Condensed interim consolidated financial statements of

BeMetals Corp.

Three months ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW

The accompanying unaudited condensed interim consolidated financial statements of BeMetals Corp. (“BeMetals” or the “Company”) have been prepared by and are the responsibility of the Company’s management.

In accordance with National Instrument 51-102, the Company discloses that its independent auditor has not performed a review of these condensed interim consolidated financial statements.

BeMetals Corp.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	As at March 31, 2025	As at December 31, 2024
Assets		
Current assets		
Cash	**$ 2,010,002**	$ 2,710,057
Term deposit	**46,000**	46,000
Amounts receivable	**36,282**	37,807
Prepaids	**36,644**	43,742
	2,128,928	2,837,606
Exploration advances (Note 4)	**354,666**	211,791
Investments (Note 5)	**467,220**	377,711
Exploration and evaluation assets (Note 4)	**33,099,365**	32,808,363
Total assets	**$ 36,050,178**	$ 36,235,471
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	**$ 91,983**	$ 85,409
Loan (Note 6)	**8,128,391**	8,037,003
	8,220,374	8,122,412
Convertible debenture (Note 7)	**4,356,378**	4,193,758
Derivative liability (Note 7)	**28,960**	24,404
Loan (Note 6)	**-**	-
Total liabilities	**12,605,712**	12,340,574
Shareholders' equity		
Share capital (Note 8)	**45,928,828**	45,928,828
Equity reserves	**4,319,220**	4,229,711
Equity component of convertible debenture (Note 7)	**1,747,194**	1,747,194
Deficit	**(28,550,776)**	(28,010,836)
Total shareholders' equity	**23,444,466**	23,894,897
Total liabilities and shareholders' equity	**$ 36,050,178**	$ 36,235,471

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on May 30, 2025:

"Mark Connelly" Director

"John Wilton" Director

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

BeMetals Corp.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31,	
	2025	2024
Expenses		
Consulting	**$ 15,000**	$ 23,827
Foreign exchange	**1,789**	170,238
Marketing	**4,238**	12,052
Office and administration	**31,335**	29,734
Professional fees	**13,166**	1,638
Regulatory and transfer agent	**11,582**	10,626
Fees and salaries (Note 9)	**206,194**	224,803
Travel	**21,446**	39,389
	(304,752)	(512,306)
Finance income	**23,125**	23,930
Loans finance expense (Note 6)	**(91,138)**	(82,731)
Unrealized gain (loss) on derivative liability (Note 7)	**(4,556)**	(9,425)
Convertible debt finance expense (Note 7)	**(162,620)**	(137,514)
Loss	**(539,941)**	(718,046)
Other comprehensive gain (loss)		
Unrealized gain (loss) on investments (Note 5)	**89,509**	13,565
Other comprehensive gain (loss)	**89,509**	13,565
Comprehensive loss	**$ (450,432)**	$ (704,481)
Basic and diluted loss per share	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	**228,847,145**	177,352,545

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

BeMetals Corp.

Condensed Interim Consolidated Statements of Shareholders' Equity

(Expressed in Canadian dollars)
(Unaudited)

	Shares issued	Share Capital	Share-based payments	Marketable securities	Convertible debenture	Deficit	Total Shareholders' equity
At December 31, 2023	177,352,545	$ 40,905,494	$ 4,186,725	$ (195,853)	$ 1,081,373	$(25,192,851)	$ 20,784,888
Issuance of convertible debt, net of issuance costs	-	-	-	-	653,997	-	653,997
Loss and comprehensive loss	-	-	-	13,565	-	(718,046)	(704,481)
At March 31, 2024	177,352,545	40,905,494	4,186,725	(182,288)	1,735,370	(25,910,897)	20,734,404
Private placement, net of issuance costs	48,406,000	4,714,476	-	-	-	-	4,714,476
Issuance of convertible debt, net of issuance costs	-	-	-	-	11,824	-	11,824
Shares issued for the acquisition of exploration assets	3,088,600	308,858	-	-	-	-	308,858
Loss and comprehensive loss	-	-	-	225,274	-	(2,099,940)	(1,874,666)
At December 31, 2024	228,847,145	45,928,828	4,186,725	42,986	1,747,194	(28,010,836)	23,894,897
Loss and comprehensive loss	-	-	-	89,509	-	(539,941)	(450,432)
At March 31, 2025	228,847,145	$ 45,928,828	$ 4,186,725	$ 132,495	$ 1,747,194	$(28,550,776)	$ 23,444,466

