



CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2026 AND 2025
(Expressed in US dollars)
(Unaudited)

Notice to Reader

These condensed interim financial statements of Majestic Gold Corp. have been prepared by management and approved by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Majestic Gold Corp.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - expressed in US dollars)

	Note	March 31, 2026 - \$ -	December 31, 2025 - \$ -
ASSETS			
Current assets			
Cash and cash equivalents	4	171,631,786	167,097,897
Receivables	5	2,939,439	2,400,627
Deposits and prepaid expenses	6	782,408	378,995
Inventory	7	4,207,841	4,351,144
		179,561,474	174,228,663
Investments	8	2,363,677	1,094,400
Reclamation deposits	6	5,023,526	4,944,719
Property, plant and equipment	9	154,064,274	152,937,038
Exploration and evaluation assets	10	472,514	465,185
Deferred tax assets		1,248,429	1,228,997
Other long-term assets	11	375,755	330,071
Goodwill	12	5,089,069	5,089,069
		348,198,718	340,318,142
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	13	8,024,789	12,191,387
Current portion of long-term liabilities	17	2,677,546	2,881,949
Income taxes payable		14,809,355	14,943,088
Loans payable	14	27,925,920	26,956,570
		53,437,610	56,972,994
Asset retirement obligation	15	7,273,079	7,126,199
Deferred tax liability		15,537,008	14,594,542
Long-term loans payable	16	10,823,163	10,779,934
Other long-term liabilities	17	9,746,444	9,162,721
		96,817,304	98,636,390
EQUITY			
Share capital	19	122,763,213	122,763,213
Reserves	19	21,089,048	17,398,713
Deficit		11,564,951	9,655,911
Equity attributable to owners of parent		155,417,212	149,817,837
Equity attributable to non-controlling interests	24	95,964,202	91,863,915
Total equity		251,381,414	241,681,752
		348,198,718	340,318,142
Nature of operations	1		
Commitments	17		
Subsequent events	25		

Approved by the Directors:

"John Campbell"

"Stephen Kenwood"

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

Majestic Gold Corp.
Condensed Consolidated Interim Statements of Comprehensive Income
(Unaudited - expressed in US dollars)

		Three months ended March 31,	
		2026	2025
	Note	-\$ -	-\$ -
Revenue	21	23,552,346	19,480,955
Cost of sales			
Operating expenses	21	5,717,171	6,925,476
Depreciation and depletion	9, 21	1,933,740	2,224,508
Gross profit		15,901,435	10,330,971
General and administrative	21	2,562,656	1,928,161
Share-based compensation	19	321,509	-
Suspension costs	1	2,359,233	-
Exploration and evaluation expenditures	10	26,210	-
Operating profit		10,631,827	8,402,810
Other items			
Finance expense	21	379,439	120,278
Interest and other income		(644,792)	(398,419)
Foreign exchange (gain) loss		(334,071)	24,420
Gain on sale of assets		(169,395)	-
Other expenses		106,778	2,733
		(662,041)	(250,988)
Net income before income tax		11,293,868	8,653,798
Income tax expense		(4,340,886)	(2,546,004)
Net income for the period		6,952,982	6,107,794
Other comprehensive income (loss)			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation to the presentation currency		(234,676)	11,581
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations		1,713,668	265,576
Total other comprehensive loss for the period		1,478,992	277,157
Total comprehensive income for the period		8,431,974	6,384,951
Net income for the period attributable to:			
Owners of the parent		2,954,816	3,050,694
Non-controlling interests		3,998,166	3,057,100
		6,952,982	6,107,794
Comprehensive income for the period attributable to:			
Owners of the parent		3,971,285	3,299,805
Non-controlling interest		4,460,689	3,085,146
		8,431,974	6,384,951
Net income per share attributable to owners of the parent- basic and diluted		0.00	0.00
Weighted average number of common shares outstanding - basic and diluted		1,042,664,381	1,042,664,381

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

Majestic Gold Corp.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - expressed in US dollars)

Attributable to owners of the parent										
		Share capital -\$ -	Share-based payment reserve -\$ -	Special Reserve -\$ -	Accumulated other comprehensive income (loss) -\$ -	Deficit -\$ -	Total -\$ -	Non-controlling interest -\$ -	Total equity -\$ -	
	Note	Number of shares								
Balance, December 31, 2024		1,042,664,381	122,763,213	11,593,055	8,828,092	(10,556,380)	(24,697,133)	107,930,847	51,787,821	159,718,668
Safety fund surplus reserve	19	-	-	-	6,836	(842)	(5,994)	-	-	-
Statutory surplus reserve	19	-	-	-	679,042	(12,146)	(666,896)	-	-	-
Non-controlling interest at acquisition	24	-	-	-	-	-	-	-	2,903,882	2,903,882
Comprehensive income										
Net income for the period		-	-	-	-	-	3,050,694	3,050,694	3,057,100	6,107,794
Other comprehensive income		-	-	-	249,111	-	249,111	28,046	277,157	-
Total comprehensive income for the period		-	-	-	249,111	3,050,694	3,299,805	3,085,146	6,384,951	-
Balance, March 31, 2025		1,042,664,381	122,763,213	11,593,055	9,513,970	(10,320,257)	(22,319,329)	111,230,652	57,776,849	169,007,501
Attributable to owners of the parent										
		Share capital -\$ -	Share-based payment reserve -\$ -	Special Reserve -\$ -	Accumulated other comprehensive income (loss) -\$ -	Deficit -\$ -	Total -\$ -	Non-controlling interest -\$ -	Total equity -\$ -	
		Number of shares								
Balance, December 31, 2025		1,042,664,381	122,763,213	13,379,017	12,001,121	(7,981,425)	9,655,911	149,817,837	91,863,915	241,681,752
Safety fund surplus reserve	19	-	-	-	44,332	(24,769)	(19,563)	-	-	-
Statutory surplus reserve	19	-	-	-	1,218,487	(192,274)	(1,026,213)	-	-	-
Non-controlling interests distribution (net of additions)	24	-	-	-	-	-	-	-	(360,402)	(360,402)
Share-based compensation	19	-	-	323,059	-	-	-	323,059	-	323,059
Unrealized gain on investment	8	-	-	-	1,305,031	-	-	1,305,031	-	1,305,031
Comprehensive income										
Net income for the period		-	-	-	-	-	2,954,816	2,954,816	3,998,166	6,952,982
Other comprehensive income		-	-	-	1,016,469	-	1,016,469	462,523	1,478,992	-
Total comprehensive income for the period		-	-	-	1,016,469	2,954,816	3,971,285	4,460,689	8,431,974	-
Balance, March 31, 2026		1,042,664,381	122,763,213	13,702,076	13,263,940	(5,876,968)	11,564,951	155,417,212	95,964,202	251,381,414

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

Majestic Gold Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - expressed in US dollars)

