



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2025 AND 2024
(EXPRESSED IN CANADIAN DOLLARS)**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed consolidated interim financial statements of J2 Metals Inc. (the "Company") are the responsibility of management and the Board of Directors.

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 - Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established processes, which are in place to provide it with sufficient knowledge to support management representations that it has exercised reasonable diligence in that (i) the unaudited condensed consolidated interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed consolidated interim financial statements and (ii) the unaudited condensed consolidated interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented by the unaudited condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. The Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed consolidated interim financial statements together with other financial information of the Company for issuance to the shareholders. Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

J2 METALS INC.
Condensed Consolidated Interim Statements of Financial Position (Unaudited)
(Expressed in Canadian Dollars)

As at	December 31, 2025		March 31, 2025	
ASSETS				
<i>Current</i>				
Cash	\$	436,378	\$	925,927
Prepaid expenses		4,190		-
Marketable securities (Note 4)		80,000		12,800
<i>Total current assets</i>		520,568		938,727
Exploration and evaluation assets (Note 5)		3,452,800		3,117,452
Deposit (Note 5)		24,900		24,900
Total assets	\$	3,998,268	\$	4,081,079
LIABILITIES				
Accounts payable and accrued liabilities (Note 6)	\$	4,648	\$	193,000
Deferred flow-through share premium (Note 8)		-		49,400
<i>Total current liabilities</i>		4,648		242,400
Deferred income tax liability		69,169		163,400
Total liabilities	\$	73,817	\$	405,800
SHAREHOLDERS' EQUITY				
Share capital (Note 7)	\$	4,814,241	\$	4,734,241
Share subscription received (Note 7)		400,000		-
Reserves		341,029		271,726
Deficit		(1,630,819)		(1,330,688)
Total shareholders' equity		3,924,451		3,675,279
Total liabilities and shareholders' equity	\$	3,998,268	\$	4,081,079

Nature of operations and going concern (Note 1)

Qualifying transaction (Note 3)

Approved on behalf of the Board:

"Tom Lamb"
Director

"Chris Beltgens"
Director

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

J2 METALS INC.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Unaudited)
(Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Expenses				
Interest and bank charges	\$ -	\$ 117	\$ 45	\$ 147
Consulting fees (Note 6)	60,114	-	161,214	5,030
Filing fees	27,947	-	39,957	11,485
Legal and professional fees	60,584	27,298	110,882	68,091
Office expenses	12,873	273	18,641	985
Share-based compensation	8,535	-	69,303	-
Total expenses	(170,053)	(27,688)	(400,042)	(85,738)
Other items				
Unrealized gain (loss) on marketable securities (Note 4)	16,000	4,800	67,200	(4,800)
Premium on flow-through shares (Note 8)	14,115	-	49,400	6,052
Impairment of exploration and evaluation assets (Note 5)	-	-	(110,920)	-
	30,115	4,800	5,680	1,252
Loss before income taxes	(139,938)	(22,888)	(394,362)	(84,486)
Deferred income tax recovery	35,945	-	94,231	-
Net loss and comprehensive loss for the period	(103,993)	(22,888)	(300,131)	(84,486)
Net loss per share - basic/diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic/diluted	21,982,348	5,583,236	21,509,355	7,889,402

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

J2 METALS INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Unaudited)
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share Subscriptions Received	Reserves	Deficit	Total
Balance, March 31, 2024	4,984,348	\$ 3,160,122	\$ -	\$ 259,729	\$ (615,288)	\$ 2,804,563
Private placement - non-flow-through shares	2,480,000	248,000	-	-	-	248,000
Private placement - flow-through shares	2,470,000	296,400	-	-	-	296,400
Flow-through premium	-	(49,400)	-	-	-	(49,400)
Private placement issuance costs	-	(19,284)	-	-	-	(19,284)
Issuance of finders' warrants	-	(9,629)	-	9,629	-	-
Net loss for the period	-	-	-	-	(84,486)	(84,486)
Balance, December 31, 2024	9,934,348	\$ 3,626,209	\$ -	\$ 269,358	\$ (699,773)	\$ 3,195,794
Balance, March 31, 2025	21,182,348	\$ 4,734,241	\$ -	\$ 271,726	\$ (1,330,688)	\$ 3,675,279
Share-based compensation (Note 7)	-	-	-	69,303	-	69,303
Private placement - non-flow-through shares (Note 7)	800,000	80,000	-	-	-	80,000
Share subscriptions received (Note 7)	-	-	400,000	-	-	400,000
Net loss for the period	-	-	-	-	(300,131)	(300,131)
Balance, December 31, 2025	21,982,348	\$ 4,814,241	\$ 400,000	\$ 341,029	\$ (1,630,819)	\$ 3,924,451

