



BeMETALS CORP.

Consolidated financial statements of

BeMetals Corp.

Years ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

DAVIDSON

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, 2025 and 2024, 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, 2025 and 2024, 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 ("IFRS Accounting Standards").

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 operation of \$1,163,108 and recorded a loss of \$24,836,115 for the year ended December 31, 2025, and has an accumulated deficit was \$52,846,951 as at December 31, 2025. 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 \$4,823,017 as of December 31, 2025. 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 the 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:

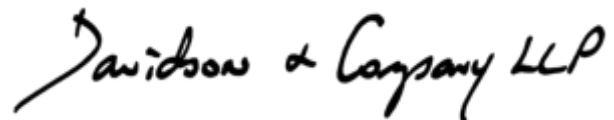
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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.
- Plan and perform the group audit to 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.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, Canada

April 23, 2026

BeMetals Corp.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	As at December 31, 2025	As at December 31, 2024
Assets		
Current assets		
Cash	\$ 1,883,541	\$ 2,710,057
Term deposit	46,000	46,000
Amounts receivable	32,157	37,807
Prepays	48,308	43,742
	2,010,006	2,837,606
Exploration advances (Note 4)	22,475	211,791
Investment (Note 5)	-	377,711
Exploration and evaluation assets (Note 4)	4,823,017	32,808,363
Total assets	\$ 6,855,498	\$ 36,235,471
Liabilities and shareholders' equity		
Current liabilities		
Trade and other payables	\$ 180,562	\$ 85,409
Loan (Note 6)	-	8,037,003
	180,562	8,122,412
Convertible debenture (Note 7)	-	4,193,758
Derivative liability (Note 7)	-	24,404
Total liabilities	180,562	12,340,574
Shareholders' equity		
Share capital (Note 8)	55,323,869	45,928,828
Equity reserves	4,198,018	4,229,711
Equity component of convertible debenture (Note 7)	-	1,747,194
Deficit	(52,846,951)	(28,010,836)
Total shareholders' equity	6,674,936	23,894,897
Total liabilities and shareholders' equity	\$ 6,855,498	\$ 36,235,471

Nature of operations and going concern (Note 1)

Subsequent events (Note 14)

Approved by the Board of Directors on April 23, 2026:

"Mark Connelly"	Director
"Kristen Reinertson"	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,	
	2025	2024
Expenses		
Consulting	\$ 74,591	\$ 70,827
Foreign exchange	(303,763)	521,082
Marketing	20,601	88,615
Office and administration	149,552	128,775
Professional fees	132,297	134,211
Regulatory and transfer agent	48,779	44,442
Fees and salaries (Note 9)	857,845	883,355
Share-based compensation (Notes 8,9)	11,293	-
Travel	97,873	117,216
	(1,089,068)	(1,988,523)
Finance income	57,220	115,262
Optionee contribution (Note 4)	118,905	-
Loans finance expense (Note 6)	(418,556)	(343,591)
Unrealized gain (loss) on derivative liability (Note 7)	24,404	(15,744)
Impairment of exploration and evaluation assets (Note 4)	(29,731,483)	-
Debt forgiveness (Note 6)	6,068,442	-
Gain on sale of investment (Note 5)	798,891	-
Convertible debt finance expense (Note 7)	(664,870)	(585,389)
Loss	(24,836,115)	(2,817,985)
Other comprehensive gain / (loss)		
Unrealized gain (loss) on investment (Note 5)	485,209	238,839
Reclassification on sale of investment (Note 5)	(528,195)	-
Other comprehensive gain / (loss)	(42,986)	238,839
Comprehensive loss	\$(24,879,101)	\$ (2,579,146)
Basic and diluted loss per share	\$ (0.11)	\$ (0.01)

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, 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	48,406,000	4,714,476	-	-	-	-	4,714,476
Issuance of convertible debt, net of issuance costs	-	-	-	-	665,821	-	665,821
Shares issued for the acquisition of exploration assets	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
Private placement, net of issuance costs	12,126,284	797,306	-	-	-	-	797,306
Issuance of shares on the settlement of Loan	28,897,343	2,022,814	-	-	-	-	2,022,814
Issuance of shares on the settlement of convertible debt	24,552,832	6,574,921	-	-	(1,747,194)	-	4,827,727
Share-based compensation	-	-	11,293	-	-	-	11,293
Loss and comprehensive loss	-	-	-	(42,986)	-	(24,836,115)	(24,879,101)
At December 31, 2025	294,423,604	\$ 55,323,869	\$ 4,198,018	\$ -	\$ -	\$(52,846,951)	\$ 6,674,936