	Three months ended March 31,	
	2026	2025
	- \$ -	- \$ -
Cash provided from (used for):		
Operating activities:		
Net income for the period	6,952,982	6,107,794
Items not involving cash:		
Depreciation and depletion	2,442,431	2,324,656
Finance expense	379,439	80,473
Share-based compensation	321,509	-
Income tax expense	4,340,886	2,546,004
Safety production reserve	(65,605)	
Loss on sales of property, plant and equipment	3,406	-
Gain on sale of investments	(164,576)	-
Changes in non-cash working capital balances:		
Receivables	(562,711)	496,548
Deposits and prepaid expenses	(403,413)	(95,177)
Inventory	211,568	88,343
Accounts payable and accrued liabilities	(3,869,562)	(2,732,299)
Current portion of long-term liabilities	7,457	(9,035)
Effect of foreign exchange on working capital	(430,063)	(28,618)
Net Income tax paid	(3,945,705)	-
Interest paid	(274,516)	-
Net cash provided from operating activities	4,943,527	8,778,689
Investing activities:		
Expenditures on property, plant and equipment	(1,222,248)	(768,995)
Net acquisition cost for subsidiary	-	(927,557)
Proceeds from the sale of assets	179,367	-
Reclamation deposits	(626)	(1,180)
Net cash used for investing activities	(1,043,507)	(1,697,732)
Financing activities:		
Repayment of advances to related parties	-	(5,906,945)
Non-controlling interests distribution	(360,402)	-
Other long-term liability payments	(60,979)	(66,233)
Loan advance	348,490	5,715,162
Net cash used for financing activities	(72,891)	(258,016)
Effect of foreign exchange on cash	706,760	33,093
Net increase in cash and cash equivalents	4,533,889	6,856,034
Cash and cash equivalents, beginning	167,097,897	100,738,547
Cash and cash equivalents, ending	171,631,786	107,594,581

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

Majestic Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the three-month period ended March 31, 2026 and 2025
(Unaudited - expressed in US dollars)

1. Nature of operations

Majestic Gold Corp. (the “Company” or “Majestic”) is incorporated under the laws of the province of British Columbia, Canada. The Company is listed on the TSX Venture Exchange (“TSX-V”) where its common shares trade under the symbol “MJS”. The Company’s corporate office, principal address and the registered and records office is located at 306 – 1688 152nd Street, Surrey, British Columbia, Canada, V4A 4N2.

Majestic is a mining company focused on the exploration, development, and operation of mining properties in China.

In February 2025, the Company completed the acquisition of 52% equity interest in Yantai Mujin Mining Co., Ltd. (“Yantai Mujin”) and the Mujin Gold Project, through its 58.75% indirect owned subsidiary, Majestic Yantai Gold Ltd and 58.75% indirect owned subsidiary, PRG Res HK 2 Limited (“Mujin Acquisition”), resulting in Majestic holding a 30.55% net interest in Yantai Mujin.

On February 10, 2026, the Company announced that operations at both its Songjiagou Gold Project and Mujin Gold Project have been temporarily suspended following notification from the Yantai Emergency Management Bureau that all gold mining operations in Yantai were required to cease immediately. The suspension has been ordered in response to a serious accident that occurred on February 7, 2026 at an unrelated third-party mining operation in Zhaoyuan City, Yantai.

On March 10, March 17 and March 23, 2026, the Company resumed the operation at the Songjiagou (“SJG”) Open-Pit Mine, SJG Underground Mine, and the Denggezhuang (“DGZ”) Underground Mine located within its Mujin Gold Project respectively.

The Company continued to incur costs during the temporary suspension of operations at its Songjiagou Gold Project and Mujin Gold Project. For the period ended March 31, 2026, total suspension-related costs of \$2,359,233, which includes non-cash depreciation expense of \$330,163, have been presented as a separate line item, “suspension costs,” in the consolidated statements of comprehensive income. These costs have been excluded from cost of sales, other direct production costs, and depreciation, depletion and amortization.

2. Basis of preparation and material accounting policies

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The policies applied in these financial statements are based on International Financial Reporting Standards (“IFRS”) issued and outstanding as at June 1, 2026, the date the board of directors approved these consolidated financial statements for issue.

Basis of preparation

These unaudited condensed consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable.

Since these unaudited condensed consolidated interim financial statements do not include all disclosures required by the International Financial Reporting Standards (“IFRS”) for annual financial statements, they should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2025.

The unaudited condensed consolidated financial statements are presented in US dollars (“USD”) unless otherwise noted.

Basis of consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company and its controlled entities. All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Majestic Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the three-month period ended March 31, 2026 and 2025
(Unaudited - expressed in US dollars)

2. Basis of preparation and material accounting policies (continued)

The net interest of the Company's most significant subsidiaries are presented below:

	Country of incorporation	Percentage as at March 31, 2026		Percentage as at December 31, 2025		Principal activities
		Direct	Indirect	Direct	Indirect	
Persistence Gold Group Ltd. ⁽¹⁾	Cayman Island	58.75%	-	58.75%	-	Investment holding
Majestic Yantai Gold Ltd.	BVI	-	58.75%	-	58.75%	Investment holding
PRG Res Holding 1 Ltd.	BVI	-	58.75%	-	58.75%	Investment holding
PRG Res Holding 2 Ltd.	BVI	-	58.75%	-	58.75%	Investment holding
PRG Res HK 1 Ltd.	Hong Kong	-	58.75%	-	58.75%	Investment holding
PRG Res HK 2 Ltd.	Hong Kong	-	58.75%	-	58.75%	Investment holding
Yantai Zhongjia Mining Co., Ltd.	China	-	44.06%	-	44.06%	Mining and processing and sale of gold
Yantai Mujin Mining Co., Ltd.	China	-	30.55%	-	30.55%	Mining and processing and sale of gold

⁽¹⁾ On January 14, 2026, the Company's subsidiary Persistence Resources Group Ltd changed its name to Persistence Gold Group Ltd.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Company, liabilities assumed by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Company determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Company's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

Majestic Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the three-month period ended March 31, 2026 and 2025
(Unaudited - expressed in US dollars)

2. Basis of preparation and material accounting policies (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Company performs its annual impairment test of goodwill as at December 31. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Company are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Use of estimates

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include:

a) The useful lives of property, plant, and equipment

Depreciation is calculated on the straight-line basis to depreciate the cost of each item of plant and equipment and Right-of-use assets ("ROU") to its residual value over its estimated useful life. Useful lives are determined based on management's past experience with similar assets, estimated changes in technologies and in the case of mining-related plant and equipment, estimated mine lives. If the estimated useful lives change significantly, adjustment of depreciation will be provided in the future year.

The useful lives of the Company's mineral property and mining infrastructure are based on indicated gold resource and probable reserve estimates based on a certain grade cut-off level. Assumptions that influenced cut-off grade include the expected future price of gold, projected operating costs and discount rates. Changes to these assumptions and further analysis of the Company's gold resource and reserve estimates could significantly impact the expected useful lives of the Company's mineral property and related infrastructure.

b) Asset retirement obligation

The asset retirement obligation is based on projected future costs associated with mine reclamation and closure activities on the Company's SJG Open-Pit Mine, SJG Underground Mine, DGZ Underground Mine, Chahe Underground Mine and Houzhuang-Heiniutai Underground Mine. These estimates are based on current Chinese environmental laws and regulations. Future changes to such laws and regulations as well as changes to the Company's intended mining operations could significantly impact this provision.

