



ARRAS
MINERALS CORP.

Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and nine months ended July 31, 2025 and 2024

(Expressed in United States dollars)

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ARRAS MINERALS CORP.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in United States Dollars)

	Notes	July 31, 2025 (Unaudited)	October 31, 2024 (Audited)
		\$	\$
Assets			
Current			
Cash and cash equivalents	16	12,416,938	1,727,459
Other receivables	4,6	84,607	102,199
Prepaid expenses and deposits	7	1,001,407	881,374
		13,502,952	2,711,032
Non-Current			
Office and equipment	8	102,596	108,828
Mineral properties	9	1,415,956	5,035,259
Right-of-use assets	11	46,597	106,507
Prepaid expenses and deposits	7	350,948	457,482
Total Assets		15,419,049	8,419,108
Liabilities			
Current			
Accounts payable and accrued liabilities	14	266,633	575,259
Lease liability	11	60,938	86,259
Due to related party	14	20,315	22,095
Other liability	4	320,693	-
Warrant derivative liability	10	-	961,774
		668,579	1,645,387
Non-Current			
Lease liability	11	-	38,560
Total Liabilities		668,579	1,683,947
Shareholders' Equity			
Share capital	12	38,160,983	20,942,888
Reserves	12	2,083,632	1,790,055
Deficit		(25,494,145)	(15,997,782)
Total Shareholders' Equity		14,750,470	6,735,161
Total Liabilities and Shareholders' Equity		15,419,049	8,419,108

On behalf of the Board:

/s/ Brian Edgar

.....
Director

/s/ Vera Kobalia

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Director

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

ARRAS MINERALS CORP.**Condensed Interim Consolidated Statements of Comprehensive Loss****(Expressed in United States Dollars)****(Unaudited)**

	Notes	For the three months ended July 31, 2025	For the three months ended July 31, 2024	For the nine months ended July 31, 2025	For the nine months ended July 31, 2024
		\$	\$	\$	\$
Expenses					
Exploration	4,5,8,12	1,330,561	113,277	2,682,192	769,564
Personnel	12,14	238,178	177,633	805,237	604,769
Marketing and shareholders' communication		86,846	100,097	199,629	203,852
Directors' fees	12,14	64,030	33,809	211,168	110,780
Professional services		26,361	11,013	106,717	111,580
Office and administrative	14	6,487	13,339	36,070	39,726
Depreciation	8,11	19,970	20,577	60,720	61,731
Loss from operations		(1,772,433)	(469,745)	(4,101,733)	(1,902,002)
Management fees and reimbursement	4	45,817	101,430	124,398	101,430
Foreign currency translation (loss) gain		(84,831)	(38,228)	153,490	60,266
Mineral property impairment	9	(3,619,303)	-	(3,619,303)	-
Interest income		101,774	12,987	126,190	19,321
Other income	4	-	1,094	-	1,001,094
Changes of fair value of warrant derivative	10	-	(299,946)	(2,179,405)	(299,946)
Other income (loss)		(3,556,543)	(222,663)	(5,394,630)	882,165
Net and Comprehensive Loss for the Period		(5,328,976)	(692,408)	(9,496,363)	(1,019,837)
Basic and Diluted Loss per Common Share	13	(0.04)	(0.01)	(0.09)	(0.01)
Weighted Average Number of Common Shares Outstanding	13	120,253,702	81,036,519	103,597,891	72,783,448

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

ARRAS MINERALS CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in United States Dollars)
(Unaudited)

	Share Capital		Reserves				Shareholders' Equity
	Common Shares	Amount	Options	Share Units	Warrants	Deficit	
		\$	\$	\$	\$	\$	
Balance, October 31, 2024	89,188,046	20,942,888	1,359,127	146,428	284,500	(15,997,782)	6,735,161
Private placement, net of share issue costs	18,941,177	10,763,235	-	-	-	-	10,763,235
Warrants exercised, net of share issue costs	10,134,332	5,945,911	-	-	-	-	5,945,911
Silver Bull Warrants exercised, net of share issue costs	245,000	95,692	-	-	(35,358)	-	60,334
Shares issued on settlement of restricted share units	1,495,484	215,789	-	(215,789)	-	-	-
Stock options exercised	347,435	197,468	(89,220)	-	-	-	108,248
Share-based payment	-	-	466,663	167,281	-	-	633,944
Net loss for the period	-	-	-	-	-	(9,496,363)	(9,496,363)
Balance, July 31, 2025	120,351,474	38,160,983	1,736,570	97,920	249,142	(25,494,145)	14,750,470

	Share Capital		Reserves				Shareholders' Equity
	Common Shares	Amount	Options	Share Units	Warrants	Deficit	
		\$	\$	\$	\$	\$	
Balance, October 31, 2023	68,504,400	17,745,232	1,386,080	-	284,500	(13,775,032)	5,640,780
Private placement, net of share issue costs	20,268,662	3,742,180	-	-	-	-	3,742,180
Shares issued on settlement of restricted share units	414,984	143,152	(143,152)	-	-	-	-
Share-based payment	-	-	152,443	-	-	-	152,443
Classification of the grant-date fair value of warrant liabilities	-	(687,676)	-	-	-	-	(687,676)
Net loss for the period	-	-	-	-	-	(1,019,837)	(1,019,837)
Balance, July 31, 2024	89,188,046	20,942,888	1,395,371	-	284,500	(14,794,869)	7,827,890

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

ARRAS MINERALS CORP.
Condensed Interim Consolidated Statement of Cash Flows
(Expressed in United States Dollars)
(Unaudited)

