Consolidated financial statements of

BeMetals Corp.

Years ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
BeMetals Corp.

Opinion

We have audited the accompanying consolidated financial statements of BeMetals Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023 and the consolidated statements of loss and comprehensive loss, shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred negative cash flows from operations of $1,035,643 and recorded a loss of $2,817,985 for the year ended December 31, 2024, and has an accumulated deficit of $28,010,836 as at December 31, 2024. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 4 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $32,808,363 as of December 31, 2024, As more fully described in Note 2 and 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Obtaining an understanding of the key controls associated with evaluating the E&E Assets for indicators of impairment.
- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and receipts, and share issuances.
- Assessing the Company's rights to explore E&E Assets including sending a confirmation request to an optionor to ensure good standing of agreements.
- Evaluating on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

April 24, 2025

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

	As at December 31, 2024	As at December 31, 2023
Assets		
Current assets		
Cash	**$ 2,710,057**	$ 562,355
Term deposit	**46,000**	46,000
Amounts receivable	**37,807**	326,963
Prepaids	**43,742**	48,406
	2,837,606	983,724
Exploration advances (Note 4)	**211,791**	195,104
Investments (Note 5)	**377,711**	138,872
Exploration and evaluation assets (Note 4)	**32,808,363**	29,029,049
Total assets	**$ 36,235,471**	$ 30,346,749
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	**$ 85,409**	$ 211,587
Loan (Note 6)	**8,037,003**	-
	8,122,412	211,587
Convertible debenture (Note 7)	**4,193,758**	2,285,830
Derivative liability (Note 7)	**24,404**	8,660
Loan (Note 6)	**-**	7,055,784
Total liabilities	**12,340,574**	9,561,861
Shareholders' equity		
Share capital (Note 8)	**45,928,828**	40,905,494
Equity reserves	**4,229,711**	3,990,872
Equity component of convertible debenture (Note 7)	**1,747,194**	1,081,373
Deficit	**(28,010,836)**	(25,192,851)
Total shareholders' equity	**23,894,897**	20,784,888
Total liabilities and shareholders' equity	**$ 36,235,471**	$ 30,346,749

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on April 24, 2025:

"Mark Connelly" Director

"John Wilton" Director

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

BeMetals Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Year ended December 31, 2024	2023
Expenses		
Consulting	**$ 70,827**	$ 73,040
Foreign exchange	**521,082**	(136,500)
Marketing	**88,615**	202,028
Office and administration	**128,775**	217,704
Professional fees	**134,211**	151,678
Regulatory and transfer agent	**44,442**	50,671
Fees and salaries (Note 9)	**883,355**	804,369
Share-based compensation (Notes 8,9)	**-**	147,545
Travel	**117,216**	177,819
	(1,988,523)	(1,688,354)
Finance income	**115,262**	147,732
Loans finance expense (Note 6)	**(343,591)**	(335,445)
Unrealized gain (loss) on derivative liability (Note 7)	**(15,744)**	(8,660)
Convertible debt finance expense (Note 7)	**(585,389)**	(111,106)
Loss	**(2,817,985)**	(1,995,833)
Other comprehensive gain (loss)		
Unrealized gain (loss) on investments (Note 5)	**238,839**	(138,780)
Other comprehensive gain (loss)	**238,839**	(138,780)
Comprehensive loss	**$ (2,579,146)**	$ (2,134,613)
Basic and diluted loss per share	**$ (0.01)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**198,500,704**	177,352,545

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

BeMetals Corp.

Consolidated Statements of Shareholders' Equity

(Expressed in Canadian dollars)

	Shares issued	Share Capital	Share-based payments	Marketable securities	Convertible debenture	Deficit	Total Shareholders' equity
At December 31, 2022	177,352,545	$ 40,905,494	$ 4,018,743	$ (57,073)	$ -	$(23,197,018)	$ 21,670,146
Share-based compensation	-	-	167,982	-	-	-	167,982
Issuance of convertible debt, net of issuance costs (Note 7)	-	-	-	-	1,081,373	-	1,081,373
Loss and comprehensive loss	-	-	-	(138,780)	-	(1,995,833)	(2,134,613)
At December 31, 2023	177,352,545	40,905,494	4,186,725	(195,853)	1,081,373	(25,192,851)	20,784,888
Private placement, net of issuance costs (Note 8)	48,406,000	4,714,476	-	-	-	-	4,714,476
Issuance of convertible debt, net of issuance costs (Note 7)	-	-	-	-	665,821	-	665,821
Shares issued for the acquisition of exploration assets (Note 4)	3,088,600	308,858	-	-	-	-	308,858
Loss and comprehensive loss	-	-	-	238,839	-	(2,817,985)	(2,579,146)
At December 31, 2024	228,847,145	$ 45,928,828	$ 4,186,725	$ 42,986	$ 1,747,194	$(28,010,836)	$ 23,894,897