Majestic Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
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(Unaudited - expressed in US dollars)

2. Basis of preparation and material accounting policies (continued)

Use of estimates (continued)

c) Impairment of the Company's mining assets

When assessing whether there are indicators of impairment of the Company's mining property and related assets, the Company considers internal and external factors, including:

- (i) Market factors such as a decrease in the price of gold or an increase in market interest rates;
- (ii) Whether the carrying value of the Company's net assets exceeding the Company's market capitalization; and
- (iii) The net cash flows generated by the assets being less than expected.

d) Other significant estimates

Other significant estimates where there is significant risk of material adjustments to assets and liabilities in future accounting periods include: determining the fair value measurements for financial instruments, the allocation of production costs to stockpiles of ore inventory and the recoverability of deferred income tax assets.

The Company estimates its income tax provision and deferred taxation in accordance with the prevailing tax rules and regulations, and taking into account any special approvals obtained from the relevant tax authorities in each location or jurisdiction in which the Company operates. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact on the income tax and deferred tax provisions in the period in which the determination is made.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences, including those arising from the impairment provisions on receivables, inventories and property, plant and equipment and accruals of expenses not yet deductible for tax purposes, to the extent that it is probable that sufficient future taxable profits will be available to utilize those losses and temporary differences.

In the event that future tax rules and regulations or related circumstances change, adjustments to current and deferred taxation may be necessary which would impact on the Company's results or financial position.

Use of judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment in applying the Company's financial statements is the determination of functional currency. In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates" (IAS 21) management determined that the functional currency of the Company is the Canadian dollar, the functional currency of Yantai Zhongjia Mining Co., Ltd. ("Zhongjia") and Yantai Mujin Mining Co. Ltd. ("Yantai Mujin") and all the other of the Company's Chinese subsidiaries is the Renminbi ("RMB") and the functional currency of Persistence, Majestic Yantai Gold Ltd ("Majestic Yantai"), PRG Res Holding 1 Ltd., PRG Res Holding 2 Ltd., PRG Res HK 1 Ltd., and PRG Res HK 2 Ltd. is the Hong Kong dollar ("HKD").

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the reporting date exchange rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in profit or loss.

For the purposes of presenting the consolidated financial statements in the presentation currency of US dollars, the companies with functional currencies other than US dollars, the assets and liabilities are translated into US dollars

Majestic Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the three-month period ended March 31, 2026 and 2025
(Unaudited - expressed in US dollars)

2. Basis of preparation and material accounting policies (continued)

Foreign currency translation (continued)

using the period-end exchange rate and the operations and cash flows are translated using the average rates of exchange over the period. Exchange differences arising when the opening net assets and the profit or loss are translated into US dollars are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in profit or loss in the period in which the operation is disposed.

3. New accounting standards, interpretations, and amendments

The Company has adopted the following new accounting standards, interpretations and amendments issued.

Amendments –IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, the IASB issued amendments to update the classification and measurement requirements in IFRS 9 and related disclosure requirements in IFRS 7 as follows:

- Clarified the recognition and derecognition date of certain financial assets and liabilities and amended the requirements related to settling financial liabilities using an electronic payment system;
- Clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the sole payments of principal and interest criteria;
- New disclosures for certain instruments with contractual terms that can change cash flows;
- Additional disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs; and
- Amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments did not have any significant impact on the Company's financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying Guidance on implementing IFRS 7), IFRS 9, IFRS 10 and IAS 7.

Details of the amendments that are expected to be applicable to the Company are as follows:

- *IFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other IFRS Accounting Standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments did not have any significant impact on the Company's financial statements.
- *IFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Company's financial statements.
- *IFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Company's financial statements.
- *IAS 7 Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Company's financial statements.

Majestic Gold Corp.
Notes to the Condensed Consolidated Interim Financial Statements
For the three-month period ended March 31, 2026 and 2025
(Unaudited - expressed in US dollars)

3. New accounting standards, interpretations, and amendments (continued)

New accounting standards, interpretations and amendments issued not yet applied

There are new accounting standards, amendments to accounting standards and interpretations that are effective for annual periods beginning on or after January 1, 2026, and have not been applied in preparing the condensed consolidated financial statements for the three-month period ended March 31, 2026.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and disclosure in financial statements* ("IFRS 18"), which replaces IAS 1, *Presentation of financial statements*. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented in three defined categories (operating, investing and financing), and by specifying certain defined totals and subtotals. Where company-specific measures related to income statement disclosure are provided ("management-defined performance measures"), IFRS 18 requires additional disclosure around those management-defined performance measures in the financial statements. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 does not affect the recognition and measurement of items in the financial statements, nor does it affect which items are classified in other comprehensive income and how these items are classified.

The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard to its financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 Consolidated Financial Statements, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS accounting standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Certain of the Company's subsidiaries may consider the application of IFRS 19 in their financial statements.

Amendments to IAS 21 -The Effects of Changes in Foreign Exchange

The amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Company's financial statements. This amendment is effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted for certain provisions. The Company is currently assessing the effect of this amendments to its financial statements in future periods.

Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures

The amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the ISAB. However, the amendments are available for adoption now. The Company is currently assessing the effect of these amendments to its financial statements in future periods.

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4. Cash and cash equivalents

	March 31, 2026		December 31, 2025	
Cash	\$	128,268,649	\$	106,051,590
Short term time deposits		43,363,137		61,046,307
Total	\$	171,631,786	\$	167,097,897

As at March 31, 2026 and December 31, 2025, cash and cash equivalents of the Company was denominated in the following currencies:

	March 31, 2026		December 31, 2025	
Canadian dollars	\$	10,943,421	\$	11,158,576
Hong Kong dollars		56,524,873		60,556,747
Renminbi		91,723,258		83,970,369
United States dollars		12,440,234		11,412,205
Total	\$	171,631,786	\$	167,097,897

At March 31, 2026, the Company had cash and cash equivalents of \$171,631,786 (FYE2025 - \$167,097,897) of which \$11,414,066 (FYE2025 - \$11,715,827) is held in Canada, \$68,949,824 (FYE2025 - \$68,785,930) is held in Hong Kong, and the remaining balance of \$91,267,896 (FYE2025 - \$86,596,140) is held in China and is subject to local exchange control regulations. Chinese exchange control regulations provide for restrictions on exporting capital from China, other than through normal dividends.

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

5. Receivables

	March 31, 2026		December 31, 2025	
Sales taxes receivable	\$	9,940	\$	7,227
Amount from Dahedong (Note 18)		1,405,349		1,429,248
Other receivables		1,524,150		964,152
Total	\$	2,939,439	\$	2,400,627

The amount due of \$1,405,349 (FYE2025 - \$1,429,248) from Yantai Dahedong Processing Co. Ltd. ("Dahedong") is interest-free and was repayable on June 30, 2025 (Note 18). The Company and Dahedong are currently in discussions on terms of settlement of the amount outstanding. In the event of failure by Dahedong to repay the amount outstanding, Dahedong consented to transfer of 5% of its 25% ownership interest held in Yantai Zhongjia Mining Co., Ltd to the Company, as consideration and full satisfaction of the amount outstanding. Subsequent to the period end, DHD repaid \$1,137,424 (HKD 9 million), with remaining balance outstanding of \$291,824 (HKD 2,986,134) (Note 25).