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

J2 METALS INC.
Condensed Consolidated Interim Statements of Cash Flows (Unaudited)
(Expressed in Canadian Dollars)

Nine months ended	December 31, 2025	December 31, 2024
Operating activities		
Net loss for the period	\$ (300,131)	\$ (84,486)
<i>Items not involving cash:</i>		
Unrealized (gain)/loss on marketable securities	(67,200)	4,800
Share-based compensation	69,303	-
Premium on flow-through shares	(49,400)	(6,052)
Impairment of exploration and evaluation assets	110,920	-
Deferred income tax recovery	(94,231)	-
<i>Changes in non-cash working capital items:</i>		
Prepaid expenses	(4,190)	-
Accounts payable and accrued liabilities	(188,352)	(51,137)
Net cash used in operating activities	(523,281)	(136,875)
Investing activities		
Exploration and evaluation costs	(446,268)	(149,275)
Net cash used in investing activities	(446,268)	(149,275)
Financing activities		
Share subscriptions received	400,000	-
Proceeds from private placements	80,000	525,116
Net cash provided by financing activities	480,000	525,116
Net change in cash	(489,549)	238,966
Cash, beginning of period	925,927	130,479
Cash, end of period	\$ 436,378	\$ 369,446

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

1. Nature of operations and going concern

J2 Metals Inc. (formerly Cranstown Capital Corp.) (the “Company” or “Cranstown”) was incorporated under the *Business Corporations Act* (British Columbia) on February 2, 2021 and was a Capital Pool Company under the policies of the TSX Venture Exchange (the “Exchange”). The Company’s registered office is at 1710-1050 West Pender Street, Vancouver, British Columbia, V6E 3S7.

Private company J2 Metals Inc. (“Old J2”) was incorporated on April 19, 2020 for the primary purpose of engaging in mineral exploration. On March 18, 2025, the Company acquired all of the issued and outstanding common shares of Old J2 in exchange for the issuance of an aggregate of 9,934,348 Cranstown common shares. The transaction constituted the Company’s qualifying transaction (“QT”) as such term is defined in Policy 2.4 (Capital Pool Companies) of the TSX Venture Exchange.

Pursuant to the QT, Old J2 was amalgamated with 1517805 B.C. Ltd. to form 1531924 B.C. Ltd. (“1531924”). As a result, 1531924 became a wholly-owned legal subsidiary of the Company. The Company also subsequently changed its name from Cranstown Capital Corp. to J2 Metals Inc., and trading in the Company’s common shares commenced on the TSX Venture Exchange the week of March 24, 2025 under the symbol JTWO. For accounting purposes, the transaction constitutes a reverse takeover (see Note 3).

On October 24, 2025, the Company entered into an arrangement agreement to complete a plan of arrangement (“Arrangement Agreement”) under the Business Corporations Act (British Columbia) with its wholly-owned subsidiary, Twenty Mile Metals Inc. (formerly, 1558117 B.C. Ltd.) (“Spinco”), whereby the Company’s Twenty Mile Property will be spun out to Spinco in accordance with the Arrangement Agreement, and Spinco will apply to be listed on a public exchange in Canada. Under the terms of the Arrangement Agreement, the Company’s shareholders will be issued 5,000,000 shares of Spinco with respect to the common shares of the Company owned on the share distribution record date on a pro-rata basis, which will be determined by the Company’s Board of Directors and announced by a news release in advance. On December 3, 2025, the Company’s shareholders approved the plan of arrangement with Twenty Mile Metals Inc. On December 10, 2025, the Supreme Court of British Columbia approved the proposed plan of arrangement. The completion of the plan of arrangement is still subject to the satisfaction of various conditions including, but not limited to: (i) the acceptance of the Plan of Arrangement by the TSX-V, (ii) the conditional approval for the listing of the Spinco Shares on the TSX-V; and (iii) the completion by Spinco of a private placement raising aggregate proceeds of at least \$500,000.

Going Concern

These condensed consolidated interim financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. These condensed consolidated interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The Company has no source of operating revenue, has incurred net losses since inception and as at December 31, 2025 had a deficit of \$1,630,819. Its continued existence will be dependent on the receipt of financing on terms which are acceptable to the Company. The Company has not generated any revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future.