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

BeMetals Corp.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended March 31, 2025	2024
Operating activities		
Loss	**$ (539,941)**	$ (718,046)
Adjusted for:		
Loans finance expense	**91,138**	220,245
Unrealized foreign exchange (gain) loss	**(61,165)**	205,116
Unrealized gain (loss) on derivative liability	**4,556**	9,425
Changes in non-cash working capital items:		
Amounts receivable	**1,525**	5,878
Prepaids and deposits	**7,098**	10,555
Trade and other payables	**4,853**	(208,380)
	(329,316)	(475,207)
Investing activities		
Pro rata exploration contribution	**-**	354,081
Payments for exploration and evaluation expenditures	**(432,155)**	(739,733)
	(432,154)	(385,652)
Financing activities		
Proceeds from convertible debenture	**-**	2,000,000
Convertible debenture issuance costs	**-**	(23,830)
	-	1,976,170
Effect of foreign exchange on cash	**61,415**	(18,940)
Change in cash	**(700,055)**	1,096,371
Cash, beginning	**2,710,057**	562,355
Cash, end	**$ 2,010,002**	$ 1,658,726
Non-cash investing and financing activities		
Exploration costs included in trade and other payables	**$ 1,721**	$ 15,244
Reclassification of exploration advances to exploration and evaluation assets	**$ (142,875)**	$ 116,168

No cash was paid for interest or inome taxes during the three months ended March 31, 2025 and 2024

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

1. NATURE OF OPERATIONS AND GOING CONCERN

BeMetals Corp. (“BeMetals” or “the Company”) is a base and precious metals exploration and development company listed on the TSX Venture Exchange (“TSX-V”) under the symbol ‘BMET’ and also trades on the OTCQB in the US under the symbol ‘BMTLF’ and on the Frankfurt Stock Exchange in Germany under the symbol ‘1OI.F’. The Company has five gold exploration projects in Japan and holds an option agreement to acquire an interest in a mineral project in Zambia. Pursuant to the option agreement, the Company has rights to acquire a majority interest in the Pangeni copper exploration project (the “Pangeni Copper Project”) on the western extension of the Zambian Copperbelt (Note 4). The Company will continue to evaluate other potential precious and base metals acquisition opportunities.

The Company’s head office address is 3400 - 666 Burrard Street, Vancouver, BC, V6C 2X8. The registered and records office address is 2500 – 700 W. Georgia Street, Vancouver BC, V7Y 1B3.

As at March 31, 2025, the Company had a working capital deficit of $6,091,446 (December 31, 2024 - working capital deficit of $5,284,806). The Company has incurred negative cash flows from operations of $329,316 and recorded a loss of $539,941 for the three months March 31, 2025 (March 31, 2024 - negative cash flows from operations of $475,207 and loss of $718,046, respectively), and has an accumulated deficit of $28,550,776 as at March 31, 2025 (December 31, 2024 - $28,010,836).

These financial statements are prepared on a going concern basis that assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception and has no source of recurring revenue. The success of the Company is dependent upon the ability of the Company to obtain necessary financing to continue their exploration and development activities, the ability to repay or refinance current Loans (Note 6), the confirmation of economically recoverable reserves, and upon establishing future profitable production, or realization of proceeds on disposal. The Company will require additional funding to maintain its activities and operations for the next twelve months. All of the preceding indicates the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not give effect to the adjustments that would be necessary to the carrying value and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PRESENTATION

(a) Statement of compliance

The Company prepares its annual financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretation Committee. These unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2025, including comparatives, are prepared in accordance with IAS 34 Interim Financial Reporting and follow the same accounting policies and methods of application as the Company’s most recent annual financial statements. Accordingly, they should be read in conjunction with the Company’s most recent annual financial statements. These unaudited condensed interim consolidated financial statements have been authorized for issuance by the Board of Directors of the Company on May 30, 2025.