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6. Deposits and prepaid expenses

	March 31, 2026	December 31, 2025
Current:		
Prepayment for mining supplies and services	\$ 669,404	\$ 42,603
Rent deposit	18,574	19,112
Other prepayments and deposits	94,430	317,280
	782,408	378,995
Non-current:		
Reclamation deposits	5,023,526	4,944,719
Total	\$ 5,805,934	\$ 5,323,714

Reclamation Deposits

The Company is required to provide reclamation deposits in respect of its expected rehabilitation obligations at the SJG Open-Pit Mine, SJG Underground Mine, and the DGZ Underground Mine.

7. Inventory

	March 31, 2026	December 31, 2025
Gold concentrate	\$ 626,867	\$ 675,869
Ore stockpile	1,515,615	1,684,581
Supplies and spares	2,065,359	1,990,694
Total	\$ 4,207,841	\$ 4,351,144

8. Investment

	Available-for-sale Securities
Balance, December 31, 2025	\$ 1,094,400
Proceeds from the sale of securities	(210,797)
Gains from the sale of securities	193,056
Unrealized fair value gain	1,305,031
Foreign exchange revaluation impact	(18,013)
Balance, March 31, 2026	\$ 2,363,677

On June 11, 2024, Majestic invested \$181,600 (CAD\$250,000) in Allied Critical Metals Corp. through an equity financing acquiring 2,500,000 common shares at CAD\$0.10 per common share. On April 30, 2025, the shares of Allied Critical Metals Corp. began trading on the Canadian Securities Exchange under the symbol "ACM".

The Company has irrevocably designated this investment as a financial asset at fair value through other comprehensive income ("FVOCI"), as it is not held for trading purposes and intended to be held as a long-term investment.

The fair value of the investment is determined based on quoted market prices in an active market (Level 1 of the fair value hierarchy).

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9. Property, plant, and equipment

SJG Open-Pit Mine

The Company's principal mining property is the SJG Open-Pit Mine located in the Shandong Province of China. The Company commenced commercial gold production at the SJG Open-Pit Mine in May 2011. The Company's mining permit for the SJG Open-Pit Mine has been renewed and is valid until May 17, 2031. The SJG Open-Pit Mine is owned by the Company's subsidiary, Zhongjia. The Company's interest in Zhongjia is held through its indirect 58.75% ownership of its subsidiary Majestic Yantai. Majestic Yantai holds 75% of the shares of Zhongjia. The remaining 25% of Zhongjia is held by Dahedong.

SJG Underground Mine

The SJG Underground Mine is also owned by Zhongjia and lies immediately north of the SJG Open-Pit Mine, within the project's exploration license boundary. The area underlain by precious metal mineralized vein structures was converted to a five-year, 0.414 sq. km. mining license that was granted on February 18, 2016. The Company's mining permit for the SJG Underground Mine has been renewed and is valid until February 18, 2031.

DGZ Underground Gold Mine

The DGZ Underground Gold Mine is located in Yantai City, Shandong Province, approximately 28km from the SJG Open-Pit and SJG Underground Mines. The DGZ Mine is an operating underground gold mine with a mining permit valid until July 18, 2038.

The DGZ Underground Mine is owned by the Company's subsidiary Yantai Mujin. The Company, through its 58.75% owned subsidiaries, acquired a 52% equity interest in Yantai Mujin and the Mujin Gold Project, with its subsidiary, PRG HK2 holding 41% of the shares of Yantai Mujin and Majestic Yantai holding the remaining 11% interest.

As at March 31, 2026 and December 31, 2025, ROU included prepaid land leases and building leases.

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9. Property, plant, and equipment (continued)

	Motor Vehicles	Office furniture & equipment	Building	Machinery	Construction-in-progress	Mining Infrastructure	Mineral Property	Right of use lands	Total
Cost									
At December 31, 2024	\$ 1,054,549	\$ 1,712,336	\$ 14,125,165	\$ 29,471,961	\$ -	\$ 54,426,449	\$ 21,656,485	\$ 17,799,334	\$ 140,246,279
Additions	233,014	237,420	202,348	2,138,144	11,451,857	5,487,956	-	13,577	19,764,316
Acquisition of Yantai Mujin (Note 4)	206,987	452,918	3,334,735	2,849,218	7,976,916	5,819,323	37,985,447	5,465,223	64,090,767
Change in asset retirement cost	-	-	-	-	-	528,394	-	-	528,394
Reclassification of assets	-	-	(2,366,425)	-	-	2,366,425	-	-	-
Disposal	(76,120)	(2,086)	(33,637)	-	-	(1,893,363)	-	-	(2,005,206)
Foreign exchange adjustment	28,097	55,042	356,323	760,291	337,588	957,748	1,275,361	519,870	4,290,320
At December 31, 2025	1,446,527	2,455,630	15,618,509	35,219,614	19,766,361	67,692,932	60,917,293	23,798,004	226,914,870
Additions	16,251	20,738	-	286,818	655,781	114,861	-	127,799	1,222,248
Disposal	-	-	-	(26,202)	-	-	-	-	(26,202)
Foreign exchange adjustment	22,911	38,446	246,939	557,496	314,158	999,793	963,142	370,713	3,513,598
At March 31, 2026	\$ 1,485,689	\$ 2,514,814	\$ 15,865,448	\$ 36,037,726	\$ 20,736,300	\$ 68,807,586	\$ 61,880,435	\$ 24,296,516	\$ 231,624,514
Accumulated depreciation									
At December 31, 2024	\$ (746,183)	\$ (641,555)	\$ (8,163,729)	\$ (18,150,559)	\$ -	\$ (19,760,134)	\$ (6,306,617)	\$ (8,644,468)	\$ (62,413,245)
Depreciation and depletion	(180,515)	(306,947)	(969,662)	(2,581,514)	-	(4,888,976)	(995,215)	(869,715)	(10,792,544)
Disposal	94,879	2,086	33,637	-	-	247,642	-	-	378,244
Foreign exchange adjustment	(18,238)	(19,241)	(199,513)	(451,142)	-	(92,284)	(158,237)	(211,632)	(1,150,287)
At December 31, 2025	(850,057)	(965,657)	(9,299,267)	(21,183,215)	-	(24,493,752)	(7,460,069)	(9,725,815)	(73,977,832)
Depreciation and depletion	(47,538)	(91,792)	(273,384)	(715,234)	-	(921,189)	(165,749)	(227,545)	(2,442,431)
Disposal	-	-	-	22,796	-	-	-	-	22,796
Foreign exchange adjustment	(13,559)	(15,300)	(147,711)	(336,651)	-	(257,595)	(118,362)	(150,875)	(1,040,053)
At March 31, 2026	\$ (911,154)	\$ (1,072,749)	\$ (9,720,362)	\$ (22,212,304)	\$ -	\$ (25,672,536)	\$ (7,744,180)	\$ (10,104,235)	\$ (77,437,520)
Net book value									
At December 31, 2025	\$ 596,470	\$ 1,489,973	\$ 6,319,242	\$ 14,036,399	\$ 19,766,361	\$ 43,199,180	\$ 53,457,224	\$ 14,072,189	\$ 152,937,038
At March 31, 2026	\$ 574,535	\$ 1,442,065	\$ 6,145,086	\$ 13,825,422	\$ 20,736,300	\$ 43,135,050	\$ 54,136,255	\$ 14,192,281	\$ 154,186,994

As at March 31, 2026 and December 31, 2025, certain of the Company's buildings were associated with land lease agreements with third parties which allow for the use of assets for the duration of the lease.