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

BeMetals Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended December 31, 2024	2023
Operating activities		
Loss	**$ (2,817,985)**	$ (1,995,833)
Adjusted for:		
Share-based compensation	**-**	147,545
Loans finance expense	**343,591**	335,445
Convertible debt finance expense	**585,389**	111,106
Unrealized foreign exchange (gain) loss	**576,213**	(131,651)
Unrealized gain (loss) on derivative liability	**15,744**	8,660
Changes in non-cash working capital items:		
Amounts receivable	**289,156**	(197,745)
Prepaids and deposits	**4,664**	59,031
Trade and other payables	**(32,415)**	(67,723)
	(1,035,643)	(1,731,165)
Investing activities		
Pro rata exploration contribution	**1,275,737**	817,108
Payments for exploration and evaluation expenditures	**(4,856,642)**	(7,719,536)
Term deposit	**-**	(17,250)
	(3,580,906)	(6,919,678)
Financing activities		
Proceeds from loans	**-**	1,750,000
Proceeds from private placement	**4,840,600**	-
Interest paid on loans	**-**	(13,089)
Private placement issuance costs	**(126,124)**	-
Proceeds from convertible debenture	**2,000,000**	1,550,000
Convertible debenture issuance costs	**(11,640)**	(43,903)
	6,702,836	3,243,008
Effect of foreign exchange on cash	**61,415**	(36,851)
Change in cash	**2,147,702**	(5,444,686)
Cash, beginning of year	**562,355**	6,007,041
Cash, end of year	**$ 2,710,057**	$ 562,355
Non-cash investing and financing activities		
Share-based compensation capitalized for exploration and evaluation expenditures	**$ -**	$ 20,437
Non-cash acquisition costs for Pangeni Copper Project	**$ 308,858**	$ -
Exploration costs included in trade and other payables	**$ (93,763)**	$ 93,763
Reclassification of exploration advances to exploration and evaluation assets	**$ (16,687)**	$ 155,387

No cash was paid for interest during the year ended December 31, 2024 (2023: $13,089)
No cash was paid for income taxes during the years ended December 31, 2024 and 2023

The accompanying notes are an integral part of these 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 December 31, 2024, the Company had working capital deficit of $5,284,806 (2023 - working capital of $772,137). The Company has incurred negative cash flows from operations of $1,035,643 and recorded a loss of $2,817,985 for the year ended December 31, 2024 (2023 - negative cash flows from operations of $1,731,165 and loss of $1,995,833 respectively), and has an accumulated deficit of $28,010,836 as at December 31, 2024 (2023 - $25,192,851).

These consolidated 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 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. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated 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

These consolidated financial statements are presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements have been authorized for issuance by the Board of Directors of the Company on April 24, 2025.

(b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these 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 Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and 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 consolidated financial statements include estimates which, by their nature, are uncertain.

2. BASIS OF PRESENTATION (continued)

(c) Significant accounting judgments and estimates *(continued)*

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 input 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 December 31, 2024, 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 MATERIAL ACCOUNTING POLICY INFORMATION

(a) Cash

Cash includes deposits held with banks that are available on demand.

(b) Term deposits

Term deposits are short-term investments that have maturity dates of no more than one year from the date of purchase, or are redeemable prior to maturity without significant costs or penalties.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(c) 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 statements of loss and comprehensive loss.

(d) Exploration and evaluation assets

The Company defers the cost of acquiring the rights to explore, maintaining its interest in, exploring and developing mineral properties as exploration and evaluation until the properties are placed in production, abandoned, sold or considered to be impaired in value. Once the technical feasibility and commercial viability of the extraction of mineral reserves or resources from a particular mineral property has been determined, exploration and evaluation expenditures are first tested for impairment and then reclassified to “mineral properties and mine development costs”. If no mineable ore body is discovered, such costs are expensed in the period in which it is determined the property has no future economic value. Exploration costs that do not relate to any specific property are expensed as incurred.

