



**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)**

**M3 METALS CORP.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AUGUST 31, 2025**  
**(EXPRESSED IN CANADIAN DOLLARS)**

**Table of Contents**

<b>Independent Auditor's Report</b>	<b>3</b>
<b>Consolidated Statements of Financial Position</b>	<b>6</b>
<b>Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)</b>	<b>7</b>
<b>Consolidated Statements of Cash Flows</b>	<b>8</b>
<b>Consolidated Statements of Changes in Shareholders' Equity</b>	<b>9</b>
<b>Notes to Consolidated Financial Statements</b>	<b>10</b>

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
M3 Metals Corp.

### *Opinion*

We have audited the accompanying consolidated financial statements of M3 Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2025 and 2024, and the consolidated statements of income (loss) and comprehensive income (loss), changes in 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 August 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.

### *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 has a deficit of \$43,039,855 and has incurred ongoing losses since inception. 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 ended. 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 matters 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 5 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$1,382,560 as of August 31, 2025. As more fully described in Note 2 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.



The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter is that there was judgment made by management when assessing whether there were indicators of impairment, specifically relating to the property's carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate the property. 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:

- Evaluating management's assessment of impairment indicators in accordance with the applicable accounting standards.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity.
- Assessing compliance with agreements including reviewing option agreements
- Assessing the Company's rights to explore E&E Assets including confirmation request to optionor to ensure good standing of agreement
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

### ***Other Information***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Vancouver, Canada

Chartered Professional Accountants

December 18, 2025

**M3 METALS CORP.****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
(EXPRESSED IN CANADIAN DOLLARS)**

	August 31, 2025	August 31, 2024
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash	75,217	219,979
Marketable securities (Note 3)	846,884	1,003,222
GST receivable	3,680	5,120
Prepaid expenses	9,240	40,532
<b>Total current assets</b>	<b>935,021</b>	<b>1,268,853</b>
<b>Property and equipment (Note 4)</b>	<b>1,979</b>	<b>2,767</b>
<b>Exploration and evaluation assets (Note 5)</b>	<b>1,382,560</b>	<b>1,382,560</b>
<b>TOTAL ASSETS</b>	<b>2,319,560</b>	<b>2,654,180</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 6 and 9)	99,312	103,993
Corporate income taxes payable (Note 13)	25,597	33,854
<b>Total current liabilities</b>	<b>124,909</b>	<b>137,847</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 7)	44,914,506	44,914,506
Reserves (Note 8)	320,000	320,000
Deficit	(43,039,855)	(42,718,173)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>2,194,651</b>	<b>2,516,333</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,319,560</b>	<b>2,654,180</b>

**NATURE AND CONTINUANCE OF OPERATIONS (Note 1)**

Approved and authorized by the Board on December 18, 2025.

On behalf of the Board:

/s/ "Kosta Tsoutsis"  
Director

/s/ "Brian Morrison"  
Director

**M3 METALS CORP.****CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**  
**(EXPRESSED IN CANADIAN DOLLARS)**

	For the years ended	
	August 31,	
	2025	2024
	\$	\$
<b>Expenses</b>		
Consulting and directors fees (Note 9)	289,824	457,719
Depreciation (Note 4)	788	1,228
Investor relations	3,466	7,018
Marketing	7,371	68,960
Office and administration (Note 9)	52,512	79,341
Professional fees	91,139	105,030
Transfer agent and filing fees	37,675	53,678
Travel and related	885	10,564
	<b>(483,660)</b>	<b>(783,538)</b>
Loss on net change in fair value of marketable securities (Note 3)	(197,390)	(283,293)
Gain (loss) on sale of marketable securities (Note 3)	89,216	(296,711)
Gain on option payment received (Note 5)	300,000	1,467,355
Interest and dividend income	5,290	1,398
Other losses	(5,463)	(2,750)
	<b>191,653</b>	<b>885,999</b>
<b>Net income (loss) and comprehensive income (loss) before income tax</b>	<b>(292,007)</b>	<b>102,461</b>
<b>Income tax expense</b>	<b>29,675</b>	<b>42,248</b>
<b>Net income (loss) and comprehensive income (loss) for the year</b>	<b>(321,682)</b>	<b>60,213</b>
<b>Basic and diluted income (loss) per share</b>	<b>(0.03)</b>	<b>0.01</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>10,274,724</b>	<b>10,017,893</b>

