.

Warrants, stock options, and other equity instruments issued as purchase consideration in non-cash transactions are recorded at fair value of the goods or services received or if the value of the goods or services received is not reliably measurable then the value of such goods and services are measured with reference to the fair value of the equity instruments issued.

Assets retirement obligations

A legal or constructive obligation to incur restoration, rehabilitation, and environmental costs may arise when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. The Company's exploration activities are subject to various governmental laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and are generally becoming more restrictive.

The estimated value of the liability for an asset retirement obligation is recorded when the legal obligation arises and the corresponding increase to the asset is amortized over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value.

Profit (Loss) Per Common Share

The Company presents basic and diluted loss per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise convertible warrants and stock options granted by the Company.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Income Taxes

Income tax expense is comprised of current and deferred tax expense. Current tax expense is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Deferred tax assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are calculated using enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. An asset is recognized on the statement of financial position only when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in operations in the period in which the change is substantively enacted.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks (commodity prices, foreign currency exchange rate and interest rate), credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up to date market information.

Currency Risk

Currency risk is the risk that the fair value or future cash flows will fluctuate due to changes in foreign exchange rates. All of the Company's petroleum and natural gas sales are denominated in Canadian dollars, however, the underlying market prices in Canada for petroleum and natural gas are impacted by changes in the exchange rate between the Canadian and United States dollar.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main source of cash flow is from revenue generated from the sale of oil from its oil producing wells. These funds are primarily used to finance working capital, operating expenses, capital expenditures and acquisitions.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash.

As at December 31, 2025 the Company held cash of \$130,017 (December 31, 2024 - \$289,915) to settle current liabilities of \$1,755,228 (December 31, 2024 - \$1,740,209). The carrying amount of the current liabilities approximates its contractual cash outflow.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Cash bears interest at market rates. In the event that the Company held interest bearing debt, the Company could be exposed to interest rate risk. The company has a fixed rate loan with the Company's CEO.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company has reduced its credit risk by investing its cash with a Canadian chartered bank. All of the Company's accounts receivable are with natural gas and liquids marketers and partners on joint operations in the oil and gas industry and are subject to normal industry credit risks. Receivables from natural gas and liquids marketers are typically collected on the 25th day of the month following production. During 2025 and 2024, the Company has not experienced any collection issues.

At December 31, 2025 and December 31, 2024, there is significant concentration of credit risk for receivables as the company has sales contracts with only two oil marketers. The carrying amounts reflected in the statement of financial position, represent the Company's maximum exposure to credit risk for such receivables.

5. CAPITAL MANAGEMENT

The Company defines capital management as the manner in which it manages its share capital. As at December 31, 2025, the Company's share capital was \$15,529,321 (December 31, 2024 - \$15,648,976).

There were no changes in the Company's approach to capital management during the period and year ended December 31, 2025 and December 31, 2024 and the Company is not subject to any externally imposed capital requirements.

The Company's objectives when managing capital are:

- To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;
- To maintain a flexible capital structure, that optimizes the cost of capital at an acceptable risk; and
- To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

The Company regularly monitors and reviews the amount of capital in proportion to risk and future development and exploration opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt or equity or similar instruments or make adjustments to its capital expenditure program.

6. MINERAL PROPERTIES

Acquisition Costs		
	2025	2024
Uchi Gold Project	\$ 285,000	\$ 285,000
Talbot Lake Gold Project	357,750	357,750
Saskatchewan North Gold Project	91,866	77,000
Saskatchewan Uranium Projects	47,000	46,000
Total exploration and evaluation assets	\$ 781,616	\$ 765,750

Uchi Gold Project

The Uchi Gold Project is comprised of a number of mineral claims located in Earngey Township, approximately 85 km northeast of Ear Falls, Ontario and 1.5 km south of the past-producing Uchi gold mine. The Uchi Gold Project claims have been assembled through a series of property acquisitions and claims staking by the Company as more fully described below.

As at December 31, 2025 and December 31, 2024, management determined that there were no indicators of impairment for this property.

Talbot Lake Gold Project

On June 10, 2020, the Company acquired a 100% interest in 38 mineral claims near Talbot Lake, in the Pickle Lake area of the Patricia Mining District, from Denison Mines Inc. ("Denison") in exchange for \$135,000 in cash, 1,350,000 common shares of Argo Gold and a 2.0% NSR royalty on the claims, 1.0% of which can be purchased back for \$1.0 million. The fair value of the 1,350,000 shares was estimated at \$222,750 based on their market price of \$0.165 per share.

