



Condensed interim consolidated financial statements of

BeMetals Corp.

Three months ended March 31, 2024 and 2023
(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, 2024	As at December 31, 2023
Assets		
Current assets		
Cash	\$ 1,658,726	\$ 562,355
Term deposit	46,000	46,000
Amounts receivable	321,085	326,963
Prepays	37,851	48,406
	2,063,662	983,724
Exploration advances (Note 4)	78,935	195,104
Investments (Note 5)	152,437	138,872
Exploration and evaluation assets (Note 4)	29,639,875	29,029,049
Total assets	\$ 31,934,909	\$ 30,346,749
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	\$ 112,212	\$ 211,587
	112,212	211,587
Convertible debenture (Note 7)	3,745,517	2,285,830
Derivative liability (Note 7)	18,085	8,660
Loan (Note 6)	7,324,691	7,055,784
Total liabilities	11,200,505	9,561,861
Shareholders' equity		
Share capital (Note 8)	40,905,494	40,905,494
Equity reserves	4,004,437	3,990,872
Equity component of convertible debenture (Note 7)	1,735,370	1,081,373
Deficit	(25,910,897)	(25,192,851)
Total shareholders' equity	20,734,404	20,784,888
Total liabilities and shareholders' equity	\$ 31,934,909	\$ 30,346,749

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on May 21, 2024:

"Mark Connelly" Director

"John Wilton" Director

BeMetals Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended March 31,	
	2024	2023
Expenses		
Consulting	\$ 23,827	\$ 15,880
Foreign exchange	170,238	2,168
Marketing	12,052	104,474
Office and administration	29,734	43,607
Professional fees	1,638	28,381
Regulatory and transfer agent	10,626	8,689
Fees and salaries (Note 9)	224,803	194,682
Share-based compensation (Notes 8,9)	-	80,359
Travel	39,389	48,127
	(512,306)	(526,367)
Finance income	23,930	56,931
Loans finance expense (Note 6)	(82,731)	(78,330)
Unrealized gain (loss) on derivative liability (Note 7)	(9,425)	-
Convertible debt finance expense (Note 7)	(137,514)	-
Loss	(718,046)	(547,766)
Other comprehensive gain (loss)		
Unrealized gain (loss) on investments (Note 5)	13,565	40,373
Other comprehensive gain (loss)	13,565	40,373
Comprehensive loss	\$ (704,481)	\$ (507,393)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	177,352,545	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, 2022	177,352,545	\$ 40,905,494	\$ 4,018,743	\$ (57,073)	\$ -	\$(23,197,018)	\$ 21,670,146
Share-based compensation	-	-	91,260	-	-	-	91,260
Loss and comprehensive loss	-	-	-	40,373	-	(547,766)	(507,393)
At March 31, 2023	177,352,545	40,905,494	4,110,003	(16,700)	-	(23,744,784)	21,254,013
Share-based compensation	-	-	76,722	-	-	-	76,722
Issuance of convertible debt, net of issuance costs (Note 7)	-	-	-	-	1,081,373	-	1,081,373
Loss and comprehensive loss	-	-	-	(179,153)	-	(1,448,067)	(1,627,220)
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 (Note 7)	-	-	-	-	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

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,	
	2024	2023
Operating activities		
Loss	\$ (718,046)	\$ (547,766)
Adjusted for:		
Share-based compensation	-	80,359
Loans finance expense	82,731	78,310
Convertible debt finance expense	137,514	-
Unrealized foreign exchange (gain) loss	205,116	33,256
Unrealized gain (loss) on derivative liability	9,425	-
Changes in non-cash working capital items:		
Amounts receivable	5,878	(54,689)
Prepays and deposits	10,555	61,348
Trade and other payables	(208,380)	(94,507)
	(475,207)	(443,689)
Investing activities		
Pro rata exploration contribution	354,081	-
Payments for exploration and evaluation expenditures	(739,733)	(911,949)
Term deposit	-	-
	(385,652)	(911,950)
Financing activities		
Proceeds from loans	-	-
Proceeds from convertible debenture	2,000,000	-
Convertible debenture issuance costs	(23,830)	-
	1,976,170	-
Effect of foreign exchange on cash	(18,940)	(38,756)
Change in cash	1,096,371	(1,394,395)
Cash, beginning of period	562,355	6,007,041
Cash, end of period	\$ 1,658,726	\$ 4,612,646
Non-cash investing and financing activities		
Share-based compensation capitalized for exploration and evaluation expenditures	\$ -	\$ 10,901
Exploration costs included in trade and other payables	\$ 15,244	\$ 255,811
Reclassification of exploration advances to exploration and evaluation assets	\$ 116,168	\$ 33,763

No cash was paid for interest or income taxes during the three months ended March 31, 2024 and 2023

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

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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 Pangen copper exploration project (the “Pangen 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, 2024, the Company had working capital of \$1,951,450 (December 31, 2023 - working capital of \$772,137). The Company has incurred negative cash flows from operations of \$475,207 and recorded a loss of \$718,046 for the three months March 31, 2024 (March 31, 2023 - negative cash flows from operations of \$443,689 and loss of \$547,766, respectively), and has an accumulated deficit of \$25,910,897 as at March 31, 2024 (December 31, 2023 - \$25,192,851).

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 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, 2024, 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 21, 2024.

