

ARBOR METALS CORP.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JULY 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars)

Notice of No Auditor Review of Interim Financial Statement

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Board of Directors of the Company.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim statements by an entity's auditors.

ARBOR METALS CORP.

Consolidated Interim Statements of Financial Position

As at July 31, 2025 and October 31, 2024

(Unaudited - Expressed in Canadian Dollars)

		July 31, 2025	October 31, 2024
	Notes	(Unaudited)	(Audited)
ASSETS			
Current			
Cash		1,303,609	2,358,253
Short-term investments	3	500,000	5,380,301
GST receivable		113,472	61,108
Other receivables		13,071	165,712
Prepaid expenses		4,458	-
		<u>1,934,610</u>	<u>7,965,374</u>
Non-current			
Exploration and evaluation properties	4	13,324,890	3,636,210
TOTAL ASSETS		<u>\$ 15,259,500</u>	<u>\$ 11,601,584</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities		1,077,867	114,813
		<u>1,077,867</u>	<u>114,813</u>
Non-current			
Flow-through premium liability	5	58,859	502,466
TOTAL LIABILITIES		<u>1,136,726</u>	<u>617,279</u>
Shareholders' equity			
Share capital	6	16,359,233	14,177,611
Reserves	6	2,594,749	2,428,641
Deficit		(4,831,208)	(5,621,947)
Total shareholders' equity		<u>14,122,774</u>	<u>10,984,305</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>\$ 15,259,500</u>	<u>\$ 11,601,584</u>

Nature and continuance of operations (Note 1)

Approved on behalf of the Board

Director

"Alex Klenman"

Alex Klenman

Director

"Mark Ferguson"

Mark Ferguson

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

ARBOR METALS CORP.

Consolidated Interim Statements of Comprehensive Loss
For the three and nine months ended July 31, 2025 and 2024
(Unaudited - Expressed in Canadian Dollars)

	Notes	Three months ended July 31, 2025	Three months ended July 31, 2024	Nine months ended July 31, 2025	Nine months ended July 31, 2024
		\$	\$	\$	\$
Expenses					
Advisory fees		30,000	30,000	90,000	90,000
Corporate communications		151	161,000	950	167,570
Interest		-	-	-	31
Management fees	7	8,750	8,250	32,250	114,125
Office and administration		14,597	4,966	25,508	10,278
Professional fees		45,323	18,846	130,537	86,053
Share-based compensation	6,7	163,885	147,382	163,885	1,347,094
Transfer agent and filing fees		17,224	4,274	61,754	55,352
		<u>(279,930)</u>	<u>(374,718)</u>	<u>(504,884)</u>	<u>(1,870,503)</u>
Other items					
Interest income		11,365	82,949	165,436	229,956
Other income	5	510,697	32,669	1,130,187	275,669
		<u>522,062</u>	<u>115,618</u>	<u>1,295,623</u>	<u>505,625</u>
NET INCOME (LOSS) FOR THE PERIOD					
		<u>242,132</u>	<u>(259,100)</u>	<u>790,739</u>	<u>(1,364,878)</u>
Basic earnings (loss) per share					
		0.00	(0.00)	0.01	(0.02)
Diluted earnings (loss) per share					
		<u>0.00</u>	<u>(0.00)</u>	<u>0.01</u>	<u>(0.02)</u>
Weighted average number of common shares outstanding					
		<u>82,548,236</u>	<u>68,074,427</u>	<u>81,555,355</u>	<u>67,298,932</u>
Weighted average number of diluted shares outstanding					
		<u>90,299,730</u>	<u>68,074,427</u>	<u>89,306,849</u>	<u>67,298,932</u>

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

ARBOR METALS CORP.

