



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Unaudited - Expressed in United States dollars)

**Three and nine month period ended September 30, 2025**

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTING**

The accompanying condensed consolidated interim financial statements of Entrée Resources Ltd. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the condensed consolidated interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

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

## Entrée Resources Ltd.

### Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2025 and December 31, 2024 (Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Note	September 30, 2025	December 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 4,945	\$ 2,378
Receivables and prepaid expenses		71	329
Prepaid licence fees		148	145
Deposits		12	12
		5,176	2,864
<b>Non-current assets</b>			
Property and equipment	3	1,328	445
Oyu Tolgoi assets	4	441	386
		1,769	831
<b>Total assets</b>		<b>\$ 6,945</b>	<b>\$ 3,695</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	11	\$ 179	\$ 145
Current portion of lease liabilities	5	113	104
		292	249
<b>Non-current liabilities</b>			
Lease liabilities	5	173	244
Loan payable to Oyu Tolgoi LLC	6	18,872	15,934
Deferred revenue	7	64,250	58,575
		83,295	74,753
<b>Total liabilities</b>		<b>83,587</b>	<b>75,002</b>
<b>Shareholders' deficiency</b>			
Share capital	8	191,516	187,238
Reserves		23,140	23,252
Accumulated other comprehensive income		4,473	6,832
Deficit		(295,771)	(288,629)
<b>Total shareholders' deficiency</b>		<b>(76,642)</b>	<b>(71,307)</b>
<b>Total liabilities and shareholders' deficiency</b>		<b>\$ 6,945</b>	<b>\$ 3,695</b>

Nature of operations (Note 1)

Commitments and contingencies (Note 10)

Subsequent events (Note 12)

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

## Entrée Resources Ltd.

### Condensed Consolidated Interim Statements of Comprehensive Loss

For the three and nine months ended September 30, 2025 and 2024 (Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Note	Three months ended September 30		Nine months ended September 30	
		2025	2024	2025	2024
<b>Expenses</b>					
Project expenditures		\$ 187	\$ 255	\$ 459	\$ 1,337
General and administrative		401	396	1,354	1,280
Depreciation		26	30	83	91
<b>Operating loss</b>		<b>614</b>	<b>681</b>	<b>1,896</b>	<b>2,708</b>
Foreign exchange loss (gain)		640	(172)	(126)	235
Interest income		(49)	(52)	(145)	(181)
Interest expense	6	178	121	523	351
Loss from equity investee	4	616	152	1,327	285
Finance costs		7	12	24	34
Deferred revenue finance costs	7	1,254	1,192	3,643	3,513
<b>Loss for the period</b>		<b>3,260</b>	<b>1,934</b>	<b>7,142</b>	<b>6,945</b>
<b>Other comprehensive (income) loss</b>					
Foreign currency translation		(1,488)	953	2,359	(1,278)
<b>Total comprehensive loss</b>		<b>\$ 1,772</b>	<b>\$ 2,887</b>	<b>\$ 9,501</b>	<b>\$ 5,667</b>
<b>Net loss per common share</b>					
Basic and fully diluted		\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.01)
<b>Weighted average number of common shares outstanding</b>					
Basic and fully diluted (000's)		207,589	203,374	207,236	203,360
<b>Total common shares issued and outstanding (000's)</b>	8	<b>207,901</b>	203,391	<b>207,901</b>	203,391