For the period ended March 31, 2026, there was \$Nil in depreciation expense related to open-pit expansion work which has been capitalized to property, plant and equipment (For the year ended December 31, 2025 - \$96,258).

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10. Exploration and evaluation assets

	WS Exploration Permit, Mujin Gold Project, China	JLK Exploration Permit, Mujin Gold Project, China	Sunset-Sunrise Mineral Property, Canada	Total
Balance at December 31, 2025	\$ 410,448	\$ 53,941	\$ 796	\$ 465,185
Foreign exchange adjustment	6,489	853	(13)	7,329
Balance at March 31, 2025	\$ 416,937	\$ 54,794	\$ 783	\$ 472,514

Mujin Gold Project, China

As part of the Yantai Mujin Acquisition, the Company acquired two exploration permits, the JLK exploration permit and the WS exploration permit.

Sunset-Sunrise Property, Canada

In November 2019, the Company acquired the Sunset and Sunrise mineral claims which are located in the Cassiar District of British Columbia by making a payment of CAD\$1,092.

Exploration and evaluation expenditures recorded in the statements of comprehensive income for the three month period ended March 31, 2026 is as follows:

Three months ended March 31, 2026	General Exploration
Assay and analysis	\$ -
Geological consulting	26,210
Total	\$ 26,210

The Company did not incur any exploration and evaluation expenditures during the three months ended March 31, 2025.

11. Other long-term assets

At March 31, 2026, the Company had long-term assets in the amount of \$375,755 (RMB 2,600,000) (December 31, 2025 - \$330,071 (RMB 2,320,000)) which are comprised of advance payments for purchases of property plant and equipment.

12. Goodwill

	March 31, 2026	December 31, 2025
Goodwill	\$ 5,058,069	\$ 5,058,069

Impairment testing of goodwill

Goodwill arose from the acquisition of the Mujin Gold Project completed on February 28, 2025. Goodwill is not amortized and is tested annually for impairment or more frequently when indicators of impairment exist. Management assessed whether any indicators of impairment existed as at March 31, 2026 and concluded that no such indicators were present. Accordingly, no impairment loss was recognized during the period.

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13. Accounts payable and accrued liabilities

	March 31, 2026	December 31, 2025
Trade and other payables	\$ 7,548,421	\$ 11,690,721
Amounts due to related parties (Note 18)	16,220	47,680
Provisions	460,148	452,986
Total	\$ 8,024,789	\$ 12,191,387

The provisions consist of a provision for the relocation of villages surrounding the mine and a provision for penalties that arise from overdue tax payment and other penalties.

A continuity of the Company's provisions that are included in accounts payable and accrued liabilities are as follows:

	Provision for relocation	Provision for penalties	Total
Balance, December 31, 2025	128,834	324,152	452,986
Effect of foreign exchange	2,037	5,125	7,162
Balance, March 31, 2026	\$ 130,871	\$ 329,277	\$ 460,148

14. Loans Payable

	March 31, 2026	December 31, 2025
Balance, beginning	\$ 26,956,570	\$ -
Loan advances	-	15,416,959
Loan repayments	-	(21,697,378)
Assumed Loans in Yantai Mujin acquisition	-	9,640,681
Assumed Related Party Advance in Yantai Mujin acquisition	-	21,680,154
Related Party Advance Addition	-	97,746
Interest payable	53,513	31,701
Addition of short term portion of long term loans (Note 16)	489,927	1,256,260
Foreign exchange adjustment	425,910	530,447
Balance, ending	\$ 27,925,920	\$ 26,956,570

At March 31, 2026, the loans payable balance outstanding is as follows:

- (i) a \$4,335,636 (RMB 30,000,000) one-year loan bearing interest at 4.00% per annum and repayable on April 20, 2026. The loan is guaranteed by Zhongjia, and Yantai Yihui Investment Co. Ltd., ("Yantai Yihui"). The loan was repaid on April 20, 2026, renewed on April 30, 2026 at 4.00% per annum and is repayable on December 18, 2026;
- (ii) a \$1,445,212 (RMB 10,000,000) one-year loan bearing interest at 3.5% per annum and repayable on June 25, 2026. The loan is guaranteed by two third parties;
- (iii) a \$7,226,060 (RMB 50,000,000) one-year loan bearing interest at 3.8% per annum and repayable on September 28, 2026. The loan is guaranteed by certain third parties;
- (iv) a \$2,890,424 (RMB 20,000,000) one-year loan bearing interest at 3.8% per annum and repayable on November 12, 2026. The loan is guaranteed by Zhongjia, as well as two other parties;
- (v) a \$7,127,716 (RMB 49,319,515) two-year loan bearing interest at 3% per annum and repayable on December 31, 2026 with Yantai Yihui, a related party (Note 18);
- (vi) a \$3,034,945 (RMB 21,000,000) non-interest bearing security advance from Shandong Guoda Gold Co., Ltd.;
- (vii) \$1,780,501 (RMB 12,319,999) is the current amount of long-term loans outstanding.; and
- (viii) \$85,426 (RMB 591,097) of interest payable on loans payable (Note 16).

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15. Asset retirement obligation

The following table shows the movement for the asset retirement obligation:

	March 31, 2026	December 31, 2025
Balance, beginning	\$ 7,126,199	\$ 3,797,626
Additions and changes in estimates of net present value	-	528,394
Accretion (Note 21)	34,124	101,431
Assumed in Yantai Mujin acquisition	-	2,550,388
Foreign exchange adjustment	112,756	148,360
Balance, ending	\$ 7,273,079	\$ 7,126,199

The Company's asset retirement obligation consists of costs associated with mine reclamation and closure activities on the SJG Gold Project and the Mujin Gold Project (Note 9). The Mujin Gold Project asset retirement obligations were assumed in the Yantai Mujin Acquisition.

These activities, which are site specific, include costs for earthworks, re-contouring, re-vegetation, water treatment and demolition. In calculating the fair value of the Company's asset retirement obligations, the Company used risk-free rates ranging from 1.6436% to 2.4307% (2025 - 1.6436% to 2.4307). The majority of the expenditures are expected to occur during or after 2029. As at March 31, 2026, the total undiscounted amount of estimated cash flows required to settle the Company's obligation was \$8,751,610 (RMB 60,555,890).