Consolidated Interim Statements of Cash Flow

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

(Unaudited - Expressed in Canadian Dollars)

	Notes	2025	2024
		\$	\$
OPERATING ACTIVITIES			
Net income (loss) for the period		790,739	(1,364,878)
Items not involving cash:			
Interest expense		-	31
Share-based compensation	6,7	163,885	1,347,094
Other income	5	(1,130,187)	(275,669)
Changes in non-cash working capital:			
GST receivable		(52,364)	(24,164)
Other receivables		(142,004)	(93,381)
Prepaid expenses		(4,458)	5,760
Accounts payable and accrued liabilities		(37,684)	(44,519)
Net cash used in operating activities		(412,073)	(449,726)
INVESTING ACTIVITIES			
Purchase of short-term investments		(4,800,000)	(6,680,301)
Redemption of short-term investments		9,974,946	-
Mineral property acquisition and exploration costs		(8,687,942)	(1,336,039)
Net cash flow provided by (used in) investing activities		(3,512,996)	(8,016,340)
FINANCING ACTIVITIES			
Proceeds from private placements		3,023,880	4,007,500
Share issue costs		(153,455)	(263,846)
Net cash flow used in financing activities		2,870,425	3,743,654
NET CHANGE IN CASH		(1,054,644)	(4,722,412)
CASH, BEGINNING OF THE PERIOD		2,358,253	4,761,035
CASH, END OF THE PERIOD		1,303,609	38,623
Supplemental disclosures with respect to cash flow:			
Shares issued for mineral property acquisition		\$ -	\$ 885,000
Exploration and evaluation properties included in accounts payable and accrued liabilities		\$ 1,000,738	\$ -
Taxes paid		\$ -	\$ -
Interest paid		\$ -	\$ -

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ARBOR METALS CORP.

Consolidated Interim Statements of Changes in Equity
For the three and nine months ended July 31, 2025 and 2024
(Unaudited - Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital	Reserves	Deficit	Total
		\$	\$	\$	\$
Balances, November 1, 2023	63,579,549	7,505,305	350,984	(4,074,385)	3,781,904
Shares issued to acquire mineral property	1,500,000	885,000	-	-	885,000
Share-based compensation	-	-	1,347,094	-	1,347,094
Shares issued in debt settlement	512,677	692,145	-	-	692,145
Shares issued in private placements	3,069,158	3,820,447	16,000	-	3,836,447
Share issue costs	-	(308,394)	44,548	-	(263,846)
Net income (loss) for the period	-	-	-	(1,364,878)	(1,364,878)
Balance at July 31, 2024	68,661,384	12,594,503	1,758,626	(5,439,263)	8,913,866
Balances, November 1, 2024	74,705,636	14,177,611	2,428,641	(5,621,947)	10,984,305
RSU Grant (Note 6)	-	-	163,885	-	163,885
Shares issued in private placements (Note 6)	7,842,600	2,419,748	3,400	-	2,423,148
Share issue costs (Note 6)	-	(261,326)	22,023	-	(239,303)
Warrants expired (Note 6)	-	23,200	(23,200)	-	-
Net income (loss) for the period	-	-	-	790,739	790,739
Balance at July 31, 2025	82,548,236	16,359,233	2,594,749	(4,831,208)	14,122,774

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

ARBOR METALS CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Arbor Metals Corp. (the "Company") was incorporated in the Province of British Columbia on May 19, 2011 and is in the business of identifying, acquiring and exploring mineral properties. The Company is currently in the exploration stage of developing its exploration and evaluation properties and has not yet determined whether they contain mineral reserves that are economically recoverable. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "ABR".

The address of the Company's registered office is 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

These consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations.

The Company does not generate sufficient cash flow from operations to adequately fund its activities and has therefore relied upon external financing for its operational expenses. As at July 31, 2025, the Company had an accumulated deficit of \$4,831,208 (October 31, 2024 - \$5,621,947), which has been funded by the issuance of equity and debt. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These factors indicate the existence of a material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern. The Company intends to continue relying upon external financing to finance its future activities but there can be no assurance that such financing will be available on a timely basis and/or on terms acceptable to the Company. Although these financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's recoverability of assets, classification of assets and liabilities, and results of operations and the Company's ability to continue as a going concern.