	Nine months ended July 31, 2025	Nine months ended July 31, 2024
	\$	\$
Operating Activities		
Net loss for the period	(9,496,363)	(1,019,837)
Items not affecting cash		
Depreciation and impairment	94,305	92,735
Mineral property impairment	3,619,303	-
Share-based payment	633,944	152,443
Interest expense	7,276	13,342
Unrealized foreign exchange loss	(28,874)	(10,752)
Changes of fair value of warrant derivative	2,179,405	299,946
	(2,991,004)	(472,123)
Changes in non-cash working capital		
Other receivables	17,592	(9,025)
Prepaid expenses and deposits	(13,499)	(530,497)
Accounts payable and accrued liabilities	(308,626)	(210,408)
Due to related party	(1,779)	(39,952)
Other liability	320,693	725,000
	14,381	(64,882)
Cash Used in Operating Activities	(2,976,623)	(537,005)
Financing Activities		
Proceeds from private placements, net of share issue costs	10,763,235	3,742,180
Proceeds from warrants exercised, net of share issue costs	2,893,939	-
Proceeds from stock options exercised	108,248	-
Repayment of lease liability	(71,157)	(71,157)
Cash Provided by Financing Activities	13,694,265	3,671,023
Investing Activity		
Purchase of office and equipment	(28,163)	(5,635)
Cash Used in Investing Activity	(28,163)	(5,635)
Net Change in Cash and Cash Equivalents	10,689,479	3,128,383
Cash and Cash Equivalents, Beginning of Period	1,727,459	290,684
Cash and Cash Equivalents, End of Period	12,416,938	3,419,067

Supplemental Cash Flow Information (Note 16)

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

Arras Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended July 31, 2025 and 2024

(Expressed in United States dollars)

(Unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Arras Minerals Corp. (the “Company”) was incorporated on February 5, 2021 under the *Business Corporations Act* (British Columbia) as part of an asset purchase agreement to reorganize Silver Bull Resources, Inc. (“Silver Bull”) as described in Note 5. The Company’s head office is located at 1605-777 Dunsmuir Street, Vancouver, British Columbia, Canada, V7Y 1K4.

The Company is engaged in the acquisition, exploration, and development of mineral property interests. On February 3, 2022, the Company purchased 100% of the issued and outstanding shares of Ekidos Minerals LLP (“Ekidos”) and Ekidos became a wholly-owned subsidiary of the Company. Ekidos is in the business of the exploration and evaluation of mineral properties.

The Company’s assets consist of a number of exploration licenses located in northeastern Kazakhstan, including the Elemes copper-gold porphyry project. Operations are conducted through Ekidos.

The Company has not yet determined whether the properties contain mineral reserves where extraction is both technically feasible and commercially viable. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations.

These unaudited condensed interim consolidated financial statements are prepared on a going concern basis, which contemplate that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has incurred operating losses since inception and has no current sources of revenue or cash inflows from operations. The Company’s net loss and an accumulated deficit of \$25,494,000 may cast significant doubt on the validity of the going concern assumption. The Company relies on share issuances in order to fund its exploration and other business objectives. During the nine months ended July 31, 2025, the Company has raised gross amounts of \$11,488,000 United States dollars (“\$USD”) (\$16,100,000 Canadian dollars (“\$CDN”)) through issuance of common shares via a private placement (Note 12 (b)), \$2,458,000 (\$CDN 4,053,000) from the exercise of warrants (Notes 10 and 12 (f)) and \$61,250 from the exercise of Silver Bull’s warrants (Notes 10 and 12(f)). The Company had cash and cash equivalents of \$12.4 million and \$1.7 million as of July 31, 2025 and October 31, 2024, respectively.

The Company’s ability to continue as a going concern and fulfill its spend commitments on its exploration licenses is dependent upon successful execution of its business plan, raising additional capital, or evaluating other strategic alternatives, such as the Teck Alliance Agreement (Note 4). The Company expects to continue to raise the necessary funds primarily through the issuance of common shares and funding from strategic partners. However, future events or conditions may cause the Company to cease to continue as a going concern. There can be no guarantees that future equity financing will be available, in which case the Company may need to reduce its exploration activities. There can be no assurance that management’s plan will be successful. If the going concern assumption was not appropriate for these condensed interim consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements were prepared in accordance with International Accounting Standard (“IAS”) 34 - Interim Financial Reporting. These condensed interim consolidated financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited consolidated financial statements for the year ended October 31, 2024 (the “annual financial statements”), which include the information necessary or useful to understanding the Company’s business and financial statement

Arras Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended July 31, 2025 and 2024

(Expressed in United States dollars)

(Unaudited)

presentation. In particular, the Company's use of judgements and estimates and material accounting policies were presented in notes 3 of those annual financial statements and have been consistently applied in the preparation of the condensed interim consolidated financial statements. The annual financial statements were prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These condensed interim consolidated financial statements are presented in United States dollars, which is the Company's and its subsidiaries' functional currency.

The Company's interim results are not necessarily indicative of its results for a full fiscal year.

During the three and nine months ended July 31, 2025, management revised its assessment of the Company's cash-generating units ("CGU"). As at October 31, 2024 the Company assessed its mineral property interests as a single CGU, however the termination of the Beskauga option and the resulting change in focus to the exploration licenses held by Ekidos led management to conclude that two distinct CGUs exist.

b) Basis of presentation

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

c) Approval of the condensed interim consolidated financial statements

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on September 25, 2025.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies in these condensed interim consolidated financial statements are defined in Note 3 of the Company's annual consolidated financial statements for the year ended October 31, 2024 filed on SEDAR+ on February 27, 2025.

Other recent accounting pronouncements issued by the IASB did not or are not expected to have a material impact on the Company's present or future consolidated financial statements.

4. TECK ALLIANCE AGREEMENT

On December 6, 2023, the Company entered into the Teck Alliance Agreement and received \$1,497,668 cash, including \$1 million for the reimbursement of certain related expenses made by the Company prior to the Teck Alliance Agreement and \$497,668 for exploration activities expected to be committed to or completed by December 31, 2023. Upon the terms and subject to the conditions set forth in the Teck Alliance Agreement, in order for Teck to earn and maintain its option, Teck must incur \$5 million in exploration expenditures on two licenses packages totaling approximately 1,736 square kilometers located in Pavlodar, Kazakhstan by December 31, 2025 (the "Initial Exploration Period"). Of this, \$2 million is a firm commitment to be completed in calendar year 2024. Arras is initially acting as manager of the projects under the Teck Alliance Agreement and Teck is expected to fund the projects on a quarterly basis based on an agreed upon project budget.

On the completion of the Initial Exploration Period, Teck may exercise an option in the Teck Alliance Agreement by selecting up to four designated properties up to 120 square kilometers each. Teck must pay \$500,000 for each designated property to the Company as an additional reimbursement for the previously invested exploration expenditures. Teck agrees to pay to the Company a management fee for administrative services between 5% to

Arras Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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10% of certain exploration expenditures, excluding capital asset purchases. During the nine months ended July 31, 2025 and 2024, \$124,398 and \$101,430 were recognized as management fees, respectively.