(b) Basis of measurement

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and

2. BASIS OF PRESENTATION (continued)

(c) Significant accounting judgments and estimates (continued)

liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates which, by their nature, are uncertain.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at year end that could result in a material adjustment to the carrying amounts of assets and liabilities within the next year, in the event that actual results differ from assumptions made, relate to the following:

Key Sources of Estimation Uncertainty

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets properties does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Convertible debenture and derivative liability

The equity component of the convertible debenture is calculated using a discounted cash flow method, which requires management to make an estimate on an appropriate discount rate. Change in the discount rate can materially affect the calculation of the equity component. In addition, the Company uses the Black-Scholes Option Pricing Model to determine the fair value of the derivative liability. The model requires the input of subjective assumptions including but not limited to expected share price volatility. Changes in the inputs assumptions can materiality affect the fair value estimate and the Company's earnings (loss).

(d) Principles of consolidation

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All intercompany balances and transactions are eliminated upon consolidation.

As at March 31, 2025, the Company had five wholly owned subsidiaries: BQ AcquisitionCo Corp., BQ FinanceCo Corp. and BeMetals Japan Corp., incorporated in British Columbia, Canada, BeMetals USA Corp., incorporated in Delaware, USA, and Kazan Resources KK, incorporated in Tokyo, Japan.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency translation

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

(b) Convertible debenture and derivative liability

Compound financial instruments issued by the Company are comprised of convertible debt that can be converted to share capital at a fixed price, at the option of the holder. The liability component of a compound financial instrument is recognized initially at the fair value which is equal to the net present value of future cash flows applying an interest rate at the date of issue of a similar liability that does not have an equity convertible option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is accreted to the face value over the term of the convertible debt. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest, accretion, losses and gains relating to the financial liability are recognized in profit or loss.

The Company uses the Black-Scholes Option Pricing Model to determine the fair value of derivative liability. This model requires the input of subjective assumptions including expected share price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss).

(c) Valuation of equity units in private placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

(d) Financial instruments

The Company classifies its financial assets and liabilities in the following measurement categories:

i) Those to be subsequently measured at amortized cost; or
ii) Those to be subsequently measured at fair value (either through other comprehensive income ("FVOCI"), or through profit or loss ("FVTPL"))

The classification is driven by the business model for managing the financial asset and their contractual cash flow characteristics.

The Company classifies its financial instruments as follows:

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments (continued)

Financial instrument	Classification under IFRS 9
Cash, Term deposits	Amortized cost
Amounts receivable	Amortized cost
Exploration advances	Amortized cost
Investments	FVOCI
Trade and other payables	Amortized cost
Loan	Amortized cost
Convertible debenture	Amortized cost
Derivative liability	FVTPL

At initial recognition financial assets and financial liabilities are measured at fair value less transaction costs except for financial assets classified as FVTPL, where transaction costs are expensed directly to profit or loss.

The Company has elected to classify and measure its investments at FVOCI.

Disclosures about the inputs to financial instrument fair value measurements are made within a hierarchy that prioritizes the inputs to fair value measurement. The levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 Inputs that are not based on observable market data

For financial instruments carried at fair value, the Company uses Level 1 inputs to value its investments.

4. EXPLORATION AND EVALUATION ASSETS

Pangeni Copper Project

In February 2018, further to a November 2017 letter agreement, the Company confirmed the agreement (the "Pangeni Agreement") with Copper Cross Zambia Limited (the "Pangeni Vendor") for the right to acquire up to a 72% interest in the Pangeni Copper Project. This agreement and the transactions pursuant thereto (the "Pangeni Transaction") was approved by the TSX-V in July 2018 in connection with the Company's completion of its qualifying transaction. Subsequently, the Company has made certain amendments to the Pangeni Agreement as announced in January 2020 and June 2023.

Pursuant to the Pangeni Agreement, and including the January 2020 and June 2023 amendments, the Company can acquire an initial 67.5% interest in the Pangeni Copper Project by:

(a) making cash payments of US$250,000 and issuing a total of 780,500 common shares by February 2020 (completed);
(b) spending US$2,500,000 in exploration work by December 31, 2020 (completed);
(c) making a cash payment of US$100,000 by mid-June 2023 (completed);
(d) making a milestone value cash payment of US$350,000, of which up to US$225,000, at the Company's option, may be satisfied by the issuance of the Company's common shares by mid-June 2024, which was subsequently extended to 24th September, 2024 (completed by making cash payments of US$125,000 ($176,759) and issuing 3,088,600 common shares valued at US$225,000 ($308,858)).