The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, such as but not limited to:

- The extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document;
- The results of optimization studies and further technical evaluation carried out to mitigate project risks identified in the feasibility study;
- The status of environmental permits; and
- The status of mining leases or permits.

In addition, commercial viability is deemed to be achieved when the Company determines that the project will provide a satisfactory return relative to its perceived risks. Ore reserves and resources may be declared for an undeveloped mining project before its commercial viability has been fully determined. Evaluation costs may continue to be capitalized during the period between declaration of reserves and approval to mine as further work is undertaken in order to refine the development case to maximize the project’s returns.

The Company’s assets are reviewed for indication of impairment at each annual statement of financial position date. If any such indication exists, an estimate of the recoverable amount is undertaken, being the higher of an asset’s fair value less costs of disposal (“FVLCD”) and its value in use (“VIU”). If the asset’s carrying amount exceeds its recoverable amount, then an impairment loss is recognized in the consolidated statement of loss and comprehensive loss. FVLCD is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties.

Fair value of mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects. VIU is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) Exploration and evaluation assets (continued)

its present form and from its ultimate disposal. Impairment is normally assessed at the level of cash-generating units, which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

(e) Loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding convertible debentures, share options and warrants, in the weighted average number of common shares outstanding during the period. For this purpose, it is assumed that proceeds upon the exercise of convertible debentures, share options and warrants are used to purchase common shares at the average market price during the period. Convertible debentures, share options and warrants outstanding as at December 31, 2024 and 2023, are anti-dilutive and, therefore, have not been taken into account in the diluted per share calculations.

(f) Share-based payments

The Company's share option plan allows employees, directors, officers, consultants and charitable organizations to acquire shares of the Company. The fair value of options granted is recognized as share-based compensation expense with a corresponding increase in equity.

Fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

(g) Impairment of tangible and intangible assets

Tangible and intangible assets with finite useful lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets' cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss except to the extent it reverses gains previously recognized in other comprehensive loss/income. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(h) Rehabilitation provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period in which they occur.

The Company does not have any significant rehabilitation obligations.

(i) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income or loss. Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(j) 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,

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(j) Convertible debenture and derivative liability (continued)

and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss).

(k) 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.

(l) Financial instruments

Classification

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:

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

Measurement

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.

The Company uses Level 1 inputs to value its investments. The Company uses level 3 inputs to value its derivative liability (Note 7).

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(l) Financial instruments (continued)

Impairment of financial assets held at amortized cost

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Any resulting gains or losses from derecognition are typically recognized in profit or loss.

(m) *Accounting standards issued for adoption of future periods*

The following new standard has been issued but not yet applied:

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure of 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 into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will 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 statement

As at December 31, 2024, there are no other IFRS or IFRIC interpretations with future effective dates that are expected to have a material impact on the Company.

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.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Pangeni Copper Project (continued)

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 September 24, 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)).
(e) completing a Preliminary Economic Assessment ("PEA") by (i) mid-June 2025 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.

4. EXPLORATION AND EVALUATION ASSETS (continued)

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).

Up until December 31, 2024 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 the same area and 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.

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Capitalized Costs

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation assets as at December 31, 2024 and 2023:

	Pangeni Copper Project	Kato Gold Project	Other Japan Projects	Total
Balance, December 31, 2022	$ 5,020,703	$ 7,490,041	$ 9,537,656	$ 22,048,400
Consulting and wages	214,106	733,204	486,386	1,433,696
Drilling	2,137,195	2,583,825	168,257	4,889,277
Land fees / Lease payments	-	9,689	5,079	14,768
Professional fees	2,739	-	-	2,739
Share-based compensation	4,265	16,172	-	20,437
Site logistics	337,943	683,562	281,574	1,303,079
Milestone value payment - cash paid	133,760	-	-	133,760
	7,850,711	11,516,494	10,478,952	29,846,156
Proceeds from JOGMEC	(817,108)			(817,108)
Balance, December 31, 2023	7,033,603	11,516,494	10,478,952	29,029,049
Consulting and wages	307,221	53,152	141,809	502,182
Drilling	3,212,144	30,537	61,110	3,303,791
Land fees / Lease payments	-	23,134	26,790	49,923
Site logistics	551,767	44,962	117,798	714,527
Milestone value payment - cash paid	175,769	-	-	175,769
Milestone value payment - shares issued	308,858	-	-	308,858
	11,589,362	11,668,279	10,826,459	34,084,100
Proceeds from JOGMEC	(1,275,737)	-	-	(1,275,737)
Balance, December 31, 2024	$ 10,313,625	$ 11,668,279	$ 10,826,459	$ 32,808,363

Exploration Advances

As at December 31, 2024, the Company had $211,791 (December 31, 2023 – $195,104) in exploration advances of which $nil (December 31, 2023 - $31,063) related to a drill contractor operating at the Kazan Properties and $211,791 (December 31, 2023 - $164,041) to a contractor operating at the Pangeni Project.