16. Long-term loans

	March 31, 2026	December 31, 2025
Balance, beginning	\$ 10,779,934	\$ -
Loan advances	-	10,483,532
Loan repayments	-	(14,015)
Assumed in Yantai Mujin acquisition	-	1,368,862
Related Party Advance Addition	361,303	-
Interest payable	1,415	-
Current portion of long-term loans (Note 14)	(489,927)	(1,256,260)
Foreign exchange adjustment	170,438	197,815
Balance, ending	\$ 10,823,163	\$ 10,779,934

At March 31, 2026, the long-term loans outstanding are as follows:

- (i) a \$1,416,308 (RMB 9,800,000) three-year loan bearing interest at 4.05% per annum and repayable on December 1, 2027. The loan is guaranteed by Li Peng Xu, a director of Yantai Mujin;
- (ii) a \$1,011,649 (RMB 7,000,000) five-year loan bearing interest at 4.20% per annum and repayable on May 20, 2030. The loan is guaranteed by Zhongjia, Yantai Yihui;
- (iii) a \$361,303 (RMB 2,500,000) five-year loan bearing interest at 3% per annum and repayable on February 11, 2031 with Yantai Yihui, a related party (Note 18);
- (iv) a \$4,740,295 (RMB 32,800,000.00) six-year loan bearing interest at 4.00% per annum and repayable on March 25, 2031. The loan is guaranteed by Zhongjia, as well as two other parties; a \$3,431,596 (RMB 24,120,000) six-year loan bearing interest at 4.00% per annum and repayable on June 9, 2031. The loan is guaranteed by Zhongjia, as well as two other parties;
- (v) a \$3,292,193 (RMB 22,780,000.00) six-year loan bearing interest at 4.00% per annum and repayable on June 9, 2031. The loan is guaranteed by Zhongjia, as well as two other parties; and
- (vi) accrued interest of \$1,415 (RMB 9,792) (FYE2025 - Nil) relating to Yantai Yihui's long-term loan payable at maturity.

The amount of \$489,927 (RMB 3,390,000) being the addition of current amount of long-term loans during the three-month period ended March 31, 2026 (Note 14).

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17. Other long-term liabilities

Other long-term liabilities are comprised of the following:

	March 31, 2026	December 31, 2025
Lease liability	\$ 155,022	\$ -
Lease liability assumed in Yantai Mujin acquisition	-	55,686
Village distribution liability	714,945	731,014
Mining right obligations	8,849,604	827,944
Mining right obligation assumed in Yantai Mujin acquisition	-	7,521,018
Other long-term liability	26,873	27,059
Total	\$ 9,746,444	\$ 9,162,721

Current portion of other long-term liabilities are comprised of the following:

	March 31, 2026	December 31, 2025
Lease liability	\$ 35,157	\$ 19,627
Lease liability assumed in Yantai Mujin acquisition	-	\$ 7,816
Village distribution liability	154,464	152,060
Mining right obligations	910,484	896,312
Mining right obligation assumed in Yantai Mujin acquisition	1,577,441	1,806,134
Total	\$ 2,677,546	\$ 2,881,949

Lease liability

The Company has entered into office lease agreements for its head office and subsidiary office premises for a term ending in 2031. The total undiscounted future lease payments are as follows:

	2026	2027	2028	2029	2030	2031	Total
Operating lease commitments:							
Office premises	\$ 21,449	\$ 28,598	\$ 29,682	\$ 29,898	\$ 29,898	\$ 4,984	\$ 144,509

Village distribution liability

Pursuant to agreements, the Company is required to make payments of RMB 1,068,800 (\$154,464) per annum to certain individuals registered as villagers in the village adjacent to the SJG Open-Pit Mine until the year 2032. The liability reflects the present value of the required payments, discounted using the Company's incremental borrowing rate of 4.90% at the time of the agreements. As at March 31, 2026, the undiscounted future payments were \$1,042,634 (RMB 7,214,400).

SJG Gold Project Mining right obligation

Pursuant to the mining right acquisition addendum signed on December 2, 2021, the Company is required to make an annual payment of RMB 6,300,000 (\$910,484) until the year 2027 (Note 9). The liability reflects the present value of the required payments, discounted using the Company's incremental borrowing rate of 2.66%. As at March 31, 2026, the undiscounted future payments were \$1,820,967 (RMB 12,600,000).

Mujin Gold Project Mining right obligation

The Company is required to make an annual payment of RMB 9,560,280 (\$1,381,663) for the DGZ mining right acquisition until the year 2033 and the final annual payment of RMB 1,800,000 (\$260,138) in 2026 for the CH mining right acquisition. The liability in the above table reflects the present value of the required payments, discounted using the Company's incremental borrowing rate of 4.65% and 4.20%. As at March 31, 2026, the total undiscounted future payments were \$11,313,443 (RMB 78,282,240).

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18. Related party transactions and balances

Related party transactions

The Company incurred the following related party transactions during the three-month periods ended March 31, 2026 and 2025:

	Three months ended March 31,	
	2026	2025
Consulting fees charged by companies controlled by directors and officers of the Company-includes key management personnel compensation (Note 21)	\$ 287,772	\$ 231,043
Share-based compensation	180,273	-
	\$ 468,045	\$ 231,043

Key management personnel compensation

Key management included the Company's directors, executive officers, and senior management.

	Three months ended March 31,	
	2026	2025
Salaries and management fees	\$ 264,198	\$ 223,725
Director fees	40,316	47,114
Share-based compensation	145,004	-
	\$ 449,518	\$ 270,839

Related party balances

	March 31, 2026	December 31, 2025
Amounts due to companies controlled by Directors and Officers of the Company included in trade and other payables (Note 13)	\$ 16,220	\$ 47,680
Amounts due Yantai Mujin minority shareholders (Note 14 & 16)	10,578,837	7,016,776
Amounts due from Dahedong (Note 5)	(1,405,349)	(1,429,248)
	\$ 9,189,708	\$ 5,635,208

Dahedong is a related party on the basis that it is controlled by significant shareholders of the Company.

19. Share capital and Reserves

a) Authorized

Unlimited number of common shares without par value.

b) Issued share capital

As at March 31, 2026, the Company had 1,042,664,381 common shares issued and outstanding (December 31, 2025 - 1,042,664,381).

c) Dividend

Fiscal 2025

On September 2, 2025, the Company announced and declared a special dividend of \$0.00525 (CAD\$0.0072) per common share. On October 9, 2025, the Company paid a special dividend totaling \$5,477,241 (CAD\$7.5 million) (CAD\$0.0072 per share) to shareholders on record at the close of business on September 16, 2025.

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19. Share capital and Reserves (continued)

d) Stock Options (continued)

The Company has a shareholder approved “rolling” stock option plan (the “Plan”) in compliance with the TSX-V’s policies. Under the Plan, the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the discounted market price of the Company’s stock at the date of grant. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not, within a twelve-month period, exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed, within a twelve-month period, two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company or 30 days following cessation of an optionee conducting investor relations activities’ position.

The continuity of stock options for the three-month period ended March 31, 2026 is as follows:

Expiry date	Exercise price	Balance December 31, 2025	Issued	Exercised	Expired/ Cancelled	Balance March 31, 2026
June 30, 2030	CAD\$0.15	26,500,000	-	-	-	26,500,000
Weighted average exercise price		CAD\$0.15	\$ -	\$ -	\$ -	CAD\$0.15

On June 30, 2025, the Company granted a total of 26,500,000 stock options to directors, management and employees. These stock options, exercisable at CAD\$0.15 per share, vested immediately and have a five-year term to expiry.