4. EXPLORATION AND EVALUATION ASSETS (continued)

Pangeni Copper Project (continued)

(e) completing a Preliminary Economic Assessment ("PEA") by (i) mid-June 2026 or (ii) any future date thereafter provided that the Company incur or fund not less than US$2,000,000 of expenditures on the Pangeni Copper Project annually, by mid-June of each year, until the completion of the PEA; and
(f) making a payment of US$700,000 as an advanced royalty reduction payment.

Following acquisition of the initial 67.5% interest the Company can acquire an additional 4.5% interest by completing a Feasibility Study and making a further cash payment of US$750,000 (a portion of which may be paid in common shares of BeMetals at the option of the Company).

At the commencement of the mine development phase, and following a feasibility study, a one-off milestone payment is payable, based upon total proven and probable mineral reserves, as follows: US$2,000,000 if less than 500 kilotonnes ("kt") contained copper, US$3,000,000 if the contained copper is between 500 kt and 1,000kt, and US$6,000,000 if greater than 1,000kt contained copper. Upon commencement of production, Pangeni Mineral Resources Limited ("Pangeni Mineral") is entitled to a 3% Net Smelter Royalty (which may be reduced to 2.5% following the US$700,000 royalty reduction payment above and further reduced to 1% following an additional royalty reduction payment by the Company, determined by an internationally recognised valuator, which is not to exceed US$3,300,000).

Investment in the Pangeni Copper Project by JOGMEC

In March 2021, the Company entered into a joint exploration and option agreement (the "JOGMEC Agreement") with Japan Organization for Metals and Energy Security (Formerly Japan Oil, Gas and Metals National Corporation) ("JOGMEC") for an initial investment of US$1,500,000 from JOGMEC for money-in-the-ground exploration at the Pangeni Copper Project and additional ongoing pro-rata contributions.

Under the terms of the JOGMEC Agreement:

(a) by March 31, 2021, JOGMEC will fund US$1,000,000 for exploration expenditures by way of payment to BeMetals for exploration activities completed in the 2020 field program (completed); and
(b) during 2021, JOGMEC will also fund an additional US$500,000 in exploration expenditures (completed).

As result, JOGMEC has earned a 27.8% interest in BeMetals' option to acquire up to a 72% interest in the Pangeni Copper Project. Since earning its interest in the BeMetals option, JOGMEC has, and will continue to for the remainder of the agreed future exploration programs, fund exploration expenditures pro-rata in accordance with its 27.8% interest. In total, to date, JOGMEC has solely funded US$1,500,000 of exploration expenditures, and thereafter has funded all exploration expenditures to date on a pro-rata basis in accordance with its proportionate interest in the BeMetals option for the property. The above investments will provide JOGMEC with rights to an approximately 20% stake in the Pangeni Copper Project assuming the full exercise of all applicable underlying parties and optionees and BeMetals will retain rights to approximately 52%. BeMetals retains overall management control through the project's technical committee and its majority option position in the Pangeni Copper Project.

Kato Gold Project and Other Kazan Gold Projects

On April 23, 2021, the Company completed the acquisition of privately owned BeMetals Japan and its wholly owned subsidiary Kazan Resources KK ("Kazan") which holds the rights to a portfolio of five gold exploration projects in Japan (the "Kazan Gold Transaction"). Pursuant to the Kazan Gold Transaction, the Company issued a total of 32,629,956 common shares to the former shareholders of BeMetals Japan Corp, with the fair value of the common shares issued amounting to $11,909,934 which was based on the closing price of the Company's shares on the date of closing of the Kazan Gold Transaction ($0.365 per share).

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Kato Gold Project and Other Kazan Gold Projects (continued)

Up until March 31, 2025 the majority of expenditures incurred in Japan have been on the drilling program at the Kato Gold Project. The Company has submitted an application to the Japanese Ministry of Economy, Trade and Industry ("METI") for prospecting rights on the Kato concessions. METI has acknowledged the receipt of, these first-in-line, applications and they are currently being processed. Upon award they are expected to be valid for 6 years in 2 year renewable periods.