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,	
	2025	2024
Operating activities		
Loss	\$ (24,836,115)	\$ (2,817,985)
Adjusted for:		
Share-based compensation	11,293	-
Loans finance expense	418,556	343,591
Convertible debt finance expense	664,870	585,389
Unrealized foreign exchange (gain) loss	(318,312)	576,213
Unrealized gain (loss) on derivative liability	(24,404)	15,744
Debt forgiveness	(6,068,442)	-
Impairment of exploration and evaluation assets	29,731,483	-
Gain on sale of investment	(798,891)	-
Changes in non-cash working capital items:		
Amounts receivable	5,650	289,156
Prepays and deposits	(4,566)	4,664
Trade and other payables	55,770	(32,415)
	(1,163,108)	(1,035,643)
Investing activities		
Pro rata exploration contribution	439,374	1,275,737
Payments for exploration and evaluation expenditures	(1,956,812)	(4,856,643)
Sale of investment	1,133,616	-
	(383,822)	(3,580,906)
Financing activities		
Proceeds from private placement	848,840	4,840,600
Share issuance costs	(82,435)	(126,124)
Proceeds from convertible debenture	-	2,000,000
Convertible debenture issuance costs	-	(11,640)
	766,405	6,702,836
Effect of foreign exchange on cash	(45,991)	61,415
Change in cash	(826,516)	2,147,702
Cash, beginning of year	2,710,057	562,355
Cash, end of year	\$ 1,883,541	\$ 2,710,057
Non-cash investing and financing activities		
Non-cash acquisition costs for Pangeni Copper Project	\$ -	\$ 308,858
Exploration costs included in trade and other payables	\$ 39,383	\$ 896,527
Reclassification of exploration advances to exploration and evaluation assets	\$ 189,316	\$ 164,041
Issuance of shares on debt settlement	\$ 2,022,814	\$ -
Issuance of shares on exercise of convertible debenture	\$ 6,605,822	\$ -

No cash was paid for interest or income taxes during the years ended December 31, 2025 and 2024

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

BeMetals Corp.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian dollars)

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 holds option agreements to acquire up to a 72% interest in the Pangei Copper Project on the western extension of the Zambian Copperbelt (Note 4) and up to a 100% interest in the Savant Gold Project in northwestern Ontario, Canada (Note 4). In addition, the Company owns the Kazan Gold Projects, a portfolio of four gold exploration projects in Japan, on which the Company has granted an option which allows the option holder to earn up to an 80% interest in these projects. In April 2026, BeMetals entered into an agreement to acquire additional assets from Prospector Metals Corp. subject to customary closing conditions and regulatory approvals (Note 14). 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, 2025, the Company had working capital of \$1,829,444 (December 31, 2024 - working capital deficit of \$5,284,806). The Company has incurred negative cash flows from operations of \$1,163,108 and recorded a loss of \$24,836,115 for the year ended December 31, 2025 (2024 - negative cash flows from operations of \$1,035,643 and loss of \$2,817,985 respectively), and has an accumulated deficit of \$52,846,951 as at December 31, 2025 (2024 - \$28,010,836).

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 its 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 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 23, 2026.

(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.

BeMetals Corp.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian dollars)

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 the period 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 was 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 December 31, 2025, the Company had five wholly owned subsidiaries: BQ AcquisitionCo Corp., BeMetals Ontario Corp. (previously "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 POLICIES

(a) *Cash*

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

BeMetals Corp.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(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.

(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 statement 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.

The Company's assets are reviewed for indication of impairment at each annual statement of financial position date, or when the facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The Company's criterion for testing impairment includes, but is not limited to, when:

- Exploration rights for a specific area expired or are expected to expire in the near future and these rights are not expected to be renewed;
- Substantive expenditures on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and / or
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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.

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.

BeMetals Corp.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(d) *Exploration and evaluation assets* (continued)

If any indication of impairment 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 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, 2025 and 2024, 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.