**M3 METALS CORP.****CONSOLIDATED STATEMENTS OF CASH FLOWS  
(EXPRESSED IN CANADIAN DOLLARS)**

	For the years ended	
	2025	2024
	\$	\$
<b>Cash flows used in operating activities</b>		
Income (loss) for the year	(321,682)	60,213
Items not affecting cash:		
Depreciation	788	1,228
(Gain) loss on net change in fair value of marketable securities	197,390	283,293
Loss on sale of marketable securities	(89,216)	296,711
Gain on option payment received	(300,000)	(1,467,355)
Write-off of prepaid balance	1,532	-
Changes in non-cash working capital items		
GST receivable	1,440	(8)
Prepaid expenses	29,760	13,580
Accounts payable and accrued liabilities	(4,681)	(4,556)
Corporate income taxes payable	(8,257)	33,854
	<b>(492,926)</b>	<b>(783,040)</b>
<b>Cash flows provided by investing activities</b>		
Exploration and evaluation property expenditures	-	(222,560)
Proceeds from property agreement	-	500,000
Acquisition of marketable securities	(69,760)	(247,000)
Proceeds from sale of marketable securities	417,924	273,754
	<b>348,164</b>	<b>304,194</b>
<b>Net change in cash</b>	<b>(144,762)</b>	<b>(478,846)</b>
<b>Cash, beginning of the year</b>	<b>219,979</b>	<b>698,825</b>
<b>Cash, end of the year</b>	<b>75,217</b>	<b>219,979</b>
<b>Supplemental cash flow information</b>		
Shares issued for acquisition of exploration and evaluation assets	-	1,160,000
Value of shares received from sales of exploration and evaluation assets	-	1,180,000

**M3 METALS CORP.**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
(EXPRESSED IN CANADIAN DOLLARS)

	<b>Number of Shares Issued</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Shareholders' Equity</b>
	<b>#</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at August 31, 2023</b>	<b>8,274,724</b>	<b>43,754,506</b>	<b>320,000</b>	<b>(42,778,386)</b>	<b>1,296,120</b>
Shares issued for exploration and evaluation asset	2,000,000	1,160,000	-	-	1,160,000
Income for the year	-	-	-	60,213	60,213
<b>Balance at August 31, 2024</b>	<b>10,274,724</b>	<b>44,914,506</b>	<b>320,000</b>	<b>(42,718,173)</b>	<b>2,516,333</b>
Loss for the year	-	-	-	(321,682)	(321,682)
<b>Balance at August 31, 2025</b>	<b>10,274,724</b>	<b>44,914,506</b>	<b>320,000</b>	<b>(43,039,855)</b>	<b>2,194,651</b>

## **M3 METALS CORP.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

---

### **1. NATURE AND CONTINUANCE OF OPERATIONS**

M3 Metals Corp. (the “Company”) was incorporated under the Canada Business Corporations Act (CBCA) on February 27, 2007 and is listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol V.MT. The Company’s business is to acquire, explore and develop interests in mineral properties located in North America.

The Company’s registered office is Suite 650 – 1188 West Georgia Street, Vancouver, BC, Canada, V6E 4A2. The Company maintains an executive office at Suite 300 - 1455 Bellevue Avenue, West Vancouver, BC, Canada, V7T 1C3.

The Company’s exploration and evaluation properties are at the exploration and evaluation stage and are without a known body of commercial ore. The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory and environmental requirements. The Company’s assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company has a deficit of \$43,039,855 (2024 - \$42,718,173) and has incurred ongoing losses since inception. As at August 31, 2025, the Company had not advanced any of its properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company may require additional financing for the upcoming fiscal year in order to maintain its operations and exploration activities. 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.

### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

#### **Statement of compliance**

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements were reviewed, approved and authorized for issue by the Board of Directors on December 18, 2025.

## **M3 METALS CORP.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

---

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **Basis of presentation**

These consolidated financial statements have been prepared on the historical cost basis, with the exception of certain financial instruments which are measured at fair value, as explained in the material accounting policy information set out below. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in Canadian dollars ("CAD"), unless otherwise noted.