The Company's other projects in Japan include the Todoroki, Hokusatsu, Konomai and Tashiro Projects (collectively the "Other Kazan Gold Projects"). The Company has submitted an application to METI for the prospecting rights on the Todoroki concessions. METI has acknowledged the receipt of, these first-in-line, applications and they are currently being processed. Upon award they are expected to be valid for 6 years in 2 year renewable periods.

Capitalized Costs

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation assets as at March 31, 2025:

	Pangeni Copper Project	Kato Gold Project	Other Kazan Gold Projects	Total
Balance, December 31, 2024	$ 10,313,625	$ 11,668,279	$ 10,826,459	$ 32,808,363
Consulting and wages	147,798	18,051	16,358	182,207
Land fees / Lease payments	-	424	12,851	13,275
Site logistics	78,210	15,611	1,699	95,520
Balance, March 31, 2025	$ 10,539,633	$ 11,702,365	$ 10,857,367	$ 33,099,365

Exploration Advances

As at March 31, 2025, the Company had $354,666 (December 31, 2024 – $211,791) in exploration advances which related to a contractor operating at the Pangeni Project.

5. INVESTMENTS

	As at March 31, 2025			As at December 31, 2024		
	Shares	**Fair Value**	**Cost**	Shares	Fair Value	Cost
Thunder Mountain shares	**2,500,000**	**$ 467,220**	**$ 334,725**	2,500,000	$ 377,711	$ 334,725

In September 2019, the Company acquired 2,500,000 common shares of Thunder Mountain Gold Inc. in a private placement, at US$0.10 per share for a total cost of $334,725 (US$250,000). Thunder Mountain trades on the OTCQB under the symbol 'THMG'.

During the three months ended March 31, 2025, the Company recognized an unrealized gain on investments of $89,509 (March 31, 2024 – unrealized gain of $13,565) on the statements of loss and comprehensive loss.

(Expressed in Canadian dollars)

6. LOANS

In August 2022, the Company entered into a loan agreement with B2Gold Corp. ("B2Gold"), a related party of the Company by virtue of a common director, for an unsecured loan in the principal amount of US$5,000,000 (the "Loan"). The Loan matures on August 4, 2025 and bears interest at a rate of 4.7% per annum. The interest on the Loan is to be paid or accrued annually at the discretion of the Company and the Loan is repayable in part or in full at any time without penalty. The Company did not incur any financing costs related to the Loan.

		US$
Balance, December 31, 2023	$ 7,055,784	$ 5,334,784
Interest, accrued	343,591	250,735
Foreign exchange gain	637,628	-
Balance, December 31, 2024	8,037,003	5,585,519
Interest, accrued	91,138	63,512
Foreign exchange loss	250	-
Balance, March 31, 2025	$ 8,128,391	$ 5,649,031

7. CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY

Balance, December 31, 2023	$ 2,285,830
Proceeds	2,000,000
Transaction costs allocated to liability component	(7,742)
Equity component	(669,719)
Interest, accrued	374,044
Accretion	211,345
Balance, December 31, 2024	4,193,758
Interest, accrued	97,674
Accretion	64,946
Balance, March 31, 2025	$ 4,356,378

On September 8, 2023 and January 8, 2024, the Company issued a $3,300,000 convertible debenture (the "First Debenture") and a $2,000,000 convertible debenture (the "Second Debenture") to strategic investor B2Gold (collectively the "Debentures").

The Debentures mature on September 8, 2028 and January 8, 2029 and bear an interest rate of 7% per annum calculated and compounded annually in arrears on each anniversary date of the Debentures. The principal amount of the Debentures are convertible into common shares of BeMetals at the option of the holder at any time on or before the maturity dates at a price of $0.25 per common share. Accrued interest on the Debentures is convertible into common shares at the option of the holder on the maturity dates at a price per common share that is the greater of $0.25 and market price at the time of conversion (subject to prior approval by the TSX-V).

The Debentures are compound instruments, and the proceeds are required to be bifurcated to record the fair value of the separate debt and equity components. The fair value of the debt was determined using a discounted cash flow model using an estimated market interest rate for equivalent debt of 16%.