The business of mining and exploration for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company has no source of operating revenue and has significant cash requirements to finance its administrative overhead expenses and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets do not reflect current or future values.

ARBOR METALS CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS, continued

The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

These consolidated interim financial statements were authorized for issue on September 22, 2025 by the Directors of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

Statement of compliance

These consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended October 31, 2024, which have been prepared in accordance with IFRS.

Measurement basis

These consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. All amounts are expressed in Canadian dollars unless otherwise stated.

Basis of consolidation

These consolidated interim financial statements include the accounts of the Company and its subsidiaries. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated interim financial statements.

Name of Subsidiary	Place of Incorporation	Proportion of Ownership Interest	Principal Activity
Arbor Metals USA Corp. ("Arbor USA")	U.S.A.	100%	Dormant
Corvette Lake Lithium Corp. ("CLL")	Canada	100%	Holding company
Kemlee Lake Lithium Corp. ("KLL")	Canada	100%	Holding company

ARBOR METALS CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION, continued

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company balances and transactions have been eliminated in preparing the consolidated interim financial statements.

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities at the date of the interim financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following are significant judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated interim financial statements.

Significant Judgments

- the determination that the Company will continue as a going concern for the next year;
- the determination of whether deferred tax assets are recognized on the statement of financial position;
- the determination whether there are events or changes in circumstances that indicate the carrying amount of exploration and evaluation assets may not be recoverable; and
- the determination of whether the assets acquired and liabilities assumed in an acquisition constitute a business.

Significant Estimate

- share-based payments are determined using the Black-Scholes pricing model based on the estimated fair value of share-based awards at the date of grant and expensed over the vesting period. This pricing model uses subjective assumptions and changes in these assumptions can significantly affect the fair value estimate.

Recent accounting pronouncements

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

ARBOR METALS CORP.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

3. SHORT-TERM INVESTMENTS

Short-term investments represent GIC deposits with a Canadian financial institution that have original maturities of more than 30 days when purchased.

4. EXPLORATION AND EVALUATION PROPERTIES

A summary of the capitalized acquisition and exploration expenditures for the nine months ended July 31, 2025 and the year ended October 31, 2024 and are as follows:

July 31, 2025	Kemlee Lake	Corvette Lake	Jarnet	Total
Acquisition Costs	\$	\$	\$	\$
<i>Balance, October 31, 2024</i>	885,000	445,484	101,599	1,432,083
Additions	-	5,000,000	-	5,000,000
Acquisition costs, July 31, 2025	885,000	5,445,484	101,599	6,432,083
Exploration Costs				
<i>Balance, October 31, 2024</i>	-	-	2,204,127	2,204,127
Additions	500,104	-	4,188,576	4,688,680
Exploration costs, July 31, 2025	500,104	-	6,392,703	6,892,807
Balance, July 31, 2025	1,385,104	5,445,484	6,494,302	13,324,890
October 31, 2024	Kemlee Lake	Corvette Lake	Jarnet	Total
Acquisition Costs	\$	\$	\$	\$
<i>Balance, October 31, 2023</i>	-	-	40,000	40,000
Additions	885,000	445,484	61,599	1,392,083
Acquisition costs, October 31, 2024	885,000	445,484	101,599	1,432,083
Exploration Costs				
<i>Balance, October 31, 2023</i>	-	-	242,079	242,079
Additions	-	-	1,962,048	1,962,048
Exploration costs, October 31, 2024	-	-	2,204,127	2,204,127
Balance, October 31, 2024	885,000	445,484	2,305,726	3,636,210

Kemlee Lake Lithium Project, Ontario, Canada

On June 5, 2024, the Company completed the acquisition of all of the outstanding share capital of Kemlee Lake Lithium Corp. ("KLL") from an arm's length party by issuing 1,500,000 common shares with a fair value of \$885,000. No finders' fees or commissions were payable by the Company in connection with this acquisition. As a result of this transaction, the Company holds a 100% interest in mineral claims known as the Kemlee Lake Lithium Project ("Kemlee Lake").