The Company’s continuation as a going concern depends on its ability to successfully raise capital. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company; therefore giving rise to a material uncertainty which may cast significant doubt as to whether the Company’s cash resources and working capital will be sufficient to enable the Company to continue as a going concern for the 12-month period after the date of these consolidated financial statements.

J2 METALS INC.
Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
Nine Months Ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

Consequently, management is pursuing various financing alternatives to fund operations and advance its business plan. To facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Company may determine to reduce the level of activity and expenditures to preserve working capital and alleviate any going concern risk.

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

2. Basis of presentation

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2025.

These condensed consolidated interim financial statements have been prepared on a historical cost basis. In addition, these condensed consolidated interim financial statements are using the accrual basis of accounting, except for cash flow information. In addition, these condensed interim consolidated financial statements have been prepared in accordance with the same accounting policies and methods of application as the most recent audited consolidated financial statements for the year ended March 31, 2025, except that they do not include all the disclosures required for the annual audited consolidated financial statements.

In the preparation of these condensed consolidated interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates.

These condensed consolidated interim financial statements were approved by the Board of Directors on February 24, 2026.

Basis of Consolidation

These consolidated financial statements include the accounts of the parent company, J2 Metals Inc., and its subsidiaries listed below:

	Jurisdiction	Equity Interest	
		December 31, 2025	March 31, 2025
1531924 B.C. Ltd.	British Columbia, Canada	100%	100%
1223615 B.C. Ltd.	British Columbia, Canada	100%	100%
Northway Napoleon Corporation	Alaska, USA	100%	100%
1558115 B.C. LTD.	British Columbia, Canada	100%	N/A
Twenty Mile Metals Inc.	British Columbia, Canada	100%	N/A
1558121 B.C. LTD.	British Columbia, Canada	100%	N/A

J2 METALS INC.
Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
Nine Months Ended December 31, 2025 and 2024
(Expressed in Canadian Dollars)

The accounts of the Company's subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities. All intercompany balances and transactions have been eliminated.

3. Qualifying transaction

For accounting purposes, the QT was treated as a reverse takeover, as Old J2's shareholders obtained control of the consolidated entity. The transaction did not meet the definition of a business combination under IFRS 3 and was accounted for as a capital transaction in accordance with IFRS 2, Share-based Payments. As a result, Old J2 was identified as the accounting parent (legal subsidiary), and Cranstown as the accounting subsidiary (legal parent). The QT closed on March 18, 2025, resulting in the issuance of 9,934,348 common shares.

Since Cranstown did not meet the definition of a business under IFRS 3 due to its lack of significant operating activities, the QT was treated as an acquisition of Cranstown's net assets by Old J2 in exchange for shares. The excess of the fair value of consideration over the net assets acquired was expensed as a listing expense.

Immediately prior to the closing of the transaction, Cranstown had 8,404,000 common shares issued and outstanding. Thus, effectively, Old J2 was deemed to have issued 8,404,000 common shares to acquire Cranstown, at a fair value of \$0.10 per share.

The purchase price and allocation of assets and liabilities are presented as follows:

Purchase Price

Fair value of CRAN shares	\$	840,400
Total purchase price	\$	840,400

Net Assets Acquired

Cash	\$	341,586
Accounts payable		(3,809)
Net identifiable assets	\$	337,777

Listing expense	\$	502,623
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4. Marketable securities

Marketable securities consist of equity securities of an entity or entities over which the Company does not have control or significant influence. Pursuant to the Company optioning the Miniac Property to Stearman Resources Inc. ("Stearman"), the Company received 200,000 Stearman common shares on January 25, 2024 and a further 120,000 Stearman common shares on February 2, 2025.

The continuity of the carrying value of these securities is as follows:

Fair value, March 31, 2024	\$	20,800
Unrealized loss on marketable securities		(8,000)
Fair value, March 31, 2025	\$	12,800
Unrealized gain on marketable securities		67,200
Fair value, December 31, 2025	\$	80,000

5. Exploration and evaluation assets

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to its properties is in good standing.