The fair value of stock options granted was \$1,177,216 (CAD\$1,606,025), which was recorded as an expense to share-based compensation. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 2.83%, an expected volatility of 73.52%, an expected dividend rate of 6.99%, and an expected life of 5 years, for a weighted average fair value per option of \$0.06.

Details of stock options outstanding as at March 31, 2026, are as follows:

Exercise Price	Expiry Date	Options outstanding	Weighted average exercise price	Weighted average remaining contractual life in years
CAD\$0.15	June 30, 2030	26,500,000	CAD\$0.15	4.25

As at March 31, 2026, all stock options were exercisable.

The Company’s subsidiary, Persistence’s has a shareholder approved stock option plan (the “PGG Plan”) in compliance with the HKEX’s policies. Under the PGG Plan, the maximum number of shares reserved for issuance may not exceed 10% of the total number of issued and outstanding common shares at the time of granting. The exercise price of each stock option shall not be less than the highest of i) the closing price of shares as stated in the HKEX’s daily quotations sheet on the date of grant, which must be a Business Day; ii) the average closing price of shares as stated in the HKEX’s daily quotations sheet for the five (5) Business Days immediately preceding the date of grant; and iii) the nominal value of the shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Options may be exercised no later than 1 month following cessation of the optionee’s position with the Company.

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19. Share capital and Reserves (continued)

d) Stock Options (continued)

The continuity of stock options for the three-month period ended March 31, 2026 is as follows:

Expiry date	Exercise price	Balance December 31, 2025	Issued	Exercised	Expired/ Cancelled	Balance March 31, 2026
July 11, 2035	HKD\$1.50	21,000,000	-	-	-	21,000,000
Weighted average exercise price		HKD\$1.50	\$ -	\$ -	\$ -	HKD\$1.50

On July 11, 2025, Persistence granted a total of 21,000,000 stock options to directors, management and employees. These stock options, exercisable at HKD\$1.50 per share, with 40% vesting over one year, 30% vesting over two years and 30% vesting over three years and have a ten-year term to expiry.

The fair value of stock options granted was \$2,005,207 (HKD\$15,740,075). Of this amount, \$608,746 (HKD\$4,751,917) was recorded as an expense to share-based compensation for the year ended December 31, 2025. The remaining fair value will be expensed to share-based compensation as the options vest over the next three years. The fair value of the options granted was determined using the Black-Scholes option pricing model with the following assumptions: a risk free interest rate of 3.37%, an expected volatility of 62.78%, an expected dividend rate of 2.85%, and an expected life of 10 years, for a weighted average fair value per option of \$0.10 (HKD\$0.75). For the three-month period ended March 31, 2026, \$321,509 (HKD \$2,527,031) was recorded as an expense to share-based compensation.

Details of stock options outstanding as at March 31, 2026, are as follows:

Exercise Price	Expiry Date	Options outstanding	Weighted average exercise price	Weighted average remaining contractual life in years
HKD\$1.50	July 11, 2035	21,000,000	HKD\$1.50	9.28

As at March 31, 2026, all stock options issued under the PGG Plan were not fully vested and therefore were not exercisable.

e) Reserves

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments. This reserve also includes the value attributed to warrants on unit private placements. At the time that the stock options or warrants are exercised, the corresponding amount will be transferred to share capital.

Foreign currency translation reserve

The foreign currency translation reserve records unrealized exchange differences arising on translation of group companies that have a functional currency other than the Company's reporting currency.

Safety fund surplus reserve

Pursuant to a Notice regarding Safety Production Expenditure jointly issued by the Ministry of Finance and the State Administration of Work Safety of the People's Republic of China ("PRC") in February 2012, Zhongjia and Yantai Mujin are required to establish a safety fund surplus reserve based on the volume of mineral ore extracted. The safety fund can only be transferred to retained earnings to offset safety related expenses as and when they are incurred, including expenses related to safety protection facilities and equipment improvement and maintenance as well as safety production inspection, appraisal, consultation and training.

Statutory surplus reserve

In accordance with the Company Law of the PRC and the Articles of Association of Zhongjia and Yantai Mujin, both companies are required to allocate 10% of its profit after tax determined under PRC accounting standards to the statutory surplus reserve until such reserve reaches 50% of the authorised share capital of the company. Subject to certain restrictions set out in the Company Law of the PRC, part of this reserve may be converted to increase the share capital, provided that the remaining balance after the capitalisation is not less than 25% of the authorized share capital.

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20. Segmented Information

The Company operates in one industry segment being the exploration, development, and operation of mining properties in China. All of the Company's capital assets are located in China, except office furniture and equipment with a net book value of \$4,919 and an ROU asset with a net book value of \$123,636 located in the Company's head-office in Vancouver, Canada. Certain of the Company's exploration and evaluation assets are located in Canada with the balance located in China (Note 10). All of the Company's revenues are earned in China.

Revenue for the three-month periods ended March 31, 2026, and 2025, was from a single customer which amounted to 100% of the Company's revenue.

21. Revenue and Expenses

Revenue

	Three months ended March 31,	
	2026	2025
Sales of gold bullion	\$ 23,169,862	\$ 19,312,194
Sales of sulfur	382,484	168,761
Revenue	\$ 23,552,346	\$ 19,480,955

Cost of sales

	Three months ended March 31,	
	2026	2025
Mining and Milling fees	\$ 4,546,378	\$ 5,798,179
Depreciation and depletion (Note 9)	1,933,740	2,224,508
Smelting costs	288,161	404,211
Resource taxes	910,548	795,240
Other direct costs	3,946	9,945
Changes in ending gold concentrate inventory	(31,862)	(82,099)
Total	\$ 7,650,911	\$ 9,149,984

General and administrative

	Three months ended March 31,	
	2026	2025
Consulting and management fees (Note 18)	\$ 99,117	\$ 66,522
Financial advisory	-	4,703
Depreciation (Note 9)	178,528	141,199
Office and general	524,721	341,946
Professional fees	25,027	74,082
Research and development	311,890	408,037
Salaries	1,074,008	662,708
Shareholder communications	95,339	81,097
Travel	254,026	147,867
Total	\$ 2,562,656	\$ 1,928,161

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21. Revenue and Expenses (continued)

Finance expense

		Three months ended March 31,	
		2026	2025
Interest expenses and finances charges for banks loans payable	\$	220,682	\$ 76,159
Interest expense for leases		2,557	994
Interest expense for other long-term liabilities		122,075	28,451
Accretion of asset retirement obligation (Note 15)		34,125	14,674
Total	\$	379,439	\$ 120,278

22. Risks and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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. The Company's primary exposure to credit risk is on its cash and cash equivalents, receivables and reclamation deposits held in bank accounts. The majority of the Company's cash is held on deposit with major banks in Canada and China. The credit risk associated with cash held in Canada is reduced by management ensuring that the Company uses a major Canadian financial institution with strong investment grade ratings by a primary ratings agency. The credit risk associated with cash held in China is reduced, but not fully mitigated, by management using a financial institution that is operated by the Government of China. The Company is also exposed to credit risk in respect to its receivables. In order to minimize the credit risk with regards to receivables, the Company reviews the recoverable amount of each individual receivable periodically and with management also having monitoring procedures to ensure the follow-up action is taken to recover overdue receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company plans to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in interest bearing accounts which are available on demand. Management believes the Company has sufficient cash on hand to finance operations for the next twelve months. The Company's accounts payable and accrued liabilities are generally due on demand. The maturity of the Company's loans are disclosed in Notes 14 and 16.