For accounting purposes, the acquisition is considered to be an acquisition outside the scope of IFRS 3 Business Combinations since KLL, prior to the acquisition, did not constitute a business. The acquisition is accounted for in accordance with IFRS 2 *Share-Based Payment* whereby the Company issued shares to acquire the net assets of KLL.

ARBOR METALS CORP.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION PROPERTIES, continued**Kemlee Lake Lithium Project, Ontario, Canada, continued**

The acquisition of KLL has been recorded as an asset acquisition for the purchase of exploration and evaluation assets with \$Nil costs of acquisition, as follows:

Acquisition of Kemlee Lake Lithium Corp.**Purchase Price:**

Common shares issued	\$ 885,000
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Assets Acquired:

Exploration and evaluation properties	\$ 885,000
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Corvette Lake and St. Pierre Lithium Projects, Quebec, Canada

On February 26, 2024, the Company purchased 100% of the outstanding common shares of Corvette Lake Lithium Corp., ("CLL") by making a cash payment of \$ \$712,500. CLL holds a 100% interest in the Corvette Lake and St. Pierre lithium projects and had cash of \$267,016 at the time of the acquisition. The Company's interest is subject to a 1% Net Smelter Royalty ("NSR") payable to the vendor, of which 1% may be purchased for \$1,000,000.

Following the acquisition of CLL, a total of 50,000 performance-linked preferred shares of CLL remained outstanding which were not held by the Company. The performance-linked preferred shares carry no voting rights. In the event the results of mineral exploration conducted on the Corvette Lake and St. Pierre properties demonstrate the existence of lithium mineralization the holder has the right to redeem the shares at a price of \$100 per share.

Assay results received by the Company in April 2025 provided evidence of lithium mineralization and the holder of the preferred shares elected to redeem the preferred shares in full. On April 14, 2025, the Company satisfied the redemption price of \$100.00 per share.

For accounting purposes, the acquisition is considered to be an acquisition outside the scope of IFRS 3 Business Combinations since KLL, prior to the acquisition, did not constitute a business. The acquisition is accounted for as an asset acquisition to acquire the net assets of KLL with \$Nil costs of acquisition, as follows:

Acquisition of Corvette Lake Lithium Corp.**Purchase Price:**

Cash issued	\$ 5,712,500
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Assets Acquired:

Cash	\$ 267,016
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Exploration and evaluation properties	5,445,484
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	<u>\$ 5,712,500</u>
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ARBOR METALS CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION PROPERTIES, continued

Jarnet Lithium Project, Quebec, Canada

On January 26, 2022, the Company signed a property option agreement to acquire a 100% interest in certain mineral claims, comprising 2,430 hectares in the James Bay region of Quebec. The terms of the Purchase Option Agreement are as follows:

- (a) cash consideration of \$20,000 on signing of the agreement (*paid*);
- (b) \$20,000 on or before January 26, 2023 (*paid*);
- (c) \$60,000 on or before January 26, 2024 (*paid*);
- (d) \$100,000 in exploration expenditures on or before January 26, 2023 (*incurred*);
- (e) \$100,000 in exploration expenditures on or before January 26, 2024 (*incurred*); and
- (f) \$100,000 in exploration expenditures on or before January 26, 2025 (*incurred*).

The Company's interest is subject to a 1% NSR payable to the vendor, which may be purchased for \$1,000,000.

As the Company has now completed all of the terms of the Purchase Option Agreement, it has acquired a 100% interest and title in the Jarnet Lithium Project claims.

5. FLOW-THROUGH PREMIUM LIABILITY

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a share at issuance date, as tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

Funds raised through the issuance of flow-through shares are required to be expended on qualifying 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.