As at December 31, 2025 and December 31, 2024, management determined that there were no indicators of impairment for this property.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

North Saskatchewan Mineral Claims

On April 11, 2025, The company entered into a mineral claim option agreement to acquire 100% interest in the 1155-hectare Dreaver Lake property located in the Rottenstone Belt in Saskatchewan. To exercise the option, and acquire the claim, the Company made a cash payment of \$1,000 and spend a minimum of \$40,000 in exploration by September 3, 2026.

On August 7, 2024, The Company entered into an agreement to acquire mineral claims north of Saskatchewan. These claims consisted of 5,955 hectares proximal to the past—producing Rottenstone Mine which produced nickel, copper, gold, and platinum group of metals from 1965 to 1969. Argo Gold acquired 100% interest in claims located 120 kilometers north of La Ronge, Saskatchewan in exchange for an aggregate of \$7,000 cash and 1,000,000 common shares of the Company.

In addition to the claims acquired in August 7, 2024, the Company staked, in the same zone, an additional 15,161 hectares in the Rottenstone area identifying areas of interest including anomalous copper in soils.

Electromagnetic conductors identified by historic geophysical surveys, Ultramatic rocks, the Gow Lake meteor crater area, and the geological strike extension of the Rottenstone Mine.

Argo Gold has recently permitted the North Saskatchewan mineral claims.

As at December 31, 2025 and December 31, 2024, management determined that there were no indicators of impairment for this property.

Saskatchewan Uranium Mineral Claims

On December 3, 2024, the Company acquired a 100% interest in mineral claims located in the Athabasca Basin. The claims are Parker Lake, Thunderbolt and Zig Zag. This project was acquired for \$5,000 cash and 500,000 issued shares, for a total of \$45,000. These claims total 15,962 hectares and are considered prospective for uranium mineralization.

On December 23, 2024, the Company acquired Thunderclap, and the Company added 97 more uranium claims in the Athabasca Basin for an additional \$1,000.

The Company has a total of 16,059 hectares of prospective uranium mineral claims in the Athabasca Basin.

As at December 31, 2025 and December 31, 2024, management determined that there were no indicators of impairment for this property.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Mineral Properties Expenses

December 31, 2025	Uchi	Talbot	Hurdman	Saskatchewan		Other	Total
				n Gold	n Uranium		
Consulting fees	\$ 1,360	\$ 480	\$ -	\$ -	\$ 8,176	\$ -	\$ 10,016
Land management	6,906	1,340	803	8,930	8,474	-	26,453
Other costs	2,610	1,360	-	-	-	-	3,970
	\$ 10,876	\$ 3,180	\$ 803	\$ 8,930	\$ 16,650	\$ -	\$ 40,439

December 31, 2024	Uchi	Talbot	Hurdman	Saskatchewan		Other	Total
				n Gold	n Uranium		
Consulting fees	\$ 10,670	\$ 1,500	\$ -	\$ 1,500	\$ 1,500	\$ -	\$ 15,170
Land management	996	-	894	-	-	831	2,721
Other costs	8,046	-	-	-	-	-	8,046
	\$ 19,712	\$ 1,500	\$ 894	\$ 1,500	\$ 1,500	\$ 831	\$ 25,937

7. OIL AND GAS PROPERTIES

Joint Arrangement – Lindbergh Area

On November 3, 2022, Argo Gold announced that it entered into a farmout agreement to participate an oil area in the Lindbergh area, proximal to Lloydminster, Alberta. Argo Gold paid the operator 50% of the cost to drill, complete, and fully equip or abandon the first oil well to earn a 37.5% interest at Lindbergh.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

The Lindbergh 1 oil well started producing in late March 2023, and the Lindbergh 2 oil well was on production for December 2023.

	Oil and gas properties	Land	Total
Cost			
January 1, 2024	1,850,350	\$ -	\$1,850,350
Additions	657,176	44,088	701,264
Impairment of oil and gas expenditure	(33,648)	-	(33,648)
Change in estimate of decommissioning obligation	26,070	-	26,070
December 31, 2024	2,499,948	44,088	2,544,036
Additions	123,000	-	123,000
Impairment of oil and gas expenditure	(481,023)	-	(481,023)
Change in estimate of decommissioning obligation	7,309	-	7,309
December 31, 2025	\$ 2,149,234	\$ 44,088	\$2,193,322

	Oil and gas properties	Land	Total
Accumulation depletion and depreciation			
January 1, 2024	110,147		110,147
Depletion and depreciation	399,708		399,708
December 31, 2024	509,855		509,855
Depletion and depreciation	419,039		419,039
December 31, 2025	\$ 928,894		\$ 928,894

	Oil and gas properties	Land	Total
Carrying value			
December 31, 2024	1,990,093	44,088	2,034,181
December 31, 2025	\$ 1,223,714	\$ 44,088	\$1,267,802



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Joint Arrangement – Lloydminster Area

On February 1, 2022, Argo Gold announced that it had entered into a second participation agreement for a Lloyd oil well area proximal to Lloydminster, Alberta. Argo paid the operator 25% of the cost to drill, complete, and fully equip or abandon the well to earn an 18.25% interest in the oil well. The participation agreement also included an area of mutual interest where Argo has the right to participate on a pro-rata basis.