BeMetals Corp.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment of tangible and intangible assets (continued)

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.

(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

BeMetals Corp.

Notes to the Consolidated Financial Statements

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Convertible debenture and derivative liability (continued)

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 a 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).

(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) Flow-through common shares

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the Income Tax Act (Canada) as qualified Canadian exploration expenses ("CEE"), are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares as part of its equity financing transactions to fund its exploration activities.

The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of subscription. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures. Upon filing of the required forms with the federal and/or provincial governments of Canada (as applicable) to renounce the tax deductibility of qualifying resource expenditures to investors, the Company derecognizes the liability through the consolidated statement of loss and comprehensive loss as the eligible expenditures are incurred.

(m) 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 Consolidated Financial Statements

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(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Financial instruments (continued)

Financial instrument	Classification under IFRS 9
Cash, Term deposit	Amortized cost
Amounts receivable	Amortized cost
Exploration advances	Amortized cost
Investments	FVOCI
Trade and other payables	Amortized cost
Loan	Amortized cost
Convertible debentures	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.

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.

BeMetals Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) 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 statements. The Company is currently assessing the impact this standard will have on its consolidated financial statements.

As at December 31, 2025, 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

Savant Gold Project

In August 2025, the Company signed a definitive option agreement (the “Savant Agreement”) with Prospector Metals Corp. (“Prospector”) to acquire up to a 100% interest in the Savant Gold Project (the “Savant Project”), located in northwestern Ontario, Canada.

Under the Savant Agreement, the Company has the exclusive option to earn up to a 100% interest in the Savant Project over a five-year period by meeting certain money-in-the-ground focused exploration expenditures, and a mineral resource, discovery-based, success payment including:

- **Initial Commitment:** the Company will spend at least \$500,000 on exploration within the first year of signing the definitive agreement, including a minimum of \$190,000 in exploration expenditures by February 20th, 2026 (minimum spend by February 20, 2026 achieved).
- **Annual Expenditures:** the Company must spend \$500,000 annually on the Savant Property either through exploration, expenditures on the Savant Property or through direct cash payments to Prospector in lieu of expenditures. The Company has the option to accelerate spending.
- **NI 43-101 Technical Report Supported Mineral Resources & Ownership:** The Company will provide a NI 43-101 compliant Technical Report (the “Technical Report”) to support the mineral resources to determine the following ownership criteria:
 - if the Technical Report contains less than 500,000 ounces (“oz”) of gold, Prospector retains 100% of the Savant Project;
 - if the Technical Report contains 500,000 oz, or more, of gold in the Inferred resource category: a 50/50 joint venture will be formed between the Company and Prospector
 - if the Technical Report contains a minimum of 1,000,000 oz of gold of which more than 500,000 oz of gold is contained within the Indicated resource category, the Company acquires 100% ownership of the Savant Project.
- **Success-Based Payment:** the Company will pay Prospector US\$5/oz of gold in the mineral resource supported by the Technical Report.

BeMetals Corp.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS

Savant Gold Project (continued)

- *Net Smelter Returns Royalty ("NSR Royalty")*: If the Company acquires 100% ownership of the Savant Project, a 0.5% NSR Royalty will be granted to Prospector and there is an existing NSR Royalty on the property of 1%, 0.5% of which can be purchased at any time for \$1,000,000.

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 (the "Pangeni Project") in Zambia. This agreement and the transactions pursuant thereto (the "Pangeni Transaction") was approved by the TSX-V in July 2018 in connection with the Company's completion of its qualifying transaction. Subsequently, the Company has made certain amendments to the Pangeni Agreement as announced in January 2020 and June 2023.

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

- (a) making cash payments of US\$250,000 and issuing a total of 780,500 common shares by February 2020 (completed);
- (b) spending US\$2,500,000 in exploration work by December 31, 2020 (completed);
- (c) making a cash payment of US\$100,000 by mid-June 2023 (completed);
- (d) making a milestone value cash payment of US\$350,000, of which up to US\$225,000, at the Company's option, may be satisfied by the issuance of the Company's common shares by mid-June 2024, which was subsequently extended to 24th September, 2024 (completed by making cash payments of US\$125,000 (\$176,759) and issuing 3,088,600 common shares valued at US\$225,000 (\$308,858));
- (e) completing a Preliminary Economic Assessment ("PEA") by (i) mid-June 2026 or (ii) any future date thereafter provided that the Company incur or fund not less than US\$2,000,000 of expenditures on the Pangeni Copper Project annually, by mid-June of each year, until the completion of the PEA. The Company does not expect to meet this milestone by mid-June 2026 (see below); 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 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, which gave JOGMEC a 27.8% interest in BeMetals' option to acquire up to a 72% interest in the Pangeni Copper Project.