(Expressed in Canadian dollars)

7. CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY (continued)

The initial fair value of the First Debenture was calculated to be $2,204,046 with the residual portion of $1,095,954 allocated to equity. Transaction costs totalled $43,903, of which $29,322 were allocated to the liability component and offset the carrying value and are amortized using the effective interest method as finance costs over the expected life of the First Debenture and $14,581 were allocated to the equity component.

The initial fair value of the Second Debenture was calculated to be $1,330,281 with the residual portion of $669,719 allocated to equity. Transaction costs totalled $11,640, of which $7,742 were allocated to the liability component and offset the carrying value and are amortized using the effective interest method as finance costs over the expected life of the Second Debenture and $3,898 were allocated to the equity component.

Embedded derivatives are attached to the interest portion of the convertible debentures since they do not meet the fixed-for-fixed criteria as the number of shares to settle accrued interest could vary. The embedded derivative liability for each of the Debentures is initially measured at fair value using the Black-Scholes Option Pricing model and re-measured at the end of each reporting period with changes in fair value reported in profit and loss. The initial fair value of the embedded derivatives was determined to be $nil and at the period end on March 31, 2025 was $28,960 (December 31, 2024: $24,404) with the Company recording an unrealized loss on derivative liability of $4,556 during the three months ended March 31, 2025 (March 31, 2024: $9,425).

The following assumptions were used to estimate the fair value of the embedded derivative:

	March 31, 2025	December 31, 2024	January 8, 2024	December 31, 2023	September 8, 2023
Volatility	85.10%	82.20%	71.36%	71.33%	68.50%
Expected life (years)	3.59	3.78	5.00	4.69	5.00
Risk free rate	2.61%	2.96%	3.17%	3.17%	3.96%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Underlying share price of the Company	$ 0.050	$ 0.050	$ 0.085	$ 0.085	$ 0.165
Conversion price	$ 0.250	$ 0.250	$ 0.250	$ 0.250	$ 0.250

8. EQUITY

(a) Authorized

Unlimited common shares with no par value
Unlimited preferred shares with no par value

(b) Issued and fully paid common shares

Three months ended March 31, 2025

No shares were issued during the three months ended March 31, 2025.

Three months ended March 31, 2024

No shares were issued during the three months ended March 31, 2024.

(Expressed in Canadian dollars)

8. EQUITY (continued)

(c) Warrants

In July 2024, the Company issued 24,203,000 warrants in a non-brokered private placement. Each Warrant entitles the holder thereof to purchase one additional Share at an exercise price of $0.18 per Share until July 31, 2025. Warrants are valued using the residual value method and accordingly warrants issued as part of the non-brokered private placement are valued at $nil.

Following is a summary of changes in warrants outstanding:

	Number of warrants		Weighted average exercise price
Balance, December 31, 2023	-	$	-
Issued	24,203,000		0.18
Balance, December 31, 2024, and March 31, 2025	**24,203,000**	**$**	**0.18**

The following table summarizes information about warrants outstanding at March 31, 2025:

Outstanding		Exercise price	Expiry date
24,203,000	$	0.18	July 31, 2025

(d) Share options

The Company has an incentive share option plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with TSX-V requirements, grant non-transferable share options to purchase common shares, provided that the number of common shares reserved for issuance in any twelve-month period will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant at a price not less than the closing price of the Company's shares on the last trading day before the grant of such options. Each option vesting period is determined on a grant by grant basis by the Board of Directors.

No share options were issued during the three months ended March 31, 2025 and no share options were issued during the year ended December 31, 2024.

Following is a summary of changes in share options outstanding:

	Number of options		Weighted average exercise price
Balance, December 31, 2023 and 2024	16,995,000	$	0.29
Balance, March 31, 2025	**16,995,000**	**$**	**0.29**

(Expressed in Canadian dollars)

8. EQUITY (continued)

(d) Share options (continued)

The following table summarizes information about share options outstanding at March 31, 2025:

Outstanding	Exercisable	Exercise price	Expiry date
2,520,000	2,520,000	$ 0.060	December 9, 2026
2,250,000	2,250,000	0.240	February 27, 2028
750,000	750,000	0.210	October 1, 2028
3,600,000	3,600,000	0.235	January 7, 2030
750,000	750,000	0.365	July 15, 2030
5,725,000	5,725,000	0.425	June 1, 2031
750,000	750,000	0.425	July 7, 2031
650,000	650,000	0.270	November 19, 2031
16,995,000	16,995,000		

9. RELATED PARTY TRANSACTIONS

Included within fees and salaries are amounts paid to key management personnel, which are those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers.