The material accounting policy information set out in below has been applied consistently to all periods presented in these consolidated financial statements.

#### **Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, ML Nevada Corp. All significant intercompany accounts and transactions between the Company and its subsidiary have been eliminated upon consolidation.

#### **Foreign currency translation**

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary 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 Canadian dollars are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate 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 comprehensive income (loss).

#### **Use of estimates**

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the period.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation properties, valuation of share-based compensation, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

## **M3 METALS CORP.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

---

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **Use of estimates (continued)**

##### Economic recoverability and probability of future economic benefits of exploration and evaluation properties

Management determined exploration, evaluation, and related costs incurred which are capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

##### Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forecasted dividend rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

##### Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

#### **Exploration and evaluation properties**

Pre-exploration costs are expensed as incurred.

Costs directly related to the acquisition and exploration of exploration and evaluation properties are capitalized once the legal rights to explore the exploration and evaluation properties are acquired or obtained. When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount. Exploration and evaluation properties are reviewed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

#### **Restoration and environmental obligations**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation properties along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as the related assets.

## **M3 METALS CORP.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

---

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **Use of estimates (continued)**

The Company's estimates restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in amount and timing of the Company's estimates of reclamation costs, are charged to profit and loss for the period.

As at August 31, 2025 and 2024, there were no significant restoration and environmental obligations.

#### **Share-based compensation**

The Company operates an employee stock option plan. Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On exercise of stock options, any amounts related to the initial value of the stock options, along with the proceeds from exercise are recorded to share capital. On expiration of stock options, the corresponding amounts related to the initial value of the stock options are transferred to deficit.

#### **Financial instruments**

The following is the Company's accounting policy for financial instruments under IFRS 9:

##### *Financial assets*

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is classified as amortized cost and marketable securities is classified as FVTPL.

## **M3 METALS CORP.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

---

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **Financial instruments (continued)**

##### Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. 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.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized 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.

##### Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statements of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified as amortized cost and carried on the statements of financial position at amortized cost.

As at August 31, 2025, the Company does not have any derivative financial liabilities.

#### **Warrants**

Finder's warrants are measured using the Black-Scholes valuation model at the issue date. The value of warrants are reclassified from reserves to share capital when exercised or expired.

#### **Income taxes**

##### Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the country where the Company operates and generates taxable income.

##### Deferred income tax:

Deferred income tax is provided for, based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

## **M3 METALS CORP.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

---

### **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)**

#### **Income taxes (continued)**

##### *Deferred income tax (continued):*

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

##### *Flow-through shares:*

Canadian income tax legislation permits an enterprise to issue securities referred to as flow-through shares, whereby the investor can claim the tax deductions arising from the renunciation of the related resource expenditures. The Company accounts for flow-through shares whereby the premium paid, if any, for the flow-through shares in excess of the market value of the shares without flow-through features at the time of issue is credited to other liabilities and included in profit or loss on a pro-rata basis at the same time the qualifying expenditures are made.

#### **Impairment of non-financial assets**

The carrying amount of the Company's assets (which include property and equipment and exploration and evaluation properties) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of an asset is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

#### **Basic and diluted income (loss) per share**

Basic income (loss) per share is computed by dividing net income(loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income (loss) per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. Potentially dilutive options and warrants excluded from diluted loss per share totalled 5,800,000 (2024 – 5,800,000).

## M3 METALS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### Recent accounting pronouncements

The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended August 31, 2025.

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is currently assessing the impact of these amendments on its consolidated financial statements.

### 3. MARKETABLE SECURITIES

Marketable securities are comprised of the following:

	August 31, 2025		August 31, 2024	
	Shares	Fair Value	Shares	Fair Value
	#	\$	#	\$
International Metals Mining Corp.	-	-	200,000	5,000
Aurwest Resources Corporation	1,500,000	7,500	1,500,000	7,500
Cyclone Metals Ltd.	625,000	33,701	85,000,000	77,656
Surge Battery Metals Corp.	3,200,000	800,000	2,000,000	660,000
Money market funds	N/A	5,683	N/A	253,066
		846,884		1,003,222

#### International Metals Mining Corp. ("IMM")

During the year ended August 31, 2025, IMM shares consolidated on a 4:1 basis and the Company sold its remaining 50,000 IMM common shares resulting in a net loss of \$1,385 (2024 - \$nil). The Company recorded a loss on net change in fair value of marketable securities of \$nil (2024 - \$37,000).