Miniac

On August 4, 2020, the Company entered into an agreement to acquire the Miniac Property in Quebec from Kenorland Minerals Inc. In consideration for the acquisition, and in combination with the Napoleon acquisition, the Company granted Kenorland common shares equal to 15% of the outstanding share capital of the Company following an initial capital raise of a minimum of \$1,000,000 along with a 2% Net Smelter Royalty ("NSR") should the project enter commercial production. The Company also committed to spending a minimum of \$1,000,000 on the Miniac property within 12 months from the date of purchase. On August 21, 2021, the Company issued to Kenorland 202,687 common shares valued at \$405,374 as consideration for the acquisition of the Miniac Property. On March 11, 2022, as subsequently amended on January 23, 2024, the Company entered into an option agreement with Stearman, whereby Stearman would acquire an interest of 75% in the Miniac property upon certain milestones being met, including expenditures of \$970,000 over five years. Stearman and J2 agreed to mutually terminate the option agreement on August 6, 2025 and the property is now 100% owned by J2.

Napoleon

On February 3, 2021, the Company entered into a purchase and sale agreement with Kenorland Minerals Inc. for the acquisition of 1223615 B.C. Ltd., the holding company for Northway Napoleon Corporation which is an Alaskan-incorporated company which holds 108 claims in the Forty Mile Mining District of Alaska. In consideration for the acquisition of 1223615 B.C. Ltd., and in combination for the Miniac acquisition, the Company agreed to issue to Kenorland such shares which would result in Kenorland owning 15% of the outstanding share capital following an initial capital raise of at least \$1,000,000. On August 21, 2021, the Company issued to Kenorland 202,687 common shares valued at \$405,374 as consideration for the acquisition of the Napoleon Property.

Twenty Mile

The Twenty Mile Property is located in north central British Columbia, 122 km north-northwest of Fort St. James, and 224 km northwest of Prince George. The Twenty Mile Property consists of 8 mineral claims separated into nine discontinuous claim blocks, known as Twenty Mile (TM), Burn, and Imperial, and covers a total area of 9,367 hectares. The claims at Twenty Mile were obtained through online staking by the company as well as several cash transactions for 100% interest of strategic claims of interest. The Company holds a 100% interest in all claims on the TM, Burn and Imperial claims and the properties are free of any NSRs or underlying agreements.

In May and September 2025, portions of the TM and Burn Claim blocks were intentionally let to lapse and the decision was made to drop 9,234 Ha of mineral claims. During the nine months ended December 31, 2025, the Company recorded an impairment loss of \$110,920 related to the lapsed claims.

During the year ended March 31, 2024, the Company posted a \$24,900 reclamation deposit concerning the Twenty Mile Property with the British Columbia Ministry of Energy, Mines and Low Carbon Innovation.

The continuity of the carrying value of these assets is as follows:

J2 METALS INC.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

Nine Months Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

Nine months ended December 31, 2025	Miniac	Napoleon	Twenty Mile	Total
Acquisition				
Balance, beginning of period	\$ 405,374	\$ 478,654	\$ 51,631	\$ 935,659
Additions	-	-	-	-
Balance, end of period	405,374	478,654	51,631	935,659
Exploration				
Balance, beginning of period	1,010,245	909,589	309,259	2,229,093
Additions	28,811	94,698	323,759	447,268
Impairment	-	-	(110,920)	(110,920)
Balance, end of period	1,039,056	1,004,287	522,098	2,565,441
Recoveries				
Balance, beginning of period	(47,300)	-	-	(47,300)
Additions	(1,000)	-	-	(1,000)
Balance, end of period	(48,300)	-	-	(48,300)
Balance, December 31, 2025	\$ 1,396,130	\$ 1,482,941	\$ 573,729	\$ 3,452,800
Year ended March 31, 2025	Miniac	Napoleon	Twenty Mile	Total
Acquisition				
Balance, beginning of year	\$ 405,374	\$ 478,654	\$ 51,631	\$ 935,659
Additions	-	-	-	-
Balance, end of year	405,374	478,654	51,631	935,659
Exploration				
Balance, beginning of year	1,003,907	848,604	209,847	2,062,358
Additions	6,338	60,985	99,412	166,735
Balance, end of year	1,010,245	909,589	309,259	2,229,093
Recoveries				
Balance, beginning of year	(47,300)	-	-	(47,300)
Additions	-	-	-	-
Balance, end of year	(47,300)	-	-	(47,300)
Balance, March 31, 2025	\$ 1,368,319	\$ 1,388,243	\$ 360,890	\$ 3,117,452

6. Related party transactions

Remuneration of key management personnel of the Company was as follows:

	Three Months Ended		Nine Months Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
CEO	\$ 15,750	\$ -	\$ 47,250	\$ -
CFO	\$ 16,950	\$ -	\$ 50,850	\$ -
Corporate Secretary	\$ 3,150	\$ -	\$ 7,350	\$ -
VP Exploration	\$ 15,750	\$ -	\$ 47,250	\$ -
VP Exploration - fieldwork	\$ -	\$ -	\$ 29,457	\$ 37,499

The Company defines key management as the Company's directors and officers of the Company. As at December 31, 2025, amounts due to key management for remuneration totaled \$nil (March 31, 2025 - \$76,300).