Teck will have three options to earn and maintain its option:

- “First Option”: Teck may elect to solely fund \$5.5 million in 2024 and 2025 calendar years, and on completion will be deemed to own 51% of the designated property,
- “Second Option”: Teck may elect to solely fund \$18 million over the next three years (\$5 million committed in Year 1) to earn an additional 14% (total of 65%) of the designated property,
- “Third Option”: Teck may elect to solely fund \$24 million over four years (\$6 million committed in Year 1) to earn an additional 10% (total of 75%) of the designated property.

As of July 31, 2025, Teck has incurred \$4,382,000 of the required expenditure.

If Teck elects not to continue with the Teck Alliance Agreement before December 31, 2025, the licenses will remain 100% owned by the Company. If the Teck Alliance Agreement is terminated by Teck without cause at the Initial Exploration Period, the Company is under no obligation to reimburse Teck for amounts contributed under the Teck Alliance Agreement.

As of July 31, 2025, \$320,693 of the amount funded by Teck had not yet been incurred, therefore the Company recorded this amount as an other liability.

Other receivable as of October 31, 2024	\$	85,517
Funding from Teck during the period		(2,314,282)
Expenditures incurred during the period		1,908,072
Other liability as of July 31, 2025	\$	(320,693)

During the three and nine months ended July 31, 2025 and 2024, the Company incurred the following exploration expenditures:

	For the three months ended July 31, 2025		For the three months ended July 31, 2024		For the nine months ended July 31, 2025		For the nine months ended July 31, 2024	
Total exploration expenditures	\$	5,756,429	\$	855,578	\$	8,209,567	\$	2,432,780
Exploration expenditure incurred under Teck agreement								
Exploration expenditure		(806,565)		(565,793)		(1,908,072)		(1,486,708)
Capital assets		-		(176,508)		-		(176,508)
	\$	4,949,864	\$	113,277	\$	6,301,495	\$	769,564

During the three and nine months ended July 31, 2025 and 2024, the Company recorded the following income and reimbursement pursuant to the Teck Alliance Agreement:

	For the Three Months Ended July 31,		For the Nine Months Ended July 31,	
	2025	2024	2025	2024
Management fees	\$ 45,817	\$ 101,430	\$ 124,398	\$ 101,430
Reimbursement	-	-	-	1,000,000
Income and reimbursement	\$ 45,817	\$ 101,430	\$ 124,398	\$ 1,101,430

Arras Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended July 31, 2025 and 2024

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(Unaudited)

5. BESKAUGA OPTION AGREEMENT

On August 12, 2020, Silver Bull entered into the Beskauga Option Agreement with Copperbelt AG (“Copperbelt”) pursuant to which it has the exclusive right and option to acquire Copperbelt’s right, title and 100% interest in the Beskauga property located in Kazakhstan. Upon completion of Silver Bull’s due diligence on January 26, 2021, the Beskauga Option Agreement was finalized (the “Closing Date”).

On March 19, 2021, pursuant to an asset purchase agreement, Silver Bull transferred all its rights, title and interest in and to the Beskauga Option Agreement to the Company. The consideration payable by the Company to Silver Bull for the purchased assets was \$1,367,668, paid through the issuance of 36,000,000 common shares of common shares in the capital of the Company.

On June 10, 2025, the Company announced that it had elected not to exercise the purchase option for the Beskauga Property, and the Beskauga Option Agreement was mutually terminated by Copperbelt and the Company. Please refer to Note 9 for discussion of accounting impact.

6. OTHER RECEIVABLES

	July 31, 2025	October 31, 2024
Receivable from Teck (Note 4)	\$ -	\$ 85,517
Goods and Services Taxes Credit (“GST”)	8,450	15,150
Other	1,157	1,532
Accrued interest receivable	75,000	-
	\$ 84,607	\$ 102,199

7. PREPAID EXPENSES AND DEPOSITS

	July 31, 2025	October 31, 2024
General insurance	\$ 112,835	\$ 29,663
Other prepaid deposits - current	869,091	752,725
Exploration license insurance - current	19,481	98,986
Prepaid expenses and deposits – current	1,001,407	881,374
Prepaid deposits - non-current	37,948	33,482
Exploration license insurance - non-current	313,000	424,000
Prepaid expenses and deposits – non-current	350,948	457,482
Total prepaid expenses and deposits	\$ 1,352,355	\$ 1,338,856

The terms of the exploration license insurance agreements are equal to the remaining terms of the exploration licenses (originally six years) plus two years from the effective dates.

Arras Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended July 31, 2025 and 2024

(Expressed in United States dollars)

(Unaudited)

8. OFFICE AND EQUIPMENT

	Mining Equipment	Computer Equipment and Software	Office Equipment	Vehicles	Total
Cost					
Balance, October 31, 2024	\$ 127,803	\$ 9,331	\$ 7,282	\$ 103,232	\$ 247,648
Additions:	20,476	7,687	-	-	28,163
Balance, July 31, 2025	\$ 148,279	\$ 17,018	\$ 7,282	\$ 103,232	\$ 275,811
Accumulated depreciation					
Balance, October 31, 2024	\$ 86,636	\$ 9,331	\$ 6,472	\$ 36,381	\$ 138,820
Additions	20,536	560	810	12,489	34,395
Balance, July 31, 2025	\$ 107,172	\$ 9,891	\$ 7,282	\$ 48,870	\$ 173,215
Net book value					
Balance, October 31, 2024	\$ 41,167	\$ -	\$ 810	\$ 66,851	\$ 108,828
Balance, July 31, 2025	\$ 41,107	\$ 7,127	\$ -	\$ 54,362	\$ 102,596

During the nine months ended July 31, 2025, the Company recorded \$33,585 of depreciation on mining equipment and vehicles in exploration expenses.