(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 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

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

2. BASIS OF PRESENTATION (continued)

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

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 materially 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, 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 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

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Foreign currency translation* (continued)

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) *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:

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *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

Kato Gold Project and Other Japan 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 March 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 has also completed two initial scout drill holes at the Todoroki Project as well as carrying out surface sampling and analysis working towards defining drill targets at the other properties in Japan, which are the Hokusatsu, Konomai and Tashiro and Projects (collectively the “Other Japan Projects”).

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

4. EXPLORATION AND EVALUATION ASSETS (continued)

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 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;
- (e) completing a Preliminary Economic Assessment (“PEA”) by (i) mid-June 2024 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

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Pangeni Copper Project (continued)

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.

Capitalized Costs

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

	Pangeni Copper Project	Kato Gold Project	Other Japan Projects	Total
Balance, December 31, 2023	\$ 7,033,603	\$ 11,516,494	\$ 10,478,952	\$ 29,029,049
Consulting and wages	89,194	6,563	49,008	144,766
Drilling	601,886	23,731	61,110	686,727
Land fees / Lease payments	-	409	-	409
Site logistics	73,378	16,534	43,094	133,006
	7,798,062	11,563,730	10,632,165	29,993,957
Proceeds from JOGMEC	(354,081)	-	-	(354,081)
Balance, March 31, 2024	\$ 7,443,980	\$ 11,563,730	\$ 10,632,165	\$ 29,639,875

Exploration Advances

As at March 31, 2024, the Company had \$78,935 (December 31, 2024 – \$195,104) in exploration advances of which \$31,063 (December 31, 2023 - \$31,063) related to a drill contractor operating at the Kazan Properties and \$27,872 (December 31, 2023 - \$164,041) to a contractor operating at the Pangeni Project.

5. INVESTMENTS

	As at March 31, 2024			As at December 31, 2023		
	Shares	Fair Value	Cost	Shares	Fair Value	Cost
Thunder Mountain shares	2,500,000	\$ 152,437	\$ 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. 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, 2024, the Company recognized an unrealized gain on investments of \$13,565 (March 31, 2023 – unrealized gain \$40,373) on the statements of loss and comprehensive loss.

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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 change		(168,502)	-
Balance, December 31, 2023		7,055,784	5,334,784
Interest, accrued		82,731	61,335
Foreign exchange change		186,176	
Balance, March 31, 2024	\$	7,324,691	\$ 5,396,119

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 BeMetals 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 DEBENTURES 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		(8,108)
Equity component		(669,719)
Interest, accrued		89,428
Accretion		48,086
Balance, March 31, 2024	\$	3,745,517

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

7. CONVERTIBLE DEBENTURES 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 \$12,190, of which \$8,108 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 \$4,082 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 period end on March 31, 2024 was \$18,085 (December 31, 2023: \$8,660) with the Company recording an unrealized loss on derivative liability of \$9,425 during the three months ended March 31, 2024 (December 31, 2023: \$nil).

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

	March 31, 2024	January 8, 2024	December 31, 2023	September 8, 2023
Volatility	73.55%	71.36%	71.33%	68.50%
Weighted average expected life (years)	4.51	5.00	4.69	5.00
Risk free rate	3.64%	3.17%	3.17%	3.96%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%
Underlying share price of the Company	\$ 0.080	\$ 0.090	\$ 0.085	\$ 0.165
Conversion price	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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, 2024

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

Three months ended March 31, 2023

No shares were issued during the three months ended March 31, 2023.

(c) 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, 2024 and no share options were issued during the year ended December 31, 2023.

Share-based compensation expense recognized for the vesting of options during the three months ended March 31, 2024, was \$nil (March 31, 2023: \$91,260), of which \$nil (March 31, 2023: \$10,901) was capitalized to exploration and evaluation assets on the statement of financial position, and \$nil (March 31, 2023: \$80,369) was expensed directly to the 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, March 31, 2024	16,995,000	\$ 0.29

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

8. EQUITY (continued)

The following table summarizes information about share options outstanding at March 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 three months ended March 31, 2024, key management personnel compensation, including directors and officers, was comprised of \$173,247 (2023 - \$225,954), of which \$nil related to share-based compensation, \$163,587 related to fees and salaries and \$9,660 was capitalized to Exploration and evaluation assets (2023 - \$52,736, \$127,066 and \$46,152 respectively).

During the three months ended March 31, 2024, the Company paid or accrued fees of \$nil (2023 - \$57,048) to B2Gold that were capitalized to Exploration and evaluation assets. On January 8, 2024 the Company issued a \$2.0 million convertible debenture to B2Gold (Note 7). On July 31, 2023 the Company reached an agreement with B2Gold for an unsecured \$1.75 million Bridge Loan (Note 6) that was subsequently applied as partial subscription towards a \$3.3 million Debenture which was entered into on September 8, 2023 (Note 7).

As at March 31, 2024 amounts included in accounts payable and accrued liabilities due to related parties was \$nil (December 31, 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, 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.

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

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, 2024, the Company had current liabilities of \$112,212 and working capital of \$1,951,450 (Note 1).

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 Debenture matures on January 8, 2029 and bears interest at a rate of 7.0%. The Company also has commitments or option payments arising in 2024 related to the Pangen 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 \$5,266,691 in US dollars and a net monetary asset position of \$350,106 in Japanese Yen as of March 31, 2024, with the effect on profit or loss before tax of a 10% fluctuation to the CAD dollar being \$490,659.

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.

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.

BeMetals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited)

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Price risk (continued)

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:

<i>March 31, 2024</i>	Zambia	Japan	Total
Exploration and evaluation assets	\$ 7,443,980	\$ 22,195,895	\$ 29,639,875

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