#### Aurwest Resources Corporation ("Aurwest")

During the year ended August 31, 2025, the Company held 1,500,000 shares of Aurwest (2024 - 1,500 000) and recorded a loss on net change in fair value of marketable securities of \$nil (2024 - \$30,000).

#### Cyclone Metals Ltd. ("Cyclone")

During year ended August 31, 2025, the Company sold 3,625,000 (2024 - 315,000,000) Cyclone common shares for gross proceeds of \$97,166 (2024 - \$273,754) at realized gain (loss) of \$90,601 (2024 - (\$296,711)). During the year ended August 31, 2025, the Company recorded a loss on net change in fair value of marketable securities of \$37,390 (2024 - \$297,641).

## M3 METALS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

### 3. MARKETABLE SECURITIES (CONTINUED)

#### Surge Battery Metals Corp. (“Surge”)

In October 2023, the Company received 2,000,000 common shares of Surge at a fair value of \$0.59 per share in connection with the Great Texas Spring Property option and joint venture agreement. In August 2025, the Company received 1,200,000 common shares of Surge at a fair value of \$0.25 per share in connection with Surge Purchase Agreement (Note 5). During the year ended August 31, 2025, the Company recorded a loss on net change in fair value of marketable securities of \$160,000 (2024 – \$520,000).

#### Money Market Funds (“MMF”)

As at August 31, 2025, the Company had a balance of \$5,683 in money market funds. During the year ended August 31, 2025, the Company recorded dividend income of \$5,060 (2024 - \$nil) and a gain on net change in fair value of marketable securities of \$nil (2024 – \$6,066).

### 4. PROPERTY AND EQUIPMENT

	Computer hardware \$	Equipment \$	Vehicles \$	Total \$
<b>Cost:</b>				
<b>At August 31 2023, 2024, and 2025</b>	<b>33,573</b>	<b>24,740</b>	<b>101,524</b>	<b>159,837</b>
<b>Depreciation:</b>				
At August 31, 2023	32,816	23,142	99,884	155,842
Charge for the year	416	264	548	1,228
At August 31, 2024	33,232	23,406	100,432	157,070
Charge for the year	188	256	344	788
<b>At August 31, 2025</b>	<b>33,420</b>	<b>23,662</b>	<b>100,776</b>	<b>157,858</b>
<b>Net book value:</b>				
At August 31, 2024	341	1,334	1,092	2,767
<b>At August 31, 2025</b>	<b>153</b>	<b>1,078</b>	<b>748</b>	<b>1,979</b>

### 5. EXPLORATION AND EVALUATION ASSETS

	Great Texas Spring \$	Lakshmi Property \$	Total \$
<b>Balance, August 31, 2023</b>	<b>152,095</b>	<b>-</b>	<b>152,095</b>
Property acquisition costs:			
Cash	-	206,153	206,153
Common shares	-	1,160,000	1,160,000
Exploration expenditures:			
Geological	60,550	16,407	76,957
	212,645	1,382,560	1,595,205
Value of option payment received	(500,000)	-	(500,000)
Value of common shares received	(1,180,000)	-	(1,180,000)
Gain from sale of asset	1,467,355	-	1,467,355
<b>Balance, August 31, 2024, and 2025</b>	<b>-</b>	<b>1,382,560</b>	<b>1,382,560</b>

## **M3 METALS CORP.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

---

### **5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

#### **Great Texas Spring**

In April 2023, the Company staked mining claims for a lithium project in the Elko County region of Nevada ("Great Texas Springs Claims").

On October 24, 2023, the Company obtained regulatory approval from the TSX-V for a mineral property option and joint venture agreement (the "Surge Agreement") with Surge Battery Metals Inc. ("Surge") entered into in July 2023. The Surge Agreement grants Surge the right to earn up to an 80% interest in the Great Texas Spring Claims by making the following payments to the Company on or before the date that is five years from the date of the agreement:

- i. to earn a 50% percent interest Surge must make a cash payment to the Company of \$500,000 (received) and must issue to the Company a total of 2,000,000 (issued at a value of \$1,180,000 (Note 3)) of Surge's common shares upon Closing;
- ii. to earn an additional 20% percent interest in the Great Texas Springs Claims, Surge must make a cash payment to the Company of \$250,000, issue to the Company a total of 2,000,000 of Surge's common shares and make \$250,000 in exploration expenditures; and
- iii. to earn an additional 10% percent interest in the Great Texas Springs Claims, Surge must make a cash payment to the Company of \$500,000 and issue to the Company a total of 1,000,000 of Surge's common shares.