	Mining Equipment	Computer Equipment and Software	Office Equipment	Vehicles	Total
Cost					
Balance, October 31, 2023	\$ 122,168	\$ 9,331	\$ 7,282	\$ 103,232	\$ 242,013
Additions:	5,636	-	-	-	5,636
Balance, July 31, 2024	\$ 127,804	\$ 9,331	\$ 7,282	\$ 103,232	\$ 247,649
Accumulated depreciation					
Balance, October 31, 2023	\$ 61,733	\$ 9,331	\$ 4,045	\$ 19,725	\$ 94,834
Additions	18,514	-	1,820	12,490	32,824
Balance, July 31, 2024	\$ 80,247	\$ 9,331	\$ 5,865	\$ 32,215	\$ 127,659
Net book value					
Balance, October 31, 2023	\$ 60,435	\$ -	\$ 3,237	\$ 83,507	\$ 147,179
Balance, July 31, 2024	\$ 47,557	\$ -	\$ 1,416	\$ 71,017	\$ 119,990

During the nine months ended July 31, 2024, the Company recorded \$31,004 of depreciation on mining equipment and vehicles in exploration expenses.

Arras Minerals Corp.

Notes to the Condensed Interim Consolidated Financial Statements

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9. MINERAL PROPERTIES – EXPLORATION AND EVALUATION ASSETS

The Company, through the asset purchase agreement, entered into an option agreement dated August 12, 2020 with Copperbelt, to earn up to a 100% interest in the Beskauga project and through acquisition of Ekidos, which holds other exploration licenses located in Kazakhstan (Note 5).

On June 10, 2025, the Company announced that it had elected not to exercise the purchase option for the Beskauga Property, and the Beskauga Option Agreement was mutually terminated by Copperbelt and the Company. As a result, the value in use was determined to be \$nil in accordance with level 3 of the fair value hierarchy and, the Company wrote off the capitalized property concession balance relating to Beskauga of \$3,619,303.

The following is a summary of the Company's mineral property assets as at July 31, 2025 and October 31, 2024:

Property concessions – October 31, 2024	\$	5,035,259
Impairment		<u>(3,619,303)</u>
Property concessions – July 31, 2025	\$	<u>1,415,956</u>

Additionally, the Company holds its interest in the Stepnoe and Ekidos properties through the Stepnoe and Ekidos Joint Venture Agreement (the "Stepnoe and Ekidos JV Agreement"), and the Akkuduk, Nogurbek, Maisor, Elemes, Aktasty, Besshoky, Aimandai and South Bozshakol properties through the Maikain Joint Venture Agreement (the "Maikain JV Agreement").

The Company also holds interest in the Tay, Azhe 1, Karatal 1, 2 and 3, Beskauga West and Beskauga East properties.

Stepnoe and Ekidos JV Agreement

In connection with the spin-off and pursuant to the Separation and Distribution Agreement (Note 5), Silver Bull transferred its interest in the Stepnoe and Ekidos JV Agreement to Arras.

On September 1, 2020, Silver Bull entered into the Stepnoe and Ekidos JV Agreement in connection with, among other things, mineral license applications (the "Stepnoe and Ekidos Licenses") for, and further exploration and evaluation of certain properties, including the Stepnoe and Ekidos properties located in Kazakhstan. The exploration licenses for the Stepnoe and Ekidos properties were granted on October 22, 2020.

The Company (through Ekidos LLP) and Copperbelt have initial participating interests in the joint venture of 80% and 20%, respectively. Pursuant to the Stepnoe and Ekidos JV Agreement, once the Company spends a minimum of \$3,000,000 on either the Stepnoe or Ekidos property, the Company has the option to acquire Copperbelt's participating interest in such property for \$1,500,000. As of July 31, 2025, approximately \$2,534,000 (October 31, 2024 - \$1,874,000) of the required expenditures have been incurred.

The Stepnoe and Ekidos JV Agreement shall terminate automatically upon there being one participant in the joint venture, or by written agreement between the parties.

On November 11, 2023, the Stepnoe and Ekidos JV Agreement was amended to allow for financing and third-party support of exploration and development activities on some or all of the JV licenses.

Maikain JV Agreement

On May 20, 2021, Ekidos LLP entered into the Maikain JV Agreement with Orogen LLP, a company incorporated under the laws of Kazakhstan, in connection with, among other things, mineral license applications for, and further exploration and evaluation of, certain properties in an area of interest, including the Akkuduk, Nogurbek, Maisor, Elemes, Aktasty, Besshoky, Aimandai and South Bozshakol properties located in Kazakhstan. The

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Notes to the Condensed Interim Consolidated Financial Statements

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exploration licenses have been granted for an initial six-year period, with the possibility of a five-year extension.

The Company (through Ekidos LLP) and Orogen LLP have initial participating interests in the Maikain joint venture of 80% and 20%, respectively. Pursuant to the Maikain JV Agreement, once the Company spends a minimum of \$3,000,000 on a property in the area of interest, the Company has the option to acquire Orogen LLP's participating interest in such property for \$1,500,000. As of July 31, 2025, approximately \$5,469,000 (October 31, 2024 - \$3,630,000) of the required expenditures have been incurred.

On November 11, 2023, the Maikain JV Agreement was amended to accommodate the Teck Alliance Agreement to allow for third-party financing and support of exploration and development activities on some or all of the JV licenses. The amended agreement also clarified that the Maikain JV Agreement shall not terminate and will continue in full force and effect with respect to any mineral licenses held by or on behalf of the Maikain joint venture as of the date of expiry (May 20, 2024).

10. WARRANT DERIVATIVE LIABILITY

On June 6, 2024, the Company completed a private placement for 20,268,662 units at an issuance price of \$CDN 0.26 per unit (the "\$CDN 0.26 Unit"). In connection with the CDN \$0.26 Unit private placement, the Company issued 10,134,332 CDN \$0.40 Warrants ("CDN 0.40 Warrant") (Note 12 (b)). Each whole warrant entitled its holder to purchase one additional common share at an exercise price of CDN \$0.40 for a period of 36 months from the closing of the private placement. In the event the volume weighted average trading price of the Common Shares on the TSX Venture Exchange (the "TSXV") met or exceeded CDN \$0.60 for any continuous fifteen trading day period at any time after four months and one day following closing of the private placement, the Company had the option, but not the obligation, at any time thereafter to accelerate the expiry date to a date that was thirty days following the date of issuance of a press release by the Company announcing the acceleration of the expiry date ("Acceleration Notice").

On February 12, 2025, the Company announced that the acceleration criteria had been met, and issued the Acceleration Notice. During the nine months ended July 31, 2025, all 10,134,332 warrants were exercised at an exercise price of \$CDN 0.40 per common share for aggregate gross proceeds of \$2,834,418 (\$CDN 4,053,733).