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

**Entrée Resources Ltd.****Condensed Consolidated Interim Statements of Changes in Shareholders' Deficiency**

For the nine months ended September 30, 2025 and 2024 (Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Note	Number of Shares (000's)	Share capital	Reserves	Accumulated other comprehensive (loss) income	Deficit	Total
<b>Balance at December 31, 2024</b>		204,799	\$ 187,238	\$ 23,252	\$ 6,832	\$ (288,629)	\$ (71,307)
Loss and comprehensive loss		-	-	-	(2,359)	(7,142)	(9,501)
Issuance of share capital – private placement	8	2,578	3,929	-	-	-	3,929
Issuance of share capital – option exercise	8	524	349	(112)	-	-	237
<b>Balance at September 30, 2025</b>		<b>207,901</b>	<b>\$ 191,516</b>	<b>\$ 23,140</b>	<b>\$ 4,473</b>	<b>\$ (295,771)</b>	<b>\$ (76,642)</b>
<b>Balance at December 31, 2023</b>		203,345	\$ 186,774	\$ 22,269	\$ 646	\$ (274,308)	\$ (64,619)
Loss and comprehensive income		-	-	-	1,278	(6,945)	(5,667)
Issuance of share capital – option exercises		46	48	(16)	-	-	32
<b>Balance at September 30, 2024</b>		<b>203,391</b>	<b>\$ 186,822</b>	<b>\$ 22,253</b>	<b>\$ 1,924</b>	<b>\$ (281,253)</b>	<b>\$ (70,254)</b>

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

## Entrée Resources Ltd.

### Condensed Consolidated Interim Statements of Cash Flows

For the nine months ended September 30, 2025 and 2024 (Unaudited)

(expressed in thousands of U.S. dollars, except where indicated)

	Note	September 30, 2025	September 30, 2024
<b>Cash flows used in operating activities</b>			
Net loss		\$ (7,142)	\$ (6,945)
Items not affecting cash:			
Depreciation		83	91
Loss from equity investee	4	1,327	285
Interest expense	6	523	351
Finance cost, net		34	43
Unrealized foreign exchange (gains) loss		(371)	157
Deferred revenue finance costs	7	3,643	3,513
		(1,903)	(2,505)
Changes in non-cash operating working capital:			
Decrease in receivables and prepaids		257	81
Increase (decrease) in accounts payable and accrued liabilities		33	(111)
		(1,613)	(2,535)
<b>Cash flows from / (used in) financing activities</b>			
Repayment of lease liability	5	(95)	(98)
Proceeds from issuance of common shares – share options	8	238	33
Proceeds from issuance of common shares – private placement	8	3,974	-
Share issuance costs – private placement	8	(45)	-
		4,072	(65)
<b>Increase (decrease) in cash and cash equivalents</b>		<b>2,459</b>	<b>(2,600)</b>
<b>Cash and cash equivalents - beginning of the period</b>		<b>2,378</b>	<b>6,091</b>
Effect of exchange rate changes on cash and cash equivalents		108	(57)
<b>Cash and cash equivalents - end of the period</b>		<b>\$ 4,945</b>	<b>\$ 3,434</b>
<b>Cash and cash equivalents is represented by:</b>			
Cash		\$ 4,757	\$ 3,238
Cash equivalents		188	196
<b>Total cash and cash equivalents</b>		<b>\$ 4,945</b>	<b>\$ 3,434</b>
<b>Supplemental non-cash information</b>			
Capitalized development costs included in loan payable	3	\$ 1,104	\$ -

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

# **Entrée Resources Ltd.**

## **Notes to Condensed Consolidated Interim Financial Statements**

For the three and nine months ended September 30, 2025 (Unaudited)

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

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### **1 Nature of operations**

Entrée Resources Ltd., together with its subsidiaries (collectively referred to as the “Company” or “Entrée”), is focused on the development and exploration of mineral property interests. The Company is principally focused on its Entrée/Oyu Tolgoi JV Property in Mongolia (Note 4).

The Company has its primary listing in Canada on the Toronto Stock Exchange (“TSX”) and its common shares also trade in the United States on the Over-the-Counter OTCQB Venture Market (“OTCQB”) under the symbol “ERLFF”.

The Company’s registered office is at Suite 2900, 550 Burrard Street, Vancouver, BC, V6C 0A3, Canada.

All amounts are expressed in United States dollars, except for certain amounts denoted in Canadian dollars (“C\$”).

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to continue for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company estimates it has adequate financial resources to satisfy its obligations over the next 12 month period and beyond.

### **2 Basis of presentation**

The Company prepares its condensed consolidated interim financial statements in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”), under International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretation of the International Reporting Interpretations Committee (“IFRIC”). These should be read in conjunction with the Company’s annual audited consolidated financial statements as at and for the year ended December 31, 2024 (“annual financial statements”). The accounting policies and critical estimates applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual financial statements, unless otherwise stated.

The condensed consolidated interim financial statements were approved by the Audit Committee of the Board of Directors on November 4, 2025.