In August 2024, the Company entered into a mineral property option purchase and sale agreement ("Surge Purchase Agreement") with Surge for Surge to acquire the remaining 50% interest in the Great Texas Springs Claims for 1,200,000 common shares of Surge. In August 2025, the Company closed this agreement and received 1,200,000 common shares of Surge at a fair value of \$300,000.

#### **Lakshmi Property**

On October 19, 2023, the Company obtained regulatory approval from the TSX-V of a mineral property option agreement entered into in May 2023 (the "Lakshmi Option Agreement") with IMEx Consultants Inc. ("IMEx") to acquire up to an eighty (80%) percent interest in the Lakshmi Property (the "Lakshmi Property") located in California.

To obtain a 60% interest in the Lakshmi Property, the Company must:

- i. Issue 2,000,000 shares (issued) to IMEx and pay a sum of US\$150,000 (paid) upon regulatory approval of the Lakshmi Option Agreement; and
- ii. Incur US\$400,000 in exploration expenditures on the Lakshmi Property within twelve months of regulatory approval of the Lakshmi Option Agreement (see below).

The Company can acquire the additional twenty (20%) percent interest in the Lakshmi Property by issuing an additional 2,000,000 shares to the Vendor and incurring an additional US\$2,000,000 in exploration expenditures on the Lakshmi Property within thirty-six months of regulatory approval of the Lakshmi Option Agreement.

On November 1, 2024, the Company and IMEx amended the Lakshmi Option Agreement to eliminate the US\$400,000 exploration expenditure requirement resulting in the Company earning the 60% interest in the Lakshmi Property.

## M3 METALS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	August 31, 2025	August 31, 2024
	\$	\$
Accounts payable	7,312	5,793
Accrued liabilities	92,000	98,200
	<b>99,312</b>	<b>103,993</b>

### 7. SHARE CAPITAL

#### Authorized share capital

Unlimited common shares without par value.

#### During the year ended August 31, 2025:

There were no share capital activities during the year ended August 31, 2025.

#### During the year ended August 31, 2024:

The Company issued 2,000,000 common shares of the Company with a fair value of \$1,160,000 in connection to the Lakshmi Option Agreement (Note 5).

### 8. RESERVES

#### Stock options

The Company has a stock option plan ("the Plan") whereby it can grant options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company. Vesting and term of the option is determined by the board of directors in accordance with the Plan and the policies of the TSX-V.

A summary of stock option activities is as follows:

	Number of options #	Weighted average exercise price \$
<b>Balance, August 31, 2024 and 2025</b>	<b>800,000</b>	<b>0.47</b>

A summary of the options outstanding and exercisable at August 31, 2025 is as follows:

Stock Options Outstanding and Exercisable	Exercise Price	Expiry Date
#	\$	
800,000	0.47	April 27, 2028
<b>800,000</b>		

The weighted average life of the outstanding stock options is 2.66 (2024 – 3.66) years.

**M3 METALS CORP.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

**8. RESERVES (CONTINUED)****Warrants**

A summary of share purchase warrant activities is as follows:

	Number of warrants #	Weighted average exercise price \$
<b>Balance, August 31, 2023, 2024 and 2025</b>	<b>5,000,000</b>	<b>0.32</b>

A summary of the warrants outstanding and exercisable at August 31, 2025 is as follows:

Warrant Outstanding and Exercisable	Exercise Price	Expiry Date
#	\$	
5,000,000	0.32	February 7, 2028*

\*On October 24, 2024, The expiry date of these warrants have been extended from February 7, 2025 to February 7, 2028.

The weighted average life of the outstanding warrants is 2.44 (2024 – 0.44) years.