A continuity of the Company's shares issuable for June 2024 CDN\$ 0.40 Warrants is as follows:

Warrants	Shares	Weighted Average Exercise Price
Balance, October 31, 2024	10,134,332	\$ CDN 0.40 (0.29)
Exercised (Note 12 (b) (f))	10,134,332	CDN 0.40 (0.29)
Outstanding and exercisable at July 31, 2025	<u>-</u>	<u>\$ -</u>

	July 31, 2025
Balance, October 31, 2024	\$ 961,774
Exercised	(3,107,561)
Change in fair value	2,179,405
Effect of movements on exchange rates	(33,618)
Balance, July 31, 2025	<u>\$ -</u>

Under IFRS 9 Financial Instruments and IAS 32 Financial Instruments: Presentation, warrants with an exercise price denominated in a currency that differs from an entity's functional currency are treated as a derivative measured at fair value with subsequent changes in fair value accounted for through profit and loss. As these warrants are exercised, the fair value at the date of exercise and the associated non-cash liability will be included in the share capital along with the proceeds from the exercise. If these warrants expire, the non-cash warrant

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liability is reversed through the profit and loss. There is no cash flow impact as a result of the accounting treatment for changes in the fair value of the warrant derivative or when warrants expire unexercised.

The CDN\$0.40 Warrants were considered derivative liabilities, as the currency denomination of the exercise price was different from the functional currency of the Company. Due to the non-standard nature of the CDN\$ 0.40 Warrants, which had an accelerated exercise provision, the closed form Black Scholes model could not be used. As such, a Monte Carlo Simulation was used with the underlying share price of the Company to determine the fair value. The Company determined the allocated fair value of CDN\$0.40 Warrants at the date of issuance (\$687,676) using the Monte Carlo valuation model with the following assumptions:

	CDN\$0.40 Warrants
Share price on date of issuance	CDN\$0.29
Strike Price	CDN\$0.40
Risk-free interest rate	3.80%
Expected volatility	99%
Expected life (in years)	3
Forfeiture rate	nil
Expected dividend	nil
Exchange rate (\$USD to \$CDN)	1.3686
Number of Simulations	1,000

The fair value of the CDN\$0.40 Warrants were revalued as of February 12, 2025 (\$3,107,561) using the Monte Carlo valuation model with the following assumptions:

	CDN\$0.40 Warrants
Share price on date on February 12, 2025	CDN\$0.82
Strike Price	CDN\$0.40
Risk-free interest rate	2.48%
Expected volatility	94%
Expected life (in years)	2.10
Forfeiture rate	Nil
Expected dividend	Nil
Exchange rate (\$USD to \$CDN)	1.4298
Number of Simulations	1,000

As a result of the revaluation, the Company recognized a loss on remeasurement of warrant liability related to the CDN\$0.40 Warrants of \$2,179,405 in the condensed interim consolidated statements of comprehensive loss during the nine months ended July 31, 2025.

11. RIGHT-OF-USE ASSET AND LEASE LIABILITY

The Company entered into a lease agreement for its corporate head office commencing March 1, 2022, until February 28, 2026. Upon entering into this lease, the Company recognized a right-of use ("ROU") asset in the amount of \$319,521, and a corresponding lease liability in the same amount (\$319,521). The lease liability is measured at amortized cost using the incremental borrowing rate of 10.02%.

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The continuity of the ROU asset and lease liability for the nine-month period ended July 31, 2025 is as follows:

Right-of-use asset

Value of ROU asset as of October 31, 2023	\$	186,388
Depreciation		(79,881)
Value of ROU asset as of October 31, 2024		106,507
Depreciation		(59,910)
Value of ROU asset as of July 31, 2025	\$	46,597

Lease liability

Lease liability recognized as of October 31, 2023	\$	202,887
Lease payments		(94,875)
Lease interest		16,807
Lease liability recognized as of October 31, 2024		124,819
Lease payments		(71,157)
Lease interest		7,276
Lease liability recognized as of July 31, 2025	\$	60,938

Current portion	\$	60,938
Non-current portion		-
Closing balance	\$	60,938

Undiscounted lease payment obligations

Less than one year	\$	58,360
Total undiscounted lease liabilities	\$	58,360

12. SHARE CAPITAL

a) Authorized

Unlimited number of common shares and an unlimited number of preferred shares, without par value.

b) Issued and outstanding

Preferred shares

No preferred shares have been issued.

Common shares

As of July 31, 2025 and October 31, 2024, there were 120,351,474 and 89,188,046 common shares issued and outstanding, respectively.

During the nine months ended July 31, 2025, the following transactions occurred:

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From March 17 to June 4, 2025, Silver Bull Warrants to acquire 245,000 common shares were exercised at an exercise price of \$0.25 per common share (exercise price per Arras share issuable). The Company received gross proceeds of \$61,250 (Note 12 (f)). The Company incurred other costs associated with this warrant exercise in the amount of \$916.

On April 17, 2025, the Company completed a private placement, issuing a total of 18,941,177 common shares at a price of \$CDN 0.85 per common share for gross proceeds of \$CDN 16,100,000 (\$11,487,692). The Company paid finder's fees totaling \$CDN 771,105 (\$550,200) to agents with respect to certain purchasers who were introduced to the Company. The Company incurred other offering costs associated with this private placement in the amount of \$174,257.

On April 17, 2025, options to acquire 300,000 common shares were exercised at \$CDN 0.50 per common share for aggregate gross proceeds of \$108,248.

On March 14, 2025, options to acquire 100,000 common shares were exercised by way of a cashless exercise whereby the recipient elected to receive 47,435 common shares without payment of the exercise price and the remaining 52,565 options were cancelled.

On March 14, 2025, 1,495,484 RSUs that were granted in 2024 were settled as common shares of the Company.

From January 20, 2025 to March 14, 2025, warrants to acquire 10,134,332 common shares were exercised at \$CDN 0.40 per common share for aggregate gross proceeds of \$CDN 4,053,733 (\$2,834,418). The Company incurred other costs associated with this warrant exercise in the amount of \$813.