On September 21, 2023, Argo Gold Inc. announced that drilling had begun at the Lloyd oil well proximal to Lloydminster, Alberta. The Lloyd oil well was in production October 2023. In September 2024, a second well, in the Lloydminster area was drilled and is producing. The Company has, at the end of the period ended December 31, 2025, four oil producing wells.

At December 31, 2025, the Company identified indicators of impairment for its property and equipment and, accordingly, performed impairment testing. The Company prepared estimates of future cash flows to determine the recoverable amounts of the respective CGUs. Recoverable amounts for the Company's oil and gas assets were estimated based on fair value less costs of disposal (FVLCD), calculated using the present value of the CGUs' expected future cash flows. The primary source of cash flow information was derived from a report on the Company's oil and gas reserves prepared by an independent qualified reserve evaluator. Based on this assessment, the recoverable amount of the Lloydminster CGU was determined to be \$1,456,118, while the recoverable amount of the Lindbergh CGU was determined to be \$474,956. The recoverable amount of the Lindbergh CGU was less than its carrying amount, this resulted in the recognition of an impairment loss of \$481,023. Impairment losses may be reversed in future periods if the estimated recoverable amount of a CGU exceeds its carrying value, with any reversal limited to the carrying value that would have been determined, net of depletion, had no impairment loss been recognized. The projected cash flows reflect current market assessments of key assumptions, including long-term commodity price forecasts, inflation rates, and foreign exchange rates. Cash flow forecasts are also based on past experience, historical trends, and an evaluation of the Company's reserves and resources to determine production profiles and volumes, operating costs, maintenance, and future development capital expenditures. Production profiles, reserve volumes, operating costs, and capital expenditures are consistent with estimates approved through the Company's annual reserves evaluation process. The discount rate applied in the impairment calculation as at December 31, 2025 was 15% for proved reserves, which is considered reasonable given the Company's elevated liquidity and execution risk. A 15% discount rate is commonly applied to junior or higher-risk oil and gas producers and appropriately reflects uncertainty over the timing and realization of future cash flows, particularly in light of constrained cash resources and limited access to financing.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

8. Equipment

	Computer Hardware
Costs	
Total at December 31, 2023, 2024	\$ 16,484
Additions	3,815
Total at December 31, 2025	\$ 20,299
Accumulated Depreciation	
Balance, December 31, 2024	\$ 15,409
Depreciation for the period	2,188
Balance December 31, 2025	17,597
Net book value December 31, 2025	\$ 2,702

9. SHARE CAPITAL

(a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of special shares, issuable in series.

(b) Issued and outstanding

Share Capital	Number of Common Shares	Amount
Balance at January 1, 2024	72,335,581	15,561,812
Shares issued August 13, 2024	1,000,000	70,000
Shares issued - December 19, 2024	500,000	40,000
Shares cancelled in 2024	(240,057)	(23,142)
Balance at December 31, 2024	73,595,524	15,648,670
Shares cancelled in 2025	(1,507,750)	(119,349)
Balance at December 31, 2025	72,087,774	\$ 15,529,321

On June 26, 2025, the Company announced the renewal of the normal course issuer bid (NCIB) to purchase the cancellation, over a 12-month period, an aggregate amount of up to 3,654,388 common shares, representing 5% of the Company's issued and outstanding common shares. The NCIB will end on June 26, 2026, unless the maximum number of common shares is purchased before then or Argo provides earlier notice of termination.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

Loan from CEO

The Company entered into a loan agreement with the Company's CEO for a short-term loan which incurs fixed interest rate 10%. The loan is due on demand. The first interest payment was made July 25, 2023. The first loan disbursement of \$786,767.67 matured on April 24, 2024, and the second disbursement of \$322,916.67 matured on December 31, 2023, the loan does not have financial or non-financial covenants.

Interest on short term loan	2025	2024
Interest payable as at beginning of year	\$ 173,241	\$ 102,359
Interest adjustment true up	(\$35,483)	-
Interest expense	127,212	110,220
Financing fees	200,000	-
Renewal fees	8,020	-
Less: Repayments	(240,750)	(39,338)
Total interest and financing owed at year end	\$ 232,240	\$ 173,241

Compensation of key management personnel (directors and officers)

	2025	2024
	December 31,	December 31,
Management fees ⁽¹⁾	\$ 120,000	\$ 120,000
Consulting fees - paid to independent directors	49,400	10,636
Total fees paid to management	\$ 169,400	\$ 130,636

As of December 31, 2025, \$nil is in accounts payable (December 31, 2024 - \$35,523). Further an amount of \$50,000 related to travel expenditures incurred by Judy Baker, the Company's CEO, was accrued.