### **3 Property and equipment**

Included in property and equipment are capitalized mineral property development costs on the first lift (“Lift 1”) of the Oyu Tolgoi underground block cave mining operation on the Entrée/Oyu Tolgoi JV Property (see Note 4).

#### **Development Costs**

The application of the Company’s accounting policy for the capitalization of mineral property development costs required determination that key development milestones have been achieved. These milestones include obtaining sufficient financial resources, permits, and licences to develop the mineral property. The Company considered the start of development activities on Lift 1 of the Oyu Tolgoi underground block cave mining operation on the Entrée/Oyu Tolgoi JV Property as having achieved the development milestones. Accordingly, the Company began capitalizing the Lift 1 development costs incurred on the Hugo North Extension deposit on the Entrée/Oyu Tolgoi JV Property beginning in October 2024.

As at September 30, 2025, included in the property and equipment balance on the condensed consolidated interim statement of financial position, is \$1.1 million of capitalized mineral property development costs (December 31, 2024 – \$0.2 million).

### **4 Oyu Tolgoi assets**

#### **Entrée/Oyu Tolgoi JV Property**

The Company has a carried 20% participating joint venture interest in two of the Oyu Tolgoi project deposits, and a carried 20% or 30% participating joint venture interest (depending on the depth of mineralization) in the surrounding land package

## Entrée Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 (Unaudited)

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

located in the South Gobi region of Mongolia (the “Entrée/Oyu Tolgoi JV Property”). During fiscal 2024, the Entrée/Oyu Tolgoi JV Property comprised the eastern portion of the Shivee Tolgoi mining licence, which hosts the Hugo North Extension copper-gold deposit, and all of the Javkhlant mining licence, which hosts the majority of the Heruga copper-gold-molybdenum deposit. The Shivee Tolgoi and Javkhlant mining licences were granted by the Mineral Resources and Petroleum Authority of Mongolia in October 2009. Title to the two licences is currently held by the Company.

In October 2004, the Company entered into an arm’s-length Equity Participation and Earn-In Agreement with Turquoise Hill Resources Ltd. (“Turquoise Hill”), as amended in November 2004 (the “Earn-In Agreement”). Under the Earn-In Agreement, Turquoise Hill agreed to purchase equity securities of the Company and was granted the right to earn an interest in the Entrée/Oyu Tolgoi JV Property. Most of Turquoise Hill’s rights and obligations under the Earn-In Agreement were subsequently assigned by Turquoise Hill to what was then its wholly-owned subsidiary, Oyu Tolgoi LLC (“OTLLC”). The Government of Mongolia subsequently acquired a 34% interest in OTLLC from Turquoise Hill.

On June 30, 2008, OTLLC gave notice that it had completed its earn-in obligations by expending a total of \$35 million on exploration of the Entrée/Oyu Tolgoi JV Property. OTLLC earned an 80% participating interest in all minerals extracted below a sub-surface depth of 560 metres from the Entrée/Oyu Tolgoi JV Property and a 70% participating interest in all minerals extracted from surface to a depth of 560 metres from the Entrée/Oyu Tolgoi JV Property. In accordance with the Earn-In Agreement, the Company and OTLLC formed a joint venture (the “Entrée/Oyu Tolgoi JV”) and entered into the Joint Venture Agreement (the “JVA”) appended to the Earn-In Agreement. The JVA requires OTLLC, as Manager, to hold title to the Shivee Tolgoi and Javkhlant mining licences on behalf of the Entrée/Oyu Tolgoi JV participants.

Prior to February 3, 2025, the western portion of the Shivee Tolgoi mining licence, Shivee West, was 100% owned by the Company, subject to a right of first refusal by OTLLC. In October 2015, the Company entered into a License Fees Agreement with OTLLC, pursuant to which the parties agreed to negotiate in good faith to amend the JVA to include Shivee West in the definition of Entrée/Oyu Tolgoi JV Property. The parties also agreed that the annual licence fees for Shivee West would be for the account of each joint venture participant in proportion to their respective interests, with OTLLC contributing the Company’s 20% share charging interest at prime plus 2% (Note 6).