During the three months ended March 31, 2025, key management personnel compensation, including directors and officers, was comprised of $177,552 (2024 - $173,247), of which $nil related to share-based compensation, $152,145 related to fees and salaries and $25,408 was capitalized to Exploration and evaluation assets (2024 - $nil, $163,587 and $9,660 respectively).

On July 31, 2024, B2Gold subscribed for 22,000,000 Units for gross proceeds of $2.2 million as part of the Private Placement. Additionally, other related parties of the Company, including directors, officers and other insiders, subscribed for an aggregate of 8,125,000 Units for gross proceeds of $812,500 in the Private Placement. On January 8, 2024 the Company issued a $2.0 million convertible debenture to B2Gold (Note 7).

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

Cash, term deposit, amounts receivable, exploration advances, trade and other payables, derivative liability and loan are carried at amortized cost which approximates fair value due to the short-term nature of these instruments. Common shares of publicly traded companies included in investments are classified as FVOCI. The derivative liability is classified as FVTPL.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Financial Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company reduces its credit risk by maintaining its bank accounts at a large international financial institution. The maximum exposure to credit risk is equal to the carrying value of these financial assets.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources. As at March 31, 2025, the Company had current liabilities of $8,220,374 and a working capital deficit of $6,091,446 (Note 1). Included within current liabilities and the working capital deficit on March 31, 2025 is $8,128,391 owed to B2Gold for the Loan principal and accrued interest that matures on August 4, 2025.

The Company's Loan with a principal owing of US$5,000,000 matures on August 4, 2025. The Loan bears interest at a rate of 4.7% per annum which can be paid or accrued annually at the discretion of the Company (Note 6). The Company's $3,300,000 Debenture matures on September 8, 2028 and bears interest at a rate of 7.0%. The Company's $2,000,000 Second Debenture matures on January 8, 2029 and bears interest at a rate of 7.0%. The Company also has commitments rising in 2025, and beyond, related to the Pangeni Copper Project (Note 4).

Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the Company's functional currency. The Company's reporting currency is the Canadian dollar and major purchases are transacted in Canadian and US dollars and the Japanese Yen. A portion of the Company's exploration and evaluation expenditures are incurred in Zambia, but are predominantly transacted in US dollars. The Company maintains Canadian dollar and US dollar bank accounts in Canada and Japanese Yen ("¥") bank accounts in Japan. The Company is subject to gains and losses from fluctuations in the US dollar and the Yen against the Canadian dollar. The Company held a net monetary liability position of $6,762,589 in US dollars (US$4.7 million) and a net monetary asset position of $57,008 in Japanese Yen (¥6 million) as of March 31, 2025, with the effect on profit or loss before tax of a 10% fluctuation to the CAD dollar being $670,558.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and interest payable on the B2Gold Loan and convertible debentures which are both at a fixed rate. Changes in short-term interest rates will not have a significant effect on the fair value of the Company's cash account.

(Expressed in Canadian dollars)

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risk associated with fluctuations in the market prices of base and precious metals including copper, zinc, silver, gold, and lead, and the outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations. In addition, the Company's investments which are comprised of publicly traded equity securities are subject to price risk.

Market prices for metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators. The Company has elected not to actively manage its commodity price risk, as the nature of the Company's business is in exploration.

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

The Company is exposed to price risk with respect to its investment in THMG (Note 5).

11. CAPITAL MANAGEMENT

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to keep its cash on deposit in interest bearing Canadian chartered bank accounts.

The capital structure of the Company includes shareholders' equity. The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management.

12. SEGMENTED INFORMATION

The Company operates in one segment, being exploration and evaluation of mineral properties, in Zambia and Japan. Geographic segmentation is as follows:

March 31, 2025	Zambia	Japan	Total
Exploration and evaluation assets	$ 10,539,633	$ 22,559,732	$ 33,099,365

December 31, 2024	Zambia	Japan	Total
Exploration and evaluation assets	$ 10,313,625	$ 22,494,738	$ 32,808,363