BeMetals Corp.

Notes to the Consolidated Financial Statements

December 31, 2025 and 2024

(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Pangeni Copper Project (continued)

In April 2026, BeMetals' option to acquire majority interest in the Pangeni Copper Project returned to up to 72% interest upon JOGMEC providing the required thirty-day notice to inform the Company that JOGMEC was terminating the JOGMEC Agreement and thereby forfeiting JOGMEC's right to earn a 27.8% interest in BeMetals' rights.

Pangeni Copper Project impairment

The Company determined that there were indications of impairment of the Pangeni Copper Project as at December 31, 2025. The impairment indications include the need to be granted a formal extension from the optionor, past mid-June 2026, to incur the US\$2,000,000 of exploration expenditures (see item (e), above) as well as securing tenure to the mineral claims at the Pangeni Copper Project after June, 2026. Whilst the Company is actively pursuing a formal path to secure the rights and title going forward to realize future benefit from the Pangeni Copper Project, this success can not be assured. As a result of these uncertainties the Company wrote down all previously capitalized expenditures on the Pangeni Copper Project, recognizing an impairment on the Pangeni Copper Project of \$11,622,822 during the year ended December 31, 2025.

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 held the rights to a portfolio of five gold exploration projects, the Kato, Todoroki, Hokusatsu, Konomai and Tashiro Projects (collectively the "Kazan Gold 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).

In July 2025, following an application by the Company, the Japanese Ministry of Economy, Trade and Industry ("METI") granted the Company new prospecting rights on the Kato concessions. These prospecting rights are valid for 6 years in 2-year renewable periods. The Company has submitted applications to METI for new prospecting rights on the Todoroki and Tashiro 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.

Letter Agreement relating to Kazan Gold Projects

In August 2025, the Company entered into an agreement with a private Australian company which has experience operating in Japan (the "Optionee"), whereby the Optionee can earn up to an 80% interest in BeMetals Japan Corp. ("BeMetals Japan") by making Australian dollars ("A\$") A\$4,500,000 of expenditures, in aggregate, on the Kazan Gold Projects (the "Kazan Agreement").

Under the terms of the earn-in within the Kazan Agreement:

- **Stage 1 Earn-In:** Subject to certain milestone reduction events, the Optionee will fund A\$2,500,000 in expenditures on the Kazan Gold Projects over a period of up to four years from the date of closing as follows:
 - (a) On funding A\$1,500,000 (the "Stage 1(a) Earn-in") the Optionee will earn a 50.1% interest in BeMetals Japan;
 - (b) On funding a further A\$1,000,000 (the "Stage 1(b) Earn-in") and completing a minimum of 500 metres of drilling (the "Stage 1 Drill Metres"), the Optionee will earn a further 9.9% interest, taking the Optionee's interest in BeMetals Japan to 60%.

BeMetals Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Kazan Gold Projects (continued)

- *Stage 2 Earn-In*: After completion of the Stage 1(b) Earn-in, the Optionee will have a period of up to two years from the date of completing the Stage 1(b) Earn-in to earn a further 20% interest, taking the Optionee's interest in BeMetals Japan to 80% (the "Stage 2 Earn-in"), by:
 - (a) Funding an additional A\$2,000,000 in expenditures on the Kazan Gold Projects (the "Stage 2 Earn-in Expenditure"); and
 - (b) Completing a minimum of 500 metres of drilling.

In the event that the renewal of the prospecting rights for the Kato, Todoroki and / or the Tashiro project are not received by December 31, 2026 there is a pro-rata reduction in required expenditures and minimum drilling meters required.

Amounts received from the Optionee are recorded as Optionee contributions on the consolidated statements of loss and comprehensive loss.