During the nine months ended July 31, 2024, the following transactions occurred:

On June 6, 2024, the Company completed a private placement for 20,268,662 units at an issuance price of \$CDN 0.26 per unit (the "\$CDN 0.26 Unit") for gross proceeds of \$3,850,542 (\$CDN 5,269,852). Each \$CDN 0.26 Unit consists of one common share and one half of one transferable common share purchase warrant (each whole warrant, a "\$CDN 0.40 Warrant"). Each \$CDN 0.40 Warrant entitles the holder thereof to acquire one common share at a price of \$CDN 0.40 for a period of 36 months from the closing of the private placement. The Company paid finders' fees totaling \$60,110 to agents with respect to certain purchasers who were introduced by these agents. In addition, the Company incurred other offering costs of approximately \$48,252.

On March 14, 2024, 414,984 RSUs that were granted in 2023 were settled as common shares of the Company.

Shares held in escrow

As a requirement of the Company's listing on the TSXV on June 14, 2022 (the "Listing Date"), certain directors, officers and their affiliates were required to have their shares held in escrow by the Company's transfer agent.

As of June 14, 2025 (the 36-month anniversary of the Listing Date), all common shares held in escrow have been released (October 31, 2024 – 749,691 shares held in escrow).

c) Stock options

Pursuant to the Company's Equity Incentive Plan (the "Plan") approved by the Board of Directors, the Company grants stock options to employees, directors, officers and advisors. Under the Plan, options

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can be granted for a maximum term of ten years and the stock options shall vest in three equal installments, with one third of the options vesting on each of the grant date, the first-year anniversary of the grant date and the second anniversary of the grant date, unless otherwise designated by the Board. Further, the exercise price shall not be less than the price of the Company's common shares on the date of the stock option grant.

On April 17, 2025, options to acquire 300,000 common shares were exercised at \$CDN 0.50 per common share for aggregate gross proceeds of \$105,381.

On April 15, 2025, the Company granted options to acquire 2,475,000 common shares with a weighted-average grant-date fair value of \$0.38 per share and an exercise price of \$0.60 (\$CDN 0.83) per common share. One-thirds vested immediately, one-third vested one year from grant date and the remaining one-third vests two years from grant date.

On March 14, 2025, options to acquire 100,000 common shares were exercised at \$CDN 0.50 by way of a cashless exercise whereby the recipient elected to receive 47,435 common shares without payment of the exercise price and the remaining options for 52,565 common shares were surrendered.

No options were granted or exercised during the nine months ended July 31, 2024.

Stock option transactions are summarized as follows:

	Number of Options		Weighted Average Exercise Price
Balance, October 31, 2023	5,160,000	\$	0.38 (\$CDN 0.53)
Granted	500,000		0.25 (\$CDN 0.35)
Balance, October 31, 2024	5,660,000		0.37 (\$CDN 0.51)
Granted	2,475,000		0.60 (\$CDN 0.83)
Exercised	(400,000)		0.36 (\$CDN 0.50)
Balance, July 31, 2025	7,735,000	\$	0.44 (\$CDN 0.62)

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The following options were outstanding and exercisable at July 31, 2025:

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Life
April 15, 2021	April 14, 2026	\$CDN 0.50 (\$0.36)	3,100,000	3,100,000	0.70
August 5, 2021	August 4, 2026	\$CDN 0.50 (\$0.36)	800,000	800,000	1.01
September 24, 2021	September 23, 2026	\$CDN 0.50 (\$0.36)	160,000	160,000	1.15
December 7, 2021	December 7, 2026	\$CDN 1.00 (\$0.72)	100,000	100,000	1.35
March 2, 2022	March 2, 2027	\$CDN 1.00 (\$0.72)	300,000	300,000	1.59
September 22, 2022	September 22, 2027	\$CDN 0.35 (\$0.25)	300,000	300,000	2.15
September 26, 2024	September 26, 2029	\$CDN 0.35 (\$0.25)	500,000	333,333	4.16
April 15, 2025	April 15, 2025	\$CDN 0.83 (\$0.60)	2,475,000	825,000	4.71
			7,735,000	5,918,333	1.64

The following options were outstanding and exercisable at July 31, 2024

Grant Date	Expiry Date	Exercise Price	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Life
April 15, 2021	April 14, 2026	\$CDN 0.50 (\$0.36)	3,500,000	3,500,000	1.70
August 5, 2021	August 4, 2026	\$CDN 0.50 (\$0.36)	800,000	800,000	2.01
September 24, 2021	September 23, 2026	\$CDN 0.50 (\$0.36)	160,000	160,000	2.15
December 7, 2021	December 7, 2026	\$CDN 1.00 (\$0.72)	100,000	100,000	2.35
March 2, 2022	March 2, 2027	\$CDN 1.00 (\$0.72)	300,000	300,000	2.59
September 22, 2022	September 22, 2027	\$CDN 0.35 (\$0.25)	300,000	200,000	3.15
			5,160,000	5,060,000	1.91

The weighted average remaining contractual life for options outstanding is 1.64 years and 1.91 years ended July 31, 2025 and 2024, respectively.

The total fair value of options granted during the nine months ended July 31, 2025 and 2024 was \$945,475 and \$nil.

As of July 31, 2025, there is a total remaining unrecognized compensation expenses of \$501,480 (October 31, 2024 - \$22,669) which will be expensed in future reporting periods.

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Total share-based payments recognized during the three and nine months ended July 31, 2025 was \$128,881 and \$466,663 (2024 - \$2,022 and \$15,060), which was expensed in the condensed interim consolidated statements of comprehensive loss.

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. Accordingly, share-based payments of \$211,861 (2024 – \$nil) were recognized as personnel expenses for options granted to employees, \$117,200 (2024 – \$14,370) were recognized in directors' fees for options granted to directors and \$137,602 (2024 - \$690) was recognized as exploration for options granted to employees and consultants for the nine months ended July 31, 2025.

A summary of the range of assumptions used to value stock options granted for the nine months ended July 31, 2025 and 2024 is as follows:

<u>Options</u>	<u>For the Nine Months Ended July 31, 2025</u>	<u>For the Six Months Ended July 31, 2024</u>
Expected volatility	88% - 90%	—
Risk-free interest rate	2.55% - 2.72%	—
Expected life (in years)	3 – 5	—
Dividend rate	—	—

The expected volatility assumption is based on the historical and implied volatility of the comparable companies' common share price. The risk-free interest rate assumption is based on yield curves on government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company has not paid and does not anticipate paying dividends on its common stock. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the expense recorded in the accompanying statements of comprehensive loss.

d) Restricted shares units ("RSUs")

On February 27, 2025, the Company granted 241,196 RSUs to officers, in accordance with the Company's Equity Incentive Plan. The grant date fair value of the RSUs was \$CDN 0.753. RSUs are awards for service which upon vesting and settlement entitle the recipient to receive common shares. Vesting conditions for RSUs are set by the Board but must be at least one year following the grant date. The RSUs granted vest in a single tranche, one year from the grant date.