On April 15, 2025, the Company granted 1,150,000 stock options exercisable at \$0.10 per share for a period of five years, vesting over 12 months, to officers and directors pursuant to the Company's stock option plan. The options were valued at \$76,653 using the Black-Scholes valuation model with the following

J2 METALS INC.
Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
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(Expressed in Canadian Dollars)

assumptions: dividend yield of 0%, expected volatility of 100%, current stock price of \$0.09, exercise price of \$0.10, risk-free rate of return of 2.72% and expected life of 5 years. During the nine months ended December 31, 2025, the Company recognized \$69,303 as a share-based compensation related to the vested portion of the options.

In September 2025, the Company completed a private placement, issuing 800,000 non-flow-through common shares for gross proceeds of \$80,000. The shares were issued to the insiders of the Company – Thomas Lamb (CEO, Director), Toby Pierce (Director), Ivan Riabov (CFO), Graham Giles (VP Exploration) and a spouse of Pino Perone (Corporate Secretary).

In December 2025, the Company completed a private placement, issuing 278,667 subscription receipts at price of \$0.12 for total proceeds of \$33,440. The subscription receipts were issued to the insiders of the Company – Simon Clarke (Director), Toby Pierce (Director) and a spouse of Pino Perone (Corporate Secretary).

In September 2024, the Company completed a private placement, issuing 550,000 non-flow-through common shares for gross proceeds of \$55,000. The shares were issued to the insiders of the Company – Thomas Lamb (CEO, Director) and Toby Pierce (Director).

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. Share capital

a) Authorized share capital

The Company's articles authorize an unlimited number of common shares without par value.

b) Issued and outstanding – Common Shares

	Common Shares	Amount
Balance, March 31, 2024	4,984,348	\$ 3,160,122
Private placement - non-flow-through shares	2,480,000	248,000
Private placement - flow-through shares	2,470,000	296,400
Flow-through premium	-	(49,400)
Private placement share issuance costs - cash	-	(19,284)
Private placement share issuance costs - finder's warrants	-	(9,629)
Balance, December 31, 2024	9,934,348	\$ 3,626,209

	Common Shares	Amount
Balance, March 31, 2025	21,182,348	\$ 4,734,241
Private placement - non-flow-through shares	800,000	80,000
Balance, December 31, 2025	21,982,348	\$ 4,814,241

On September 10, 2025, the Company completed a private placement, issuing 800,000 non-flow-through common shares for gross proceeds of \$80,000. The shares were issued to the insiders of the Company – Thomas Lamb (CEO, Director), Toby Pierce (Director), Ivan Riabov (CFO), Graham Giles (VP Exploration) and a spouse of Pino Perone (Corporate Secretary).

c) Stock options

The following table reflects the continuity of stock options for the nine months ended December 31, 2025 and 2024:

J2 METALS INC.

Notes to Condensed Consolidated Interim Financial Statements (Unaudited)

Nine Months Ended December 31, 2025 and 2024

(Expressed in Canadian Dollars)

	Number of Options	Weighted-Average Exercise Price (\$)
Balance, March 31, 2024	202,500	\$ 2.00
Cancelled	(202,500)	2.00
Balance, December 31, 2024	-	-

	Number of Options	Weighted-Average Exercise Price (\$)
Balance, March 31, 2025	840,400	\$ 0.10
Issued	1,150,000	0.10
Balance, December 31, 2025	1,990,400	\$ 0.10

On April 15, 2025, the Company granted 1,150,000 stock options exercisable at \$0.10 per share for a period of five years, vesting over 12 months, to officers and directors pursuant to the Company's stock option plan. The options were valued at \$76,653 using the Black-Scholes valuation model with the following assumptions: dividend yield of 0%, expected volatility of 100%, current stock price of \$0.09, exercise price of \$0.10, risk-free rate of return of 2.72% and expected life of 5 years. During the nine months ended December 31, 2025, the Company recognized \$69,303 as a share-based compensation related to the vested portion of the options.