On February 3, 2025, the Company and OTLLC formally executed and delivered the JVA with an effective date of June 30, 2008, as amended on February 3, 2025. In conjunction with the formal execution and delivery of the JVA, the Company assigned to OTLLC an 80% or 70% (depending on the depth of mineralization) beneficial interest in Shivee West. Shivee West is now included in the definition of Entrée/Oyu Tolgoi JV Property for all purposes under the JVA and the License Fees Agreement terminated in accordance with its terms.

The conversion of the original Shivee Tolgoi and Javkhlant exploration licences into mining licences was a condition precedent to the Investment Agreement (the “Oyu Tolgoi Investment Agreement”) between Turquoise Hill, OTLLC, the Government of Mongolia and Rio Tinto International Holdings Limited. The licences are part of the contract area covered by the Oyu Tolgoi Investment Agreement, although the Company is not a party to the Oyu Tolgoi Investment Agreement. The Shivee Tolgoi and Javkhlant mining licences were each issued for a 30 year term and have rights of renewal for two further 20 year terms.

On February 5, 2025, the Company and OTLLC duly executed and delivered License Transfer Agreements (the “License Transfer Agreements”) to govern the transfer of title to the Shivee Tolgoi and Javkhlant mining licences to OTLLC on behalf of the Entrée/Oyu Tolgoi JV participants. On February 11, 2025, the parties lodged the License Transfer Agreements and supporting documentation with the Mongolian tax authority for the assessment of tax on the transfer of the mining licences in accordance with applicable laws of Mongolia. Tax must be assessed by the Mongolian tax authority and paid before the License Transfer Agreements and other documentation necessary to affect the transfer of the mining licences to OTLLC may be submitted to the Mineral Resources and Petroleum Authority of Mongolia.

As of September 30, 2025, the Entrée/Oyu Tolgoi JV had expended approximately \$69.0 million (December 31, 2024 - \$57.7 million) to advance the Entrée/Oyu Tolgoi JV Property. Under the terms of the JVA, OTLLC contributed on behalf of the Company its required participation amount charging interest at prime plus 2% (Note 6). As of September 30, 2025, OTLLC has contributed on Entrée’s behalf the required cash participation amount equal to 20% of the \$69.0 million incurred to date, plus accrued interest at prime plus 2%, for a total of \$18.9 million.

## Entrée Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 (Unaudited)

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

#### Investment – Entrée/Oyu Tolgoi JV Property

For accounting purposes, the Company treats its interest in the Entrée/Oyu Tolgoi JV as a 20% equity investment. Historically, all Company expenditures related to its interest in the Entrée/Oyu Tolgoi JV have been expensed as incurred through the statement of comprehensive loss or recognized as part of the Company's share of the loss of the joint venture.

Beginning in October 2024, the Company has capitalized expenditures relating to development costs for Hugo North Extension Lift 1 on the Entrée/Oyu Tolgoi JV Property (Note 3).

The Entrée/Oyu Tolgoi JV investment carrying value at September 30, 2025 was \$0.4 million (December 31, 2024 - \$0.4 million) and was recorded in Oyu Tolgoi assets in the statement of financial position. Included in Property and Equipment was \$1.1 million (December 31, 2024 - \$0.2 million) of Lift 1 development costs. The Company's share of the loss of the joint venture was \$1.3 million for the nine month period ended September 30, 2025 (2024 - \$0.3 million).

## 5 Leases

#### Lease liability

	September 30, 2025	December 31, 2024
Lease liability	\$ 286	\$ 348
Less: current portion	(113)	(104)
Long-term portion	\$ 173	\$ 244

#### Undiscounted lease payments

	September 30, 2025	December 31, 2024
Less than one year	\$ 126	\$ 122
One to five years	137	234
	\$ 263	\$ 356

Interest expense on the lease liability amounted to \$0.02 million for the nine month period ended September 30, 2025 (2024 - \$0.03 million). During the nine month period ended September 30, 2025, lease payments made amounted to \$0.09 million (2024 - \$0.09 million).