**9. RELATED PARTY TRANSACTIONS**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

Summary of key management personnel compensation:

	For the year ended August 31,	
	2025	2024
	\$	\$
Consulting and directors' fees	180,000	263,000
<b>Total</b>	<b>180,000</b>	<b>263,000</b>

In addition, the following amounts were incurred with respect to companies related by common officers and directors:

	For the year ended August 31,	
	2025	2024
	\$	\$
Office and administration – Rent	15,600	13,847
<b>Total</b>	<b>15,600</b>	<b>13,847</b>

As at August 31, 2025, the Company has \$554 (2024 - \$2,923) included in accounts payable and accrued liabilities due to officers, directors and companies controlled by officers and directors.

## **M3 METALS CORP.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

---

### **10. CAPITAL MANAGEMENT**

The Company considers its capital structure to include the components of shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As the Company's properties are in the exploration and evaluation stage, the Company is currently unable to self-finance its operations. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

The Company's share capital is not subject to any external restrictions. The Company did not change its approach to capital management during the year ended August 31, 2025.

### **11. 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:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, marketable securities and accounts payable and accrued liabilities. The fair value of these financial instruments, other than marketable securities, approximates their carrying values due to the short-term nature of these instruments. Marketable securities are measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) **Currency risk**

The Company conducts exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at August 31, 2025 the Company had foreign currency net monetary financial assets of US\$1,979. Each 10% change in the US dollar relative to the Canadian dollar will result in a foreign exchange gain/loss of approximately CDN\$139 (US\$191).

b) **Credit risk**

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and GST receivable is due from the Government of Canada. The Company's financial instrument related to the GST receivable is not exposed to significant credit risk.

c) **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. There is no interest rate risk, as the Company has no interest bearing debt subject to floating interest rates.

## M3 METALS CORP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
(EXPRESSED IN CANADIAN DOLLARS)

---

### 11. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments. As at August 31, 2025 the Company had a cash balance of \$75,217 to settle current liabilities of \$124,909.

e) Commodity price risk

The ability of the Company to explore and evaluate its exploration and evaluation properties and the future profitability of the Company are directly related to the price of gold. The Company monitors lithium prices to determine the appropriate course of action to be taken.

### 12. SEGMENTED INFORMATION

The Company has one operating segment, being the acquisition and exploration of exploration and evaluation properties. Geographic information is as follows:

	As at August 31, 2025		
	Canada	US	Total
	\$	\$	\$
Property and equipment	1,979	-	1,979
Exploration and evaluation properties	-	1,382,560	1,382,560
	<b>1,979</b>	<b>1,382,560</b>	<b>1,384,539</b>

  

	As at August 31, 2024		
	Canada	US	Total
	\$	\$	\$
Property and equipment	2,767	-	2,767
Exploration and evaluation properties	-	1,382,560	1,382,560
	<b>2,767</b>	<b>1,382,560</b>	<b>1,385,327</b>

**M3 METALS CORP.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED AUGUST 31, 2025 AND 2024  
 (EXPRESSED IN CANADIAN DOLLARS)

**13. INCOME TAX**

The reconciliation of the combined Canadian federal and provincial income tax rate to the income tax recovery presented in the accompanying statements of comprehensive loss is provided below:

	For the year ended August 31,	
	2025	2024
	\$	\$
Income (loss) before income taxes	(292,007)	102,461
Expected income tax (recovery)	(79,000)	28,000
Change in statutory, foreign tax, foreign exchange rates and other	(18,000)	(31,000)
Permanent difference	82,000	(172,000)
Adjustment to prior years provision versus statutory tax returns	-	773,000
Change in unrecognized deductible temporary differences	41,000	(556,000)
Total income tax expense (recovery)	26,000	42,000

Significant components of unrecognized temporary differences and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	As of August 31,			
	2025	Expiry dates	2024	Expiry dates
	\$		\$	
Exploration and evaluation properties	15,898,000	2025 to 2045	15,898,000	2024 to 2044
Investment tax credit	1,093,000	2033 to 2045	1,094,000	2032 to 2044
Property and equipment	295,000	No Expiry	294,000	No Expiry
Marketable securities	935,000	No Expiry	1,503,000	No Expiry
Allowable capital losses	578,000	No Expiry	-	No Expiry
Non-capital losses				
Canada	15,405,000	2032 to 2045	14,927,000	2031 to 2044
USA	1,081,000	No Expiry	1,571,000	No Expiry

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