The following table reflects stock options outstanding as at December 31, 2025:

Expiry Date	Exercise Price	Life Remaining	Options
July 8, 2031	\$ 0.10	5.52	840,400
April 15, 2030	\$ 0.10	4.29	1,150,000
	\$ 0.10	4.74	1,990,400

d) Warrants

As part of December 2024 financing, an aggregate of 180,000 finder's warrants, with each warrant being exercisable to acquire one common share at a price of \$0.10 per share until December 31, 2026. The fair value of these finder's warrants was estimated to be \$9,629 using the Black-Scholes valuation model with the following assumptions: dividend yield of 0%, expected volatility of 100%, current stock price of \$0.10, exercise price of \$0.10, risk-free rate of return of 2.96% and expected life of 2 years.

Concurrent with the QT, the Company issued 144,000 finder's warrants, with each warrant being exercisable to acquire one common share of the Company at a price of \$0.10 per share until February 27, 2027. The fair value of these finder's warrants was estimated to be \$2,368 using the Black-Scholes valuation model with the following assumptions: dividend yield of 0%, expected volatility of 75.17%, current stock price of \$0.06, exercise price of \$0.10, risk-free rate of return of 2.54% and expected life of 2 years.

The following table reflects the continuity of warrants for the nine months ended December 31, 2025:

	Number of Warrants	Weighted-Average Exercise Price (\$)
Balance, March 31, 2025	324,000	\$ 0.10
No activity	-	-
Balance, December 31, 2025	324,000	\$ 0.10

The following table reflects warrants outstanding as at December 31, 2025:

Expiry Date	Exercise Price	Life Remaining	Warrants
December 31, 2026	\$ 0.10	1.00	180,000
February 27, 2027	\$ 0.10	1.16	144,000
	\$ 0.10	1.07	324,000

e) Subscription Receipts

On December 15, 2025, the Company closed a private placement issuing 3,333,333 subscription receipts at a price of \$0.12 per subscription receipt for aggregate gross proceeds of \$400,000. Each subscription receipt entitles the holder, upon satisfaction of escrow release conditions, to one common share and one common share purchase warrant exercisable into one common share at \$0.25 for 24 months. The gross proceeds were deposited into escrow pending satisfaction of escrow conditions, failing which funds will be returned to subscribers. The Company may pay finders' fees in connection with the offering and intends to use the net proceeds for general corporate purposes. The offering remains subject to final acceptance of the TSX Venture Exchange.

8. Liability and income tax effect on flow-through shares

Funds raised through the issuance of flow-through shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

Pursuant to a private placement financing that closed on February 2024, J2 issued 150,000 flow-through common shares for gross proceeds of \$21,000 and recognized a flow-through liability of \$6,000. These funds were expended on flow-through expenditures during the nine months ended December 31, 2024 and recognized as income accordingly.

Pursuant to a private placement that closed on December 30, 2024, the Company issued 2,470,000 flow-through common shares for gross proceeds of \$296,400 and recognized a flow-through liability of \$49,400, none of which was recognized as income during the year ended March 31, 2025. During the nine months ended December 31, 2025, the Company spent \$296,400 of the proceeds and therefore recognized a premium on flow-through shares of \$49,400. The Company has therefore met the requirement to incur the amount of \$296,400 on qualified Canadian mineral exploration expenditures by December 31, 2025.

9. Financial instruments and risk management

The Company is exposed to the following financial risks:

- i) Market risk
- ii) Credit risk
- iii) Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's finance function.

The overall objective of the Board's finance function is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility and to ensure that risks are

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properly identified and that the capital base is adequate in relation to those risks. Further details regarding these policies are set out below.

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 prices are comprised of the following types of risk: currency risk, interest rate risk, other price risk.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's share capital as well as the Company's reporting currency is denominated in Canadian Dollars. The Company considers this risk to be minimal.

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company holds no interest-bearing financial liabilities and therefore interest rate risk is limited to potential decreases on the interest rate offered on cash held with its financial institution. The Company considers this risk to be minimal.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held with reputable institutions in Canada. The Company is not exposed to any material credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company monitors its risk by monitoring the maturity dates of its existing debt and other payables. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

To achieve this objective, the Company regularly monitors working capital positions and updates spending plans as considered necessary. Monthly working capital and expenditure reports are prepared by the Company's finance function and presented to management for review and communication to the Board. As at December 31, 2025, all of the Company's financial liabilities are due within one year.