## 6 Loan payable to Oyu Tolgoi LLC

Under the terms of the JVA (Note 4), Entrée has elected to have OTLLC contribute funds to approved joint venture programs and budgets on the Company's behalf. Interest on each loan advance shall accrue at an annual rate equal to OTLLC's actual cost of capital or the prime rate of the Royal Bank of Canada, plus two percent (2%) per annum, whichever is less, as at the date of the advance. The loan is non-recourse and will be repayable by the Company monthly from ninety percent (90%) of the Company's share of available cash flow from the Entrée/Oyu Tolgoi JV. In the absence of available cash flow, the loan will not be repayable. The loan is not expected to be repaid within one year.

During the nine month period ended September 30, 2025, the Company recorded interest expense of \$0.5 million in connection with the loan (2024 - \$0.4 million).

## Entrée Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 (Unaudited)

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

## 7 Deferred revenue

In February 2013, the Company entered into an equity participation and funding agreement (the “2013 Agreement”) with Sandstorm Gold Ltd. (“Sandstorm”) whereby Sandstorm provided an upfront deposit (the “Deposit”) of \$40.0 million. The Company will use future payments that it receives from its mineral property interests to purchase and deliver metal credits to Sandstorm, in amounts that are indexed to the Company’s share of gold, silver and copper production from the Entrée/Oyu Tolgoi JV Property. Upon the delivery of metal credits, Sandstorm will also make the cash payment outlined below. In addition, the 2013 Agreement provided for a partial refund of the Deposit and a pro rata reduction in the number of metal credits deliverable to Sandstorm in the event of a partial expropriation of Entrée’s economic interest, contractually or otherwise, in the Entrée/Oyu Tolgoi JV Property.

On February 23, 2016, the Company and Sandstorm entered into an Agreement to Amend, whereby the Company refunded 17% of the Deposit (\$6.8 million) (the “Refund”) in cash and shares thereby reducing the Deposit to \$33.2 million for a 17% reduction in the metal credits that the Company is required to deliver to Sandstorm. At closing on March 1, 2016, the parties entered into an Amended and Restated Equity Participation and Funding Agreement (the “Amended Sandstorm Agreement”). Under the terms of the Amended Sandstorm Agreement, the Company will purchase and deliver gold, silver and copper credits equivalent to:

- 28.1% of Entrée’s share of gold and silver, and 2.1% of Entrée’s share of copper, produced from the Shivee Tolgoi mining licence (excluding the western portion of the Shivee Tolgoi mining licence); and
- 21.3% of Entrée’s share of gold and silver, and 2.1% of Entrée’s share of copper, produced from the Javkhlant mining licence.

Upon the delivery of metal credits, Sandstorm will make a cash payment to the Company equal to the lesser of the prevailing market price and \$220 per ounce of gold, \$5 per ounce of silver and \$0.50 per pound of copper (subject to inflation adjustments). After approximately 8.6 million ounces of gold, 40.3 million ounces of silver and 9.1 billion pounds of copper have been produced from the Entrée/Oyu Tolgoi JV Property the cash payment will be increased to the lesser of the prevailing market price and \$500 per ounce of gold, \$10 per ounce of silver and \$1.10 per pound of copper (subject to inflation adjustments). To the extent that the prevailing market price is greater than the amount of the cash payment, the difference between the two will be credited against the Deposit (the net amount of the Deposit being the “Unearned Balance”).

Under the Amended Sandstorm Agreement, Sandstorm has a right of first refusal, subject to certain exceptions, on future production-based funding agreements. The Amended Sandstorm Agreement also contains other customary terms and conditions, including representations, warranties, covenants and events of default. The initial term of the Amended Sandstorm Agreement is 50 years, subject to successive 10-year extensions at the discretion of Sandstorm.