Kazan property impairment

As described above, the Company entered into the Kazan Agreement which allows the Optionee to earn up to an 80% interest in BeMetals Japan by making expenditures of up to A\$4,500,000 on the Kazan Gold Projects. The terms of the Kazan Agreement provided an indication that the carrying value of the Kazan Gold Projects exceeded the estimated recoverable amounts, leading to the Company recognizing an impairment of \$17,580,142 during the year ended December 31, 2025.

Subsequent to December 31, 2025, the Company and the Optionee concluded that an application for new prospecting rights at the Konomai Project would not be submitted. As a result, the Company wrote down all previously capitalized expenditures on the Konomai Project, recognizing an additional impairment on the Kazan Gold Projects of \$528,519 during the year ended December 31, 2025.

Capitalized Costs

The following table summarizes the capitalized costs associated with the Company's exploration and evaluation assets as at December 31, 2025 and 2024:

BeMetals Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Capitalized Costs (continued)

	Pangeni Copper Project	Savant Gold Project	Kazan Gold Projects	Total
Balance, December 31, 2023	\$ 7,033,603	\$ -	\$ 21,995,446	\$ 29,029,049
Consulting and wages	307,221	-	194,961	502,182
Drilling	3,212,144	-	91,647	3,303,791
Land fees / Lease payments	-	-	49,924	49,924
Site logistics	551,767	-	162,760	714,527
Milestone value payment - cash paid	175,769	-	-	175,769
Milestone value payment - shares issued	308,858	-	-	308,858
	11,589,362	-	22,494,738	34,084,100
Proceeds from JOGMEC	(1,275,737)	-	-	(1,275,737)
Balance, December 31, 2024	10,313,625	-	22,494,738	32,808,363
Consulting and wages	330,606	114,806	99,392	544,804
Drilling	1,290,508	-	-	1,290,508
Site surveys and exploration	-	131,961	-	131,961
Land fees / Lease payments	-	-	19,509	19,509
Professional fees	6,085	-	-	6,085
Site logistics	121,372	-	43,890	165,262
Property acquisition costs	-	27,382	-	27,382
Proceeds from JOGMEC	(439,374)	-	-	(439,374)
Impairment	(11,622,822)	-	(18,108,661)	(29,731,483)
Balance, December 31, 2025	\$ -	\$ 274,149	\$ 4,548,868	\$ 4,823,017

Exploration Advances

As at December 31, 2025, the Company had \$22,475 (December 31, 2024 – \$211,791) in exploration advances which related to a contractor operating at the Pangeni Project.

5. INVESTMENT

	As at December 31, 2025			As at December 31, 2024		
	Shares	Fair Value	Cost	Shares	Fair Value	Cost
Thunder Mountain shares	-	\$ -	\$ -	2,500,000	\$ 377,711	\$ 334,725

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

During the year ended December 31, 2025, the Company sold 2,500,000 Thunder Mountain shares for net proceeds of \$1,133,616, realizing a gain on the sale of the investment of \$798,891.

During the year ended December 31, 2025, the Company recognized an unrealized gain on investment of \$485,209 (2024 - \$238,839) on the statement of loss and comprehensive loss. Upon the sale of the investment, the Company recognized a reclassification on sale of investment of \$528,195 (2024 - \$nil).

BeMetals Corp.

Notes to the Consolidated Financial Statements

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5. INVESTMENT (continued)

Following the sale, the Company does not hold any investments as at December 31, 2025.

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, with a maturity date of August 4, 2025 and an interest rate of 4.7% per annum (the "Loan").

In July, 2025 the terms of the Loan were amended, extending the maturity by an additional four years to August 4, 2029 and changing the interest rate to 6.7% per annum, effective August 4, 2025. The interest on the Loan could be paid or accrued annually at the discretion of the Company and the Loan was repayable in part or in full at any time without penalty. The Company did not incur any financing costs related to the Loan.

In December 2025, the Company secured an agreement to settle \$2,022,814 (US\$1,471,351 at an exchange rate of US\$1.00 to \$1.3748) in outstanding debt (the "Settlement Amount") held by B2Gold through the issuance of 28,897,343 common shares of the Company ("Common Shares") at a price of \$0.07 per Common Share (the "Debt Settlement"). In connection with the Debt Settlement, B2Gold agreed to forgive the remaining US\$4,414,055 (\$6,068,442) of debt and accrued interest thereon owed to B2Gold (the "Debt Forgiveness").