As at December 31, 2025, the Company's working capital was \$515,920 and it does not have any monetary long-term liabilities. The continuing operations of the Company are dependent upon its ability to obtain adequate financing and to commence profitable operations in the future.

Capital management

The Company monitors its equity as capital. The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve inventor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

10. Subsequent events

On December 19, 2025, the Company entered into a binding letter of intent (the "LOI") with Impact Silver Corp. granting the Company the exclusive right to acquire a 100% interest in the Sierra Plata silver-antimony project located in the Zacualpan District, Mexico (the "Property"). Under the terms of the LOI, the Company may earn a 100% interest in the Property by: (i) issuing subscription receipts having an aggregate deemed value of \$250,000; (ii) issuing additional common shares or making cash payments over a three-year period; and (iii) incurring minimum exploration expenditures totaling approximately \$1,050,000 over three years. The vendor will retain a 1.5% net smelter return royalty, of which 50% may be repurchased by the Company for \$1,500,000. On January 15, 2026, the Company issued subscription receipts with an aggregate deemed value of \$250,000 pursuant to the LOI. As at December 31, 2025, the Company had not acquired a legal interest in the Property and no amounts have been recognized in these interim financial statements in respect of the transaction.

On January 6, 2026, the Company granted an aggregate of 195,000 stock options to certain directors and consultants of the Company pursuant to its stock option plan. Each option is exercisable to acquire one common share of the Company at an exercise price of \$0.25 per share for a period of five (5) years from the date of grant. The Options will vest over a period of twelve (12) months.

On February 5, 2026, the Company completed the private placement through the issuance of 8,622,200 subscription receipts at a price \$0.25 per subscription receipt for aggregate gross proceeds of \$2,155,550 ("first tranche"). On February 6, 2026, the Company completed the private placement through the issuance of 6,577,800 subscription receipts at a price \$0.25 per subscription receipt for aggregate gross proceeds of \$1,644,450 ("second tranche"). On February 23, 2026, the Company completed the private placement through the issuance of 1,365,714 flow-through subscription receipts at a price \$0.35 per subscription receipt for aggregate gross proceeds of \$478,000 ("third tranche").

Each subscription receipt issued under the first and second tranches entitles the holder thereof to receive, upon satisfaction of the escrow release conditions that include completion of the Company's previously announced plan of arrangement between the Company and Twenty Mile Metals Inc., and without payment of any additional consideration or further action on the part of the holder, one common share in the capital of the Company and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of \$0.40 per share at any time for a period of 24 months following the date of conversion of the subscription receipts.

Each flow-through subscription receipt entitles the holder thereof to receive, upon satisfaction of the same escrow release conditions, and without payment of any additional consideration or further action on the part of the holder, one common share in the capital of the Company. No warrants were issued in connection with the flow-through offering. The common shares underlying the flow-through subscription receipts were issued on a flow-through basis pursuant to the Income Tax Act (Canada).

The gross proceeds from the sale of the subscription receipts are held in escrow pending satisfaction of the escrow release conditions. If the escrow release conditions are not satisfied, the escrowed funds will be returned to the holders of the subscription receipts, together with any accrued interest thereon, and such securities shall be cancelled without any further action by the holders thereof.

In connection with the first tranche of the offering, the Company will pay finder's fees, pending satisfaction of the escrow release conditions, of \$71,330 in cash and 285,320 warrants at a price of \$0.40 per share exercisable for a period of 24 months following the date of conversion of the subscription receipts.

In connection with the second tranche of the offering, the Company will pay a finder's fees, pending satisfaction of the escrow release conditions, of \$75,985 in cash and 303,940 warrants at a price of \$0.40 per share exercisable for a period of 24 months following the date of conversion of the subscription receipts.

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In connection with the flow-through subscription receipt offering, the Company will pay finder's fees, pending satisfaction of the escrow release conditions, of \$13,475 in cash following the date of conversion of the flow-through subscription receipts.

The subscription receipt offering is subject to the receipt of all necessary regulatory and other approvals, including, but not limited to, acceptance of the TSX Venture Exchange. All securities issued pursuant to the subscription receipt offering, including common shares issuable upon the exercise of warrants or finder warrants, are and will be subject to a hold period of four months and one day after the date of closing of the subscription receipt offering.