In addition, the Amended Sandstorm Agreement provides that the Company will not be required to make any further refund of the Deposit if Entrée’s economic interest is reduced by up to and including 17%. If there is a reduction of greater than 17% up to and including 34%, the Amended Sandstorm Agreement provides the Company with the ability to refund a corresponding portion of the Deposit in cash or common shares of the Company or any combination of the two at the Company’s election, in which case there would be a further corresponding reduction in deliverable metal credits. If the Company elects to refund Sandstorm with common shares of the Company, the value of each common share shall be equal to the volume weighted average price for the five (5) trading days immediately preceding the 90<sup>th</sup> day after the reduction in Entrée’s economic interest. In no case will Sandstorm become a “control person” under the Amended Sandstorm Agreement. In the event an issuance of shares would cause Sandstorm to become a “control person”, the maximum number of shares will be issued, and with respect to the value of the remaining shares, 50% will not be refunded (and there will not be a corresponding reduction in deliverable metal credits) and the remaining 50% will be refunded by the issuance of shares in tranches over time, such that the number of shares that Sandstorm holds does not reach or exceed 20%. All shares will be priced in the context of the market at the time they are issued.

In the event of a full expropriation, the remainder of the Unearned Balance after the foregoing refunds must be returned in cash.

For accounting purposes, the Deposit is accounted for as deferred revenue on the statement of financial position and the original Deposit was recorded at the historical amount of C\$40.0 million. As a result of the Amended Sandstorm Agreement, the deferred revenue amount was adjusted to reflect the \$6.8 million Refund which was recorded at the foreign exchange

# Entrée Resources Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 (Unaudited)

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

amount at the date of the Refund resulting in a net balance of C\$30.9 million. This amount is subject to foreign currency fluctuations upon conversion to U.S. dollars at each reporting period.

The \$6.8 million Refund was paid with \$5.5 million in cash and the issuance of \$1.3 million of common shares of the Company. On March 1, 2016, the Company issued 5,128,604 common shares to Sandstorm at a price of C\$0.3496 per common share pursuant to the Agreement to Amend.

The Deposit contains a significant financing component and, as such, the Company recognizes a financing charge at each reporting period and grosses up the deferred revenue balance to recognize the significant financing element that is part of this contract at a discount rate of 8%. For the nine-month period ended September 30, 2025, the deferred revenue finance costs totaled \$3.6 million (2024 - \$3.5 million).

On October 20, 2025, Colorado-based Royal Gold, Inc. announced it had completed the acquisition of all the issued and outstanding shares of Sandstorm and Horizon Copper Corp. through its wholly owned Canadian subsidiary International Royalty Corporation.

## 8 Share capital

### a) Common shares

The Company's authorized share capital consists of unlimited common shares without par value. At September 30, 2025, the Company had 207,900,936 (December 31, 2024 – 204,799,393) shares issued and outstanding.

### b) Private placement

In January 2025, the Company closed a non-brokered private placement issuing 2,577,700 units at a price of C\$2.21 per unit for gross proceeds of C\$5.7 million. Each unit consists of one common share of the Company and one-half of one non-transferable common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one additional common share of the Company (a "Warrant Share") at a price of C\$3.00 per share for a period of 2 years. No finders' fees were paid in connection with the private placement.

### c) Share options

The Company provides share-based compensation to its directors, officers, employees, and consultants through grants of share options.

The Company has adopted a stock option plan (the "Plan") to grant options to directors, officers, employees and consultants to acquire up to 10% of the issued and outstanding shares of the Company. Options granted can have a term of up to ten years and an exercise price typically not less than the Company's closing share price on the TSX on the last trading day before the date of grant. Vesting is determined at the discretion of the Board of Directors.

Under the Plan, an option holder may elect to terminate an option, in whole or in part and, in lieu of receiving shares to which the terminated option relates (the "Designated Shares"), receive the number of shares, disregarding fractions, which, when multiplied by the weighted average trading price of the shares on the TSX during the five trading days immediately preceding the day of termination (the "Fair Value" per share) of the Designated Shares, has a total dollar value equal to the number of Designated Shares multiplied by the difference between the Fair Value and the exercise price per share of the Designated Shares.

The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected term of the share options. Since the Company has not paid and does not anticipate paying dividends on its common shares, the expected dividend yield is assumed to be zero. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of nil in determining the expense recorded in profit or loss.

During the nine months ended September 30, 2025, share options to purchase 523,843 common shares with an exercise price ranging from C\$0.51 to C\$2.06 were exercised resulting in gross proceeds of C\$330,117 being received by the Company.