On February 27, 2024, the Company granted 1,495,484 equity-settled RSUs to officers, in accordance with the Company's Equity Incentive Plan. The grant date fair value of the RSUs was \$CDN 0.195. RSUs are awards for service which upon vesting and settlement entitle the recipient to receive common shares. Vesting conditions for RSUs are set by the Board but must be at least one year following the grant date. The RSUs granted vest in a single tranche, one year from the grant date. On March 14, 2025, 1,495,484 RSUs were settled as common shares of the Company.

Compensation expense for RSUs was \$32,055 and \$123,018 for the three and nine months ended July 31, 2025 (2024 – \$54,540 and \$137,383) are presented as personnel costs.

The following table summarizes information about the RSUs outstanding at July 31, 2025:

	<u>Number of RSUs Outstanding</u>	<u>Fair Value Per Arras Share issuable</u>
Balance, October 31, 2024	1,495,484	\$CDN 0.195
Granted	241,196	0.753

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Settled	1,495,484		0.195
Outstanding at July 31, 2025	241,196	\$CDN	0.753

e) Deferred shares units (“DSUs”)

Under the terms of the Company’s Equity Incentive Plan, non-executive directors may elect to receive all or a portion of their annual compensation in the form of DSUs. The DSUs are issued on a quarterly basis with the number of DSUs issued based on the five-day volume weighted average trading price of the Company’s common shares at the date of grant. DSUs vest immediately.

The following table summarizes the changes in the Company’s DSUs outstanding during the nine months ended July 31, 2025:

	Number of DSUs
Balance, October 31, 2024	-
Issued during the three and six-months ended April 30, 2025	39,498
Outstanding at April 30, 2025	39,498
Issued during the three-months ended July 31, 2025	30,936
Outstanding at July 31, 2025	70,434

The number of DSUs granted by the Company was 70,434 and the weighted average fair value per unit at the date of issue was \$CDN 0.87 for the nine months ended July 31, 2025.

There were 70,434 DSUs outstanding, for which the Company recognized directors’ fees of \$44,263 for the nine months ended July 31, 2025 (year ended October 31, 2024 - \$nil).

f) Shares issuable for Silver Bull Warrants and CDN \$0.40 Warrant

On March 19, 2021, pursuant to an asset purchase agreement with Silver Bull, a majority shareholder at the time and related party, Silver Bull transferred all of its rights, title and interest in and to the Beskauga Option Agreement to the Company, as described in Note 5.

As per the terms of the asset purchase agreement, Silver Bull warrant holders are to receive, upon exercise of any Silver Bull warrant (the “Silver Bull Warrants”), for the original exercise price, one Silver Bull common share and one common share of the Company. The Company will receive \$0.25 of the proceeds from the exercise of each of these Silver Bull Warrants. A total of 1,971,289 Silver Bull Warrants were outstanding at the time of the Distribution which, if all exercised, would require the Company to issue 1,971,289 common shares for proceeds of \$492,822. The Silver Bull Warrants expire on October 27, 2025.

From March 17 to July 4, 2025, Silver Bull Warrants to acquire 245,000 common shares were exercised at an exercise price of \$0.25 per common share (exercise price per Arras share issuable). The Company received gross proceeds of \$61,250.

A continuity of the Company’s shares issuable for Silver Bull Warrants is as follows:

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Warrants	Shares	Weighted Average Exercise Price Per Arras share issuable	Weighted Average Exercise Price Per Silver Bull Share issuable
Balance, October 31, 2024	1,971,289	\$ 0.25	\$ 0.34
Exercised	245,000	0.25	0.24
Outstanding at July 31, 2025	<u>1,726,289</u>	<u>\$ 0.25</u>	<u>\$ 0.24</u>

In connection with the CDN \$0.26 Unit private placement completed on June 6, 2024, the Company issued 10,134,332 CDN \$0.40 Warrants.

From January 20, 2025 to March 14, 2025, warrants to acquire 10,134,332 common shares were exercised at an exercise price of \$CDN 0.40 per common share for aggregate gross proceeds of \$CDN 4,053,733 (\$2,34,418).

As of July 31, 2025, all \$CDN0.40 Warrants have been exercised.

No warrants were issued during the nine months ended July 31, 2025.

No warrants were issued or exercised during the nine months ended July 31, 2024.

13. LOSS PER SHARE

Loss per common share is calculated by dividing net loss for the period by the weighted average number of common shares outstanding for the nine months ended July 31, 2025, of 103,597,891 (2024 – 72,783,448). The effect of any potential exercise of our stock options, RSUs, DSUs, and warrants outstanding during the period has been excluded from the calculation of diluted loss per common share, as it would be anti-dilutive.

14. RELATED PARTY TRANSACTIONS

Included in accounts payable and accrued liabilities at July 31, 2025 is \$103,676 (October 31, 2024 - \$270,919) due to officers and directors of the Company for their compensation and services. The partial balance of due to officers are to be settled in RSUs, and cash within one year and bear no interest. Unpaid amounts due to directors are unsecured and bear no interest.

As at July 31, 2025, due to related party consists of \$20,528 due to Silver Bull for shared employees' salaries and office expenses (October 31, 2024 - \$22,095). The balance of due to related party is interest free and is to be repaid on demand.

During the nine months ended July 31, 2025 and 2024, expenses totalling \$205,484 and \$195,630 were incurred by Silver Bull on the Company's behalf, which was offset by an incurred shared office rent. If specific identification of expenses is not practicable, a proportional cost allocation based on management's estimation is applied.