			US\$
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
Interest, accrued		418,556	299,887
Converted to shares		(2,022,814)	(1,471,351)
Debt forgiveness		(6,068,442)	(4,414,055)
Foreign exchange gain		(364,303)	-
Balance, December 31, 2025	\$	-	\$ -

7. CONVERTIBLE DEBENTURES AND DERIVATIVE LIABILITY

Balance, December 31, 2023	\$	2,285,830
Proceeds		2,000,000
Transaction costs allocated to liability component		(7,742)
Equity component		(669,719)
Interest, accrued		374,044
Accretion		211,345
Balance, December 31, 2024		4,193,758
Interest, accrued		392,017
Accretion		272,853
Conversion to shares		(4,858,628)
Balance, December 31, 2025	\$	-

BeMetals Corp.

Notes to the Consolidated Financial Statements

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(Expressed in Canadian dollars)

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”). The aggregate amount of convertible debentures issued was \$5,300,000.

The Debentures matured 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.

On December 23, 2025 (the “Conversion Date”), B2Gold converted \$5,300,000 of convertible debentures at \$0.25 per Common Share, in accordance with the terms of the convertible debentures, into 21,200,000 Common Shares and concurrently converted \$838,208 of accrued interest on the convertible debentures at \$0.25 per Common Share, in accordance with the terms of the convertible debentures, into 3,352,832 Common Shares.

Embedded derivatives were attached to the interest portion of the convertible debentures since they did 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 on December 31, 2025 was \$nil (December 31, 2024: \$24,404) with the Company recording an unrealized loss on derivative liability of \$24,404 during the year ended December 31, 2025 (December 31, 2024: \$15,744).

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

	December 23, 2025	December 31, 2024	January 8, 2024	December 31, 2023	September 8, 2023
Volatility	99.17%	82.20%	71.36%	71.33%	68.50%
Expected life (years)	2.81	3.78	5.00	4.69	5.00
Risk free rate	2.98%	2.96%	3.33%	3.17%	3.96%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Underlying share price of the Company	\$ 0.065	\$ 0.050	\$ 0.085	\$ 0.085	\$ 0.165
Conversion price	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250	\$ 0.250

BeMetals Corp.

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(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, 2025

On October 24, 2025, the Company closed a non-brokered private placement by issuing 12,126,284 common shares of the Company that qualify as “flow-through shares”, as defined in the *Income Tax Act* (Canada) (the “Tax Act”), (each, a “FT Share”) at a price of \$0.07 per FT Share for aggregate gross proceeds of \$848,840 (the “FT Private Placement”). In connection with the FT Private Placement, the Company paid cash finder’s fees totaling \$51,533, in respect of certain sales under the FT Private Placement.

On December 23, 2025, the Company issued 28,897,343 common shares in connection with the Debt Settlement (Note 6).

On December 23, 2025, the Company issued 24,552,832 common shares in connection with the conversion of \$5,300,000 of convertible debentures and \$838,208 of accrued interest (Note 7).

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 consisted of one common share in the capital of the Company (a “Share”) and one-half Share purchase warrant. Each whole Share purchase warrant (a “Warrant”) entitled the holder thereof to purchase one additional Share at an exercise price of \$0.18 per Share until July 31, 2025. In connection with the Private Placement, the Company paid 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 Pangen Agreement (Note 4).

(c) Warrants

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

	Number of warrants	Weighted average exercise price
Balance, December 31, 2023	-	\$ -
Issued	24,203,000	0.18
Balance, December 31, 2024	24,203,000	0.18
Expired	(24,203,000)	0.18
Balance December 31, 2025	-	\$ -

(d) Share options

The Company has an incentive share option plan which provides that the Board of Directors of the Company may from time to time, in its discretion and in accordance with TSX-V requirements, grant non-transferable share

BeMetals Corp.

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8. EQUITY (continued)

(d) Share options (continued)

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.

In September 2025, the Company granted an aggregate of 300,000 share options to a director of the Company, exercisable at a price of \$0.05 per share until September 23, 2035, vesting over a period of two years. Using the Black-Scholes valuation model, the fair value per option granted was \$0.04 per option. The fair value of these options was determined using the Black-Scholes valuation model with the following assumptions: i) expected share price volatility of 90%, ii) an average risk free interest rate of 2.98%; iii) dividend yield of \$nil; and iv) expected life of 10 years.