Convertible note receivable

On October 30, 2023, The Company entered into a convertible note receivable agreement with Caravel Resources Corp. ("Caravel") for \$50,000 with an annual interest rate of 15%. The principal loan amount plus any accrued interest is payable by Caravel on October 31, 2024. The Company has the right to convert the principal amount and any accrued interest into equity units at the conversion price of \$0.075 on the payment due date. The CEO and director of Caravel Resources Corp. was also a member of the Company's board of directors. As at December 31, 2024, the Company had recognized Interest income of \$6,884 on the convertible note receivable.



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

During the year ended December 31, 2025, the Company held an investment in common shares of Caravel. The investment arose from the conversion of a previously impaired convertible note receivable and an additional cash investment.

The convertible note receivable had been written off in full in a prior period, as management determined that collection was doubtful. On June 15, 2025, the legal balance of the note, totaling \$60,788 including accrued interest, was converted into 810,502 common shares of Caravel. On the same date, the Company paid \$8,105 in cash to acquire an additional 810,502 shares. As a result, the Company owned an aggregate of 1,621,004 common shares of Caravel, as at December 31, 2025, management assessed the recoverable amount of the investment as nil, as Caravel did not have producing oil and gas assets or active operations at December 31, 2025. Accordingly, the investment is carried at fair value of nil.

11. COMMITMENTS AND CONTINGENCIES

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

12. REVENUE

The Company derives its revenue from contracts with customers primarily through the sale of crude oil commodities at a point in time. Total amount, net of royalties, of crude oil revenue earned for the period December 31, 2025 was \$1,519,855 (December 31, 2024 - \$2,241,635),

At December 31, 2025, receivables from contracts with customers, which are included in trade accounts receivable were \$97,198 (December 31, 2024 - \$203,511).

13. ASSETS RETIREMENT OBLIGATIONS

The total decommissioning provision of \$95,326 reflects the estimated cost to dismantle, abandon, reclaim and remediate the Company's oil wells at the end of their useful lives. As at December 31, 2025, and December 31, 2024, the Company's total undiscounted and uninflated cash flows required to settle its decommissioning obligations was \$126,563 and is expected to be incurred over the next 9 years. A risk-free rate of 3.85% (December 31, 2024 - 3.13%) and an inflation rate of 2.0% (December 31, 2024 - 2.0%) was utilized to calculate the present value of the asset retirement obligations.

	December 31, 2025	December 31, 2024
Decommissioning Obligation, beginning of year	\$ 84,642	\$ 58,452
Additions	-	23,774
Change in estimate	\$7,309	2,296
Accretion expense	\$3,375	120
Decommissioning obligation, end of year	\$ 95,326	\$ 84,642



Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

14. TAXES

	For the Years Ended	
	December 31, 2025	December 31, 2024
Loss before income taxes	(920,947)	437,084
Expected income tax recovery based on statutory rate	(211,818)	100,529
Adjustment to expected income tax benefit:		
Other permanent differences	(227,946)	(260,757)
Change in deferred tax asset not recognized	439,764	160,228
Tax expense (recovery)	-	-

The components of the unrecognized deductible temporary differences are as follows:

	December 31, 2025	December 31, 2024
Non-capital loss carry-forwards	2,856,006	3,025,290
Capital loss carry-forward	3,160,784	3,160,784
Oil and gas assets	4,402,069	2,479,114
Share issue costs	160,000	1,655
Other temporary differences	-	-
Total	10,578,859	8,666,843

As at December 31, 2025, the Company has Canadian non-capital losses of \$2,900,000 (2024 - \$3,000,000) that may be applied to reduce future taxable income. If these losses are not used to offset future income, they will start to expire starting 2037.

15. SUBSEQUENT EVENTS

February 18, 2026, The Company entered into an agreement to acquire a 100% interest in certain mineral claims known as the "Hurdman Silver-Zinc Project". The Hurdman Silver-Zinc Project is located 120 km north of Timmins, Ontario, totals 2474 hectares covering known mineralization, as well as structural and geophysical targets that are considered prospective for additional silver and zinc mineralization.

The mineral claims are being purchased in exchange for the issuance to the vendors of 1,250,000 common shares of the Company to be issued at a deemed price CAD \$12.5 cents per share. The common shares will be subject to a statutory hold period of four months and one day from their date of issuance. Argo is also granting the vendors a small net smelter returns royalty ("NSR") in respect of the mineral claims comprising the Hurdman Silver-Zinc Project.

March 1, 2026, The Company awarded 4,000,000 options to consultants at \$0.12.