The following summarizes the undiscounted amount of the remaining contractual maturities of the Company's financial liabilities.

	March 31, 2026			December 31, 2025	
	Within a year	2-5 years	Over five years	Total	Total
Accounts payable and accrued liabilities	\$ 8,024,789	\$ -	\$ -	\$ 8,024,789	\$ 12,191,387
Loans	27,925,920	8,136,544	2,686,619	38,749,083	37,736,504
Other long-term liabilities	2,741,906	7,229,580	4,442,175	14,413,661	14,104,796
Total	\$ 38,692,615	\$ 15,366,124	\$ 7,128,794	\$ 61,187,533	\$ 64,032,687

Industry Risk

The Company is a mining company with a property and mining operations in China. Its mining activities involve numerous inherent risks. The Company is subject to various financial, equities markets, operational and political risks that could significantly affect its operations and cash flows. These risks include changes in local laws affecting the

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22. Risks and capital management (continued)

Industry Risk (continued)

mining industry, a decline in the price of commodities, uncertainties inherent in estimating mineral resources and fluctuations in the foreign currencies against the US dollar. The Company does not use derivatives or hedging to mitigate the risk of changes in the price of gold or currency fluctuations.

The Company's business is highly dependent on the price of gold and venture capital markets, which are impacted by volatility factors the Company cannot control. A decrease in the price of gold could adversely affect the Company's financial condition, results of operations and cash flows. Lower gold prices may result in asset impairment, write-downs of mineral property carrying values and limitations in access to capital.

The Company operates in China and is exposed to the laws governing the mining industry in China. The Chinese government is currently supportive of the mining industry but there is uncertainty in future changes to government policies and regulations including taxation, repatriation of profits, restrictions on production, export controls, environmental compliance, and expropriation. These factors could adversely affect the Company's exploration efforts and production plans.

The Company's properties are located in an area that can experience severe winter weather conditions which could adversely affect mining operations. In addition, the Company is subject to changes in environmental laws and regulations that may result in unexpected costs.

Market Risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and other commodity price risk. These are discussed further below:

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company's cash consists of cash and reclamation deposits held in bank accounts that earn interest at variable interest rates. The Company's loans payable accrues interest at fixed rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as of March 31, 2026.

Foreign exchange risk

The Company reports its financial statements in USD. The functional currency of the Company is CAD, the functional currency of all intermediate holding companies is HKD and the functional currency of its Chinese subsidiary is RMB. The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currencies.

The Company currently does not engage in foreign exchange currency hedging. The Company's exposure to currency risk affect net income is summarized as follows:

		March 31, 2026	December 31, 2025
Financial assets denominated in U.S. Dollars	\$	12,440,234	\$ 11,412,204

As at March 31, 2026, with other variables unchanged, a 10% strengthening (weakening) of the USD against the Company's functional currencies, would have decreased (increased) net income by approximately \$1.24 million (FYE2025 - \$1.14 million).

Currency Risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the functional currency of the entity completing the transaction or holding the funds. The Company does not manage currency risks through hedging or other currency-based derivatives. At March 31, 2026, the Company and its subsidiaries hold \$12,440,234, exposing the Company to currency risk.

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23. Financial Instruments

Fair Value

Management has assessed that the fair values of cash and cash equivalents, restricted and pledged deposits, financial assets included in prepayments, deposits and receivables, financial liabilities included in accounts payables, deposits received, amounts due to related parties, other long-term liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of other long-term assets and other long-term liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The following tables set forth the Company's financial assets and liabilities that are measured at fair value level on a recurring basis within the fair value hierarchy at March 31, 2026 and December 31, 2025 that are not otherwise disclosed. The assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Financial assets	Level	March 31, 2026	December 31, 2025
Cash	1	\$ 171,631,786	\$ 167,097,897
Reclamation deposits	1	5,023,526	4,944,719
Investments	1	2,363,677	1,094,400
Receivables ⁽¹⁾	2	2,929,499	2,393,400
Other long-term assets	2	375,755	330,071
Total		\$ 182,324,243	\$ 175,860,487

(1) Receivables exclude sales and income tax receivables.

Financial liabilities	Level	March 31, 2026	December 31, 2025
Accounts payable and accrued liabilities	2	\$ 8,024,789	\$ 12,191,387
Interest-bearing bank borrowings	2	38,749,083	37,736,504
Other long-term liabilities	2	12,423,990	12,044,670
Total		\$ 59,197,862	\$ 61,972,561

There were no transfers into or out of Level 3 during the three months ended March 31, 2026 and the year ended December 31, 2025.

24. Non-controlling interest

Majestic holds 1,410,000,000 shares of Persistence, representing 58.75% of Persistence's outstanding shares on the HKEX. The 41.25% non-controlling equity interest of Persistence consists of 20.83% being the shares issued pursuant to the HKEX IPO, 16.67% being the shares issued pursuant to a private placement financing on October 14, 2025 and a 3.75% equity interest held by another minority shareholder.

The Company's equity interest in Zhongjia is held indirectly through its 58.75% owned subsidiary Persistence by way of Persistence's 100% ownership interest in Majestic Yantai. Majestic Yantai has a 75% equity interest in Zhongjia. The non-controlling interest represents the 25% equity interest in Zhongjia held by Dahedong.

The Company's equity interest in Yantai Mujin is held indirectly through its 58.75% owned subsidiary Persistence by way of Persistence's 100% ownership interest in Majestic Yantai and PRG Res HK2. Majestic Yantai holds an 11% equity interest and PRG Res HK2 holds a 41% equity interest in Yantai Mujin. The non-controlling interest represents the 48% equity interest in Yantai Mujin held by two other shareholders.

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24. Non-controlling interest (continued)

The continuity of non-controlling interests is summarized as follows:

		Zhongjia		Yantai Mujin		Persistence		Total
Balance, December 31, 2025	\$	28,054,261	\$	5,952,498	\$	57,857,156	\$	91,863,915
Share of net income		2,565,532		(1,131,135)		2,563,769		3,998,166
Share of other comprehensive loss		449,069		(1,061)		14,515		462,523
Distributions		(360,402)		-		-		(360,402)
Balance, March 31, 2026	\$	30,708,460	\$	4,820,302	\$	60,435,440	\$	95,964,202

25. Subsequent event

- (i) On April 20, 2026, the Company repaid its bank loan for CNY30,000,000 (\$4,335,636). The loan was renewed on April 30, 2026 with an interest rate of 4% per annum and a new maturity date of December 18, 2026;
- (ii) In May 2026, the Company received its loan repayment from Dahedong for HKD\$9,000,000 (\$1,137,424); and
- (iii) On May 21, 2026, the Company announced a non-brokered private placement financing (the "Private Placement") for gross proceeds of up to CAD\$50,000,000 through the issuance of up to 384,615,385 common shares of the Company (the "Shares") at a price of CAD\$0.13 per Share.