In November 2025, the Company granted an aggregate of 100,000 share options to a consultant of the Company, exercisable at a price of \$0.06 per share until November 13, 2035, vesting immediately. Using the Black-Scholes valuation model, the fair value per option granted was \$0.05 per option. The fair value of these options was determined using the Black-Scholes valuation model with the following assumptions: i) expected share price volatility of 90%, ii) an average risk free interest rate of 2.99%; iii) dividend yield of \$nil; and iv) expected life of 10 years.

Share-based compensation expense recognized for the vesting of options during year ended December 31, 2025, was \$11,293 (December 31, 2024 - \$nil), all of which 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, 2023 and 2024	16,995,000	\$ 0.29
Granted	400,000	\$ 0.05
Cancelled	(1,000,000)	\$ 0.43
Balance, December 31, 2025	16,395,000	\$ 0.27

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

Outstanding	Exercisable	Exercise price	Expiry date
2,520,000	2,520,000	\$ 0.060	December 9, 2026
2,250,000	2,250,000	0.240	February 27, 2028
750,000	750,000	0.210	October 1, 2028
3,600,000	3,600,000	0.235	January 7, 2030
750,000	750,000	0.365	July 15, 2030
4,725,000	4,725,000	0.425	June 1, 2031
750,000	750,000	0.425	July 7, 2031
650,000	650,000	0.270	November 19, 2031
300,000	100,000	0.050	September 23, 2035
100,000	100,000	0.060	November 13, 2035
16,395,000	16,195,000		

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8. EQUITY (continued)

(e) *Flow-through share premium liability*

Flow-through share premium liability consists of the liability portion of the flow-through shares issued.

On October 24, 2025, the Company completed a non-brokered private placement for gross proceeds of \$848,840 that included the issuance of 12,126,284 flow-through shares at a price of \$0.07 per flow-through share (Note 8b). As the market price of the Company's common shares on the date of issuance of the flow-through shares was equal to the issue price of the flow-through shares, the Company did not recognize a flow-through share premium liability relating to this private placement.

With respect to the 2025 flow-through financings, the Company had incurred \$213,929 of qualifying CEE as of December 31, 2025, with the remaining \$634,911 to be incurred by December 31, 2026.

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, 2025, key management personnel compensation, including directors and officers, was comprised of \$694,102 (2024 - \$698,059), of which \$6,091 related to share-based compensation, \$636,653 related to fees and salaries and \$51,358 was capitalized to Exploration and evaluation assets (2024 - \$nil, \$661,163 and \$36,896 respectively).

On July 31, 2024, B2Gold subscribed for 22,000,000 Units for gross proceeds of \$2,200,000 as part of a Private Placement. Additionally, other related parties of the Company, including directors, officers and other insiders, subscribed for an aggregate of 8,125,000 Units for gross proceeds of \$812,500 in the Private Placement. On January 8, 2024 the Company issued a \$2,000,000 convertible debenture to B2Gold (Note 7).

The loan agreement with B2Gold was amended, effective August 4, 2025, whereby, the maturity was extended by an additional four years to August 4, 2029 and the interest rate was changed to 6.7% per annum (Note 6). On December 23, 2025, B2Gold were issued 28,897,343 common shares of the Company on the Debt Settlement (Note 6) and were issued 24,552,832 on the conversion of \$6,138,208 of convertible debt and accrued interest, in aggregate (Note 7).

As at December 31, 2025, amounts included in trade and other payables due to related parties was \$15,305 (2024 - \$nil).

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

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10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Fair Value of Financial Instruments (continued)

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, 2025, the Company had current liabilities of \$180,562 and working capital of \$1,829,444 (Note 1).

The Company also has commitments rising in 2026, and beyond, related to the Pangeni Copper Project and Savant Gold 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 asset position of \$118,780 in US dollars (US\$86,662) and a net monetary asset position of \$1,797 in Japanese Yen (¥250,606) as of December 31, 2025, with the effect on profit or loss before tax of a 10% fluctuation to the CAD dollar being \$12,058.