5. INVESTMENTS

	As at December 31, 2024			As at December 31, 2023		
	Shares	**Fair Value**	**Cost**	Shares	Fair Value	Cost
Thunder Mountain shares	**2,500,000**	**$ 377,711**	**$ 334,725**	2,500,000	$ 138,872	$ 334,725

In September 2019, the Company acquired 2,500,000 common shares of Thunder Mountain Gold Inc. ("Thunder Mountain") in a private placement, pursuant to the South Mountain Agreement, 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 year ended December 31, 2024, the Company recognized an unrealized gain on investments of $238,839 (2023 – unrealized loss $138,780) 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, 2022	$ 6,901,930	$ 5,095,932
Interest, accrued	322,356	238,853
Foreign exchange gain	(168,502)	-
Balance, December 31, 2023	7,055,784	5,334,784
Interest, accrued	343,591	250,735
Foreign exchange loss	637,628	-
Balance, December 31, 2024	$ 8,037,003	$ 5,585,519

Bridge Loan

On July 31, 2023 the Company entered into a unsecured bridge loan (the "Bridge Loan") with B2Gold in the principal amount of $1,750,000, bearing interest at 7% per annum. The Bridge Loan had a term of six months and was repayable by the Company at any time in cash. The Bridge Loan was issued due to the timing for completing a shareholder meeting to gain shareholder approval for the closing of the $3.3 million convertible debenture offering (the "Offering") to B2Gold (Note 7). The Company did not issue any securities or pay any bonuses, commissions or finder's fees with regards to the Bridge Loan. Subsequent to obtaining shareholder approval the Bridge Loan was applied as partial subscription funds for the Offering and interest of $13,089 was paid during the year ended December 31, 2023.

7. CONVERTIBLE DEBENTURE AND DERIVATIVE LIABILITY

Balance, December 31, 2022	$ -
Proceeds	3,300,000
Transaction costs allocated to liability component	(29,322)
Equity component	(1,095,954)
Interest, accrued	72,148
Accretion	38,958
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

(Expressed in Canadian dollars)

7. CONVERTIBLE DEBENTURE AND DERIVATIVE LIABILITY (continued)

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"). B2Gold funded part of its subscription in the First Debenture by applying the principal amount of the previously issued $1,750,000 Bridge Loan (Note 6).

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%.

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 year end on December 31, 2024 was $24,404 (December 31, 2023: $8,660) with the Company recording an unrealized loss on derivative liability of $15,744 during year ended December 31, 2024 (December 31, 2023: $8,660).

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

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

(Expressed in Canadian dollars)

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

Year ended December 31, 2024

On July 31, 2024 the Company closed a non-brokered private placement by issuing 48,406,000 units (the "Units") at $0.10 per Unit for gross proceeds of $4,840,600 (the "Private Placement"). Each Unit from the Private Placement consists of one common share in the capital of the Company and one-half share purchase warrant. Each whole share purchase warrant entitles the holder thereof to purchase one additional share at an exercise price of $0.18 per share until July 31, 2025. The securities issued pursuant to the Private Placement are subject to a hold period under applicable Canadian securities laws expiring on December 1, 2024. In connection with the Private Placement, the Company incurred share issuance costs of $126,124 which included cash finder's fees totaling $95,280, in respect of certain sales under the Private Placement, and filing fees and other expenses of $30,844.

In September 2024, the Company issued 3,088,600 common shares pursuant to the Pangeni Agreement (Note 4).

Year ended December 31, 2023

No shares were issued during the year ended December 31, 2023.

(c) Warrants

In July 2024, the Company issued 24,203,000 warrants in a non-brokered private placement (Note 8(b)). Each warrant entitles the holder thereof to purchase one additional share at an exercise price of $0.18 per share until July 31, 2025. The warrants are valued using the residual value method and accordingly warrants issued as part of the non-brokered private placement are valued at $nil.