	July 31, 2025		July 31, 2024	
Personnel	\$	232,217	\$	215,716
Office and administrative		8,215		15,365
Office rent reimbursement		(34,948)		(35,451)
	\$	<u>205,484</u>	\$	<u>195,630</u>

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During the nine months ended July 31, 2025 and 2024, the Company paid or accrued the following amounts to officers, directors or companies controlled by officers and/or directors:

	July 31, 2025		July 31, 2024	
Share-based payment	\$	314,773	\$	14,371
Directors' fees		92,299		94,040
Personnel		513,782		532,338
	\$	920,854	\$	640,749

15. COMMITMENTS AND CONTINGENCIES

Contractual obligated per calendar year requirements as at July 31, 2025 are as follows:

	< 1 year (\$)	1-2 years (\$)	2-3 years (\$)	3-4 years (\$)	Total (\$)
Lease commitments (Note 11)	58,000	-	-	-	58,000
Exploration licenses expenditure commitments	2,134,000	2,275,000	1,740,000	697,000	6,846,000
	2,192,000	2,275,000	1,740,000	697,000	6,904,000

The Company's commitments include contractually obligated payments associated to its office lease (Note 11) and minimum expenditure requirements to maintain its exploration licenses as mandated by the Kazakh government authorities to keep the tenements in good standing.

16. SUPPLEMENTAL CASH FLOW INFORMATION

As at July 31, 2025, cash and cash equivalents consist of guaranteed investment certificates ("GIC") of \$10,168,304 (October 31, 2024 – \$778,929) for the terms between 30 to 272 days and \$2,248,634 in cash (October 31, 2024 - \$948,530) held in bank accounts.

	July 31, 2025		July 31, 2024	
Supplemental information				
Interest paid	\$	-	\$	-
Income taxes paid		-		-
Non-cash financing activity				
Derivative warrants exercise	\$	3,107,561	\$	-
Offering costs included in accounts payable and liabilities		-		36,635

17. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, other receivables excluding GST, accounts payable and accrued liabilities, lease liability, due to related party, other liability and warrant derivative liability. The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

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a) Credit risk

The Company's credit risk on other receivables is negligible.

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents. Management believes that the credit risk concentration with respect to cash and cash equivalents is remote as it maintains accounts with highly rated financial institutions. Cash and cash equivalents are denominated in \$USD, \$CDN and Kazakh Tenge, and include guaranteed investment certificates for terms of less than 100 days acquired from a Canadian financial institution.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating investing and financing activities. As at July 31, 2025, the Company had net working capital of \$12,834,000 (October 31, 2024 – working capital of \$2,027,000, excluding warrant derivative liability) and cash and cash equivalents of \$12,417,000 (October 31, 2024 - \$1,727,000), and is not exposed to significant liquidity risk at this time. Furthermore, as the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through equity offerings.

Accounts payable and accrued liabilities, and due to related party are non-interest-bearing and are normally settled on 30-day terms.

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. The Company is not currently exposed to any significant interest rate risk or other price risk. The Company is exposed to foreign currency risk with respect to cash denominated in Canadian dollars. As at July 31, 2025, a 10% strengthening (weakening) of the Canadian dollar against the United States dollar would have increased (decreased) the Company's comprehensive loss by approximately \$806,000 for the nine months ended July 31, 2025 (October 31, 2024 - \$81,000).

The Company also maintains a minimum cash balance of local currency in a bank account in Kazakhstan. Due to the small balance, the Company assessed Kazakh Tenge foreign currency risk as low.

The Company has not hedged any of its foreign currency risks.

d) Commodity price risk

The ability of the Company to raise funds to explore and develop its exploration and evaluation assets and the future profitability of the Company are directly related to the price of copper and gold. The Company monitors copper and gold prices to determine the appropriate course of action to be taken.

e) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significant of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and cash equivalents, accounts payable and accrued liabilities, due to related party and other liability. The lease liability is classified as Level 3 financial instruments.

The warrant liability derivative is not traded in an active market, and the fair value is determined using valuation techniques. The estimates may be significantly different from those recorded in the consolidated financial statements because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market. All changes in the fair value are recorded in the consolidated statement of operations and comprehensive loss each reporting period. This is considered to be a Level 3 financial instrument.

The carrying values approximate the fair values due to the short-term maturity of these instruments except the lease liability. There were no transfers between fair value levels during the nine months ended July 31, 2025 and 2024.

18. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations and exploration. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company is not subject to any externally imposed capital requirements. The Company did not change its approach to capital management during the nine months ended July 31, 2025.

19. SEGMENTED INFORMATION

Operating segments

The Company operates in a single reportable operating segment - the acquisition, exploration and evaluation of mineral properties, with its head office function in Canada. As at July 31, 2025, the Company's exploration and evaluation assets are currently located in Kazakhstan.

The following table details the allocation of assets included in the accompanying condensed interim consolidated statement of financial position at July 31, 2025:

	<u>Canada</u>	<u>Kazakhstan</u>	<u>Total</u>
Cash and cash equivalents	\$ 11,818,000	\$ 599,000	\$ 12,417,000
Other receivables	85,000	-	85,000
Prepaid expenses	25,000	976,000	1,001,000
Office and equipment	41,000	61,000	102,000
Minerals properties	—	1,416,000	1,416,000
Right-of use assets	47,000	—	47,000
Prepaid expense non-current	37,000	314,000	351,000
	<u>\$ 12,053,000</u>	<u>\$ 3,366,000</u>	<u>\$ 15,419,000</u>

The following table details the allocation of assets included in the accompanying condensed interim consolidated statement of financial position at October 31, 2024:

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(Expressed in United States dollars)

(Unaudited)

	<u>Canada</u>	<u>Kazakhstan</u>	<u>Total</u>
Cash and cash equivalents	\$1,497,000	\$ 231,000	\$ 1,728,000
Other receivables	102,000	—	102,000
Prepaid expenses	33,000	848,000	881,000
Office and equipment	42,000	67,000	109,000
Minerals properties	—	5,035,000	5,035,000
Right-of use assets	107,000	—	107,000
Prepaid expense non-current	33,000	424,000	457,000
	<u>\$1,814,000</u>	<u>\$ 6,605,000</u>	<u>\$ 8,419,000</u>

20. SUBSEQUENT EVENTS

On September 8, 2025, the Company granted options to acquire 300,000 common shares with an exercise price of \$CDN 0.82 per common share. One-third vested immediately, one-third vests one year from grant date and the remaining one-third vests two years from grant date.

From September 9 to September 19, 2025, Silver Bull Warrants to acquire 271,300 common shares were exercised at an exercise price of \$0.25 per common share (exercise price per Arras share issuable). The Company received gross proceeds of \$67,825.