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. 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 precious and base metals including gold, copper, zinc, silver and lead, and the

BeMetals Corp.

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10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

Price risk (continued)

outlook for these metals. The Company does not have any hedging or other derivative contracts respecting its operations.

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.

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 Canada, Zambia and Japan. Geographic segmentation is as follows:

<i>December 31, 2025</i>	Zambia	Canada	Japan	Total
Exploration and evaluation assets	\$ -	\$ 274,149	\$ 4,548,868	\$ 4,823,017

<i>December 31, 2024</i>	Zambia	Canada	Japan	Total
Exploration and evaluation assets	\$ 10,313,625	\$ -	\$ 22,494,738	\$ 32,808,363

13. INCOME TAX

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

BeMetals Corp.

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13. INCOME TAX (continued)

	2025	2024
Loss for the year	\$ (24,836,115)	\$ (2,817,985)
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax recovery	\$ (6,706,000)	\$ (761,000)
Increase (decrease) due to:		
Permanent Difference	4,736,000	89,000
Share issue costs	22,000	30,000
Income tax benefit not recognised	1,657,000	832,000
Differences in foreign tax rates	(3,000)	(9,000)
Foreign exchange	294,000	(181,000)
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:

	2025	2024	Expiry Date Range
Non-capital losses - Canada	\$ 3,892,000	\$ 9,060,000	2028 to 2045
Non-capital losses - Japan	4,207,000	2,949,000	2025 to 2034
Non-capital losses - USA	13,310,000	13,973,000	No expiry date
Resource property costs - Canada	11,415,597		No expiry date
Resource property costs - Japan	1,777,405	-	No expiry date
Restricted interest and financing cost - Canada	1,329,543	-	No expiry date
Share issue costs	149,000	128,000	2042 to 2046
	\$ 36,080,545	\$ 26,110,000	

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

14. SUBSEQUENT EVENTS

The Company entered into a share purchase agreement dated April 15, 2026 with Prospector Metals Corp. ("Prospector") pursuant to which BeMetals will acquire Prospector's non-Yukon mineral exploration projects in exchange for 29,400,000 common shares of BeMetals on a post-consolidation basis (the "Acquisition").

Significant terms of the Acquisition include:

- Prior to closing of the Acquisition, BeMetals will undertake a consolidation of its issued and outstanding common shares on the basis of 1 new post-consolidation share for every 10 pre-consolidation shares (the "Consolidation"). BeMetals currently has 294,423,604 common shares outstanding and is expected to have approximately 29,442,360 common shares outstanding following the Consolidation.
- BeMetals will issue to Prospector 29,400,000 post-Consolidation common shares of BeMetals (the "Consideration Shares") representing approximately 49.9% of the post-closing issued and outstanding BeMetals shares in exchange for the acquisition of Prospector Subco Ltd., a wholly-owned subsidiary through which Prospector will hold its interests in Savant, Devon and Whitton mineral properties in Ontario, the TooGood project in Newfoundland, and certain marketable securities. Prospector intends to distribute the Consideration Shares to its shareholders on a pro-rata basis immediately following closing.

BeMetals Corp.

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14. SUBSEQUENT EVENTS (continued)

- Following the issuance of the Consideration Shares, the Company is expected to have approximately 58,842,360 common shares outstanding, of which B2Gold will own approximately 28.4% of all issued and outstanding common shares.

Closing of the transaction is subject to the satisfaction of certain closing conditions, including the approval of the TSXV, shareholders of the Company (if required), as well as an order of the Supreme Court of British Columbia permitting the distribution of the Consideration Shares as a return of capital to Prospector shareholders. None of the parties engaged a financial advisor in respect of the Acquisition and there are no finder's fees payable to any person. The Acquisition is considered a reviewable transaction pursuant to the policies of TSXV. BeMetals and Prospector are considered Non-Arm's Length under TSXV definitions by virtue of having B2Gold as a common insider as a result of B2Gold's shareholdings over 10% in each of the respective companies, however Prospector and BeMetals are not "related parties" as defined in National Instrument 61-101. The parties' current boards and management are independent of one another and the valuation of the proposed transaction was determined through arm's length negotiation by the parties' officers, and has been unanimously approved by both BeMetals' and Prospector's boards of directors.