During the year ended December 31, 2023 no warrants were exercised or issued by the Company.

Following is a summary of changes in warrants outstanding:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2022 and 2023	-	$ -
Issued	24,203,000	0.18
Balance, December 31, 2024	**24,203,000**	**$ 0.18**

The following table summarizes information about warrants outstanding at December 31, 2024:

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

(Expressed in Canadian dollars)

8. EQUITY (continued)

(d) *Share options* (continued)

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 years ended December 31, 2024 and December 31, 2023.

Share-based compensation expense recognized for the vesting of options during the year ended December 31, 2024, was $nil (2023 - $167,982), of which $nil (2023 - $20,437) was capitalized to exploration and evaluation assets on the consolidated statements of financial position, and $nil (2023 - $147,545) was expensed directly to the consolidated statements of loss and comprehensive loss.

Following is a summary of changes in share options outstanding:

	Number of options		Weighted average exercise price
Balance, December 31, 2022 and 2023	16,995,000	$	0.29
Balance, December 31, 2024	**16,995,000**	**$**	**0.29**

The following table summarizes information about share options outstanding at December 31, 2024:

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 year ended December 31, 2024, key management personnel compensation, including directors and officers, was comprised of $698,059 (2023 - $783,386), of which $nil related to share-based compensation, $661,163 related to fees and salaries and $36,896 was capitalized to Exploration and evaluation assets (2023 - $91,781, $523,479 and $168,126 respectively).

During the year ended December 31, 2024, the Company paid or accrued fees of $nil (2023 - $215,611) to B2Gold that were capitalized to Exploration and evaluation assets. On July 31, 2024, B2Gold subscribed for 22,000,000 Units for gross proceeds of $2,200,000 as part of the Private Placement (Note 8). Additionally, other related parties

9. RELATED PARTY TRANSACTIONS (continued)

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 $2,000,000 convertible debenture to B2Gold (Note 7). On July 31, 2023 the Company reached an agreement with B2Gold for an unsecured $1,750,000 Bridge Loan (Note 6) that was subsequently applied as partial subscription towards a $3,300,000 Debenture which was entered into on September 8, 2023 (Note 7). As at December 31, 2024, the loan due to B2Gold was $8,037,003 (2023: $7,055,784) (Note 6).

As at December 31, 2024 amounts included in accounts payable and accrued liabilities due to related parties was $nil (2023: $31,627).

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, loan and convertible debentures are carried at amortized cost which approximates fair value due to the short-term nature or market interest rate of these instruments. Common shares of publicly traded companies included in investments are classified as FVOCI. The derivative liability is classified as FVTPL.

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 December 31, 2024, the Company had current liabilities of $8,122,412 and a working capital deficit of $5,284,806 (Note 1). Included within current liabilities and the working capital deficit on December 31, 2024 is $8,037,003 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

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

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 $7,026,551 in US dollars (US$4.9 million) and a net monetary asset position of $82,577 in Japanese Yen (¥9 million) as of December 31, 2024, with the effect on profit or loss before tax of a 10% fluctuation to the CAD dollar being $694,397.

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 debenture 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.

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.

(Expressed in Canadian dollars)

11. CAPITAL MANAGEMENT (continued)

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:

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

December 31, 2023	Zambia	Japan	Total
Exploration and evaluation assets	$ 7,033,603	$ 21,995,446	$ 29,029,049

13. INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2024	2023
Loss for the year	**$ (2,817,985)**	$ (1,995,833)
Canadian federal and provicncial income tax rates	**27.00%**	27.00%
Expected income tax recovery	**$ (761,000)**	$ (539,000)
Increase (decrease) due to:		
Permanent Difference	**89,000**	20,000
Share issue costs	**30,000**	-
Income tax benefit not recognised	**832,000**	248,000
Differences in foreign tax rates	**(9,000)**	(14,000)
Foreign exchange	**(181,000)**	285,000
Total income tax expense	**$ -**	$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2024	2023	Expiry Date Range
Non-capital losses - Canada	$ 9,060,000	$ 7,739,000	2028 to 2044
Non-capital losses - Japan	2,949,000	2,844,000	2025 to 2034
Non-capital losses - USA	13,973,000	12,844,000	No expiry date
Marketable securities and loan payable	-	380,000	No expiry date
Share issue costs	128,000	166,000	2042 to 2046
	$ 26,110,000	$ 23,973,000	

Tax attributes are subject to review, and potential adjustment, by tax authorities.