## Entrée Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 (Unaudited)

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

Share options for the nine months ended September 30, 2025 are summarized as follows:

	Number of share options (000's)	Weighted average exercise price C\$
Outstanding – December 31, 2024	4,095	0.94
Exercised	(524)	0.58
<b>Outstanding – September 30, 2025</b>	<b>3,571</b>	<b>0.98</b>

As at September 30, 2025, the following 3,571,153 share options were outstanding and exercisable (December 31, 2024 – 4,094,996) with an average weighted exercise price of C\$0.98 (December 31, 2024 – C\$0.94):

Number of share options (000's)	Exercise price per share option C\$	Expiry date
855	0.51	Dec 2025
799	0.77	Dec 2026
1,022	0.82 – 1.14	April - Nov 2027
622	1.28	Nov 2028
273	2.06	Nov 2029
3,571		

	September 30, 2025
Weighted average exercise price for exercisable options	C\$0.98
Weighted average share price for options exercised	C\$2.14
Weighted average years to expiry for exercisable share options	1.74 years

#### d) Share purchase warrants

At September 30, 2025, the following Warrants were outstanding:

Number of share purchase warrants	Exercise price C\$	Expiry date
1,288,850	3.00	January 23, 2027

#### e) Deferred share units

Deferred share units (“DSUs”) are granted to the Company’s directors and executives as a part of compensation under the terms of the Company’s deferred share unit plan (the “DSU Plan”). DSUs vest when certain conditions as stated in the DSU Plan are met, except in the event of an earlier change of control, in which case, the DSUs will vest fully upon such change of control.

At September 30, 2025, the following DSUs were outstanding and fully vested:

	Number of DSUs (000's)
<b>Outstanding – September 30, 2025</b>	<b>2,972</b>

## Entrée Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 (Unaudited)

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

Each vested DSU entitles the holder to receive one common share of the Company or a cash payment equivalent to the closing price of one common share of the Company on the TSX on the last trading day preceding the DSU's redemption date.

## 9 Financial instruments

### a) Fair value classification of financial instruments

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices). Level 3 inputs are for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, receivables, deposits, accounts payable and accrued liabilities, loan payable and lease liabilities.

The carrying values of cash and cash equivalents, receivables, deposits and accounts payable and accrued liabilities approximate their fair value due to their short terms to maturity.

The following table summarizes the classification and carrying values of the Company's financial instruments at September 30, 2025:

	FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
<b>Financial assets</b>				
Cash and cash equivalents	\$ -	\$ 4,945	\$ -	\$ 4,945
Receivables	-	30	-	30
Deposits	-	12	-	12
Total financial assets	\$ -	\$ 4,987	\$ -	\$ 4,987
<b>Financial liabilities</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 179	\$ 179
Lease liabilities	-	-	286	286
Loan payable	-	-	18,872	18,872
Total financial liabilities	\$ -	\$ -	\$ 19,337	\$ 19,337

## 10 Commitments and contingencies

As at September 30, 2025, the Company had the following commitments:

	Total	Less than 1 year	1 - 3 years	3-5 years	More than 5 years
Lease commitments	\$ 263	\$ 126	\$ 137	\$ -	\$ -

## Entrée Resources Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2025 (Unaudited)

(tabular amounts expressed in thousands of U.S. dollars, except per share amounts and where indicated)

Under the terms of the Amended Sandstorm Agreement, the Company may be subject to a contingent liability if certain events occur (Note 7).

## 11 Related party transactions

The Company's related parties include key management personnel and directors. Direct remuneration paid to the Company's directors and key management personnel during the nine months ended September 30 are as follows:

	2025	2024
Directors' fees	\$ 147	\$ 155
Salaries and benefits	\$ 597	\$ 596

As of September 30, 2025, included in the accounts payable and accrued liabilities balance on the condensed consolidated interim statement of financial position is \$0.1 million (December 31, 2024 - \$0.04 million) due to the Company's directors and key management personnel.

Upon a change of control of the Company, amounts totaling \$1.4 million (December 31, 2024 - \$1.3 million) will become payable to certain officers and management personnel of the Company.

## 12 Subsequent events

Subsequent to September 30, 2025, the following transactions occurred:

- stock options to purchase 685,000 Designated Shares with an exercise price of C\$0.51 were terminated and an aggregate of 534,088 shares were issued.