On November 3, 2023, the Company issued 263,158 flow-through shares at a price of \$1.90 per flow-through share for gross proceeds of \$500,000. The flow-through shares were issued at a premium of \$0.65 per share. As a result, a flow-through premium liability of \$171,053 was recorded. As of July 31, 2025, \$171,053 (October 31, 2024 - \$150,148) of this liability was amortized.

On October 31, 2024, the Company issued 4,377,824 flow-through shares at a purchase price of \$0.46 per flow-through share for gross proceeds of \$2,013,799. The flow-through shares were issued at a premium of \$0.11 per share. As a result, a flow-through premium liability of \$481,561 was recorded. As of July 31, 2025, \$481,561 of this liability was amortized.

On November 8, 2024, the Company issued 1,330,000 flow-through shares at a purchase price of \$0.46 per flow-through share for gross proceeds of \$611,800. The flow-through shares were issued at a premium of \$0.11 per share. As a result, a flow-through premium liability of \$146,300 was recorded. As of July 31, 2025, \$146,300 of this liability was amortized.

ARBOR METALS CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

5. FLOW-THROUGH PREMIUM LIABILITY, continued

On December 11, 2024, the Company issued 1,316,000 National flow-through shares at a purchase price of \$0.38 per flow-through share for gross proceeds of \$500,080. The flow-through shares were issued at a premium of \$0.08 per share. As a result, a flow-through premium liability of \$105,280 was recorded. As of July 31, 2025, \$105,280 of this liability was amortized.

On December 11, 2024, the Company issued 4,350,000 Quebec and Super flow-through shares at a purchase price of \$0.40 per flow-through share for gross proceeds of \$1,740,000. The flow-through shares were issued at a premium of \$0.10 per share. As a result, a flow-through premium liability of \$435,000 was recorded. As of July 31, 2025, \$376,141 of this liability was amortized and a net flow-through premium liability of \$58,859 was outstanding.

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

	Flow-through funding and Expenditure requirements	Flow-through Premium liability
	\$	\$
Balance, October 31, 2023	1,500,000	513,158
Flow-through funds raised and premium recorded as liability	2,513,799	652,614
Flow-through expenditures incurred and reduction of liability	(1,938,892)	(663,306)
Balance, October 31, 2024	2,074,907	502,466
Flow-through funds raised and premium recorded as liability	2,851,880	686,580
Flow-through expenditures incurred and reduction of liability	(4,688,680)	(1,130,187)
Balance, July 31, 2025	238,107	58,859

The reduction in the flow-through share premium liability is recorded in other income upon incurring flow-through eligible expenditures. The Company is obligated to incur an additional \$238,107 of eligible flow-through expenditures by December 31, 2025 (2024 – \$2,000,000)

For nine months ended July 31, 2025, flow-through premium income of \$1,130,187 (2024 – \$275,669) was recognized as other income relating to the flow-through shares issued.

6. SHARE CAPITAL AND RESERVES

Authorized

Unlimited common shares without par value

Issued

Shares issued and outstanding at July 31, 2025 are 82,548,236 (October 31, 2024 – 74,705,636).

ARBOR METALS CORP.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES, continued**Issued, continued**Nine months ended July 31, 2025

On December 11, 2024, the Company completed a private placement by issuing 340,000 NFT units at \$0.30 per NFT unit, 1,316,000 National FT units at \$0.38 per FT unit, and 4,350,000 Quebec and Super FT units at \$0.40 for total gross proceeds of \$2,342,080. Each NFT unit consists of one common share and one-half share purchase warrant. Each National and Quebec FT unit consists of one flow-through share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$0.55 until December 11, 2025. The NFT unit warrants have been valued at \$3,400 with \$Nil value allocated to the FT unit warrants using the residual method. The National FT shares were issued at a premium of \$0.08 per share. As a result, a flow-through premium liability of \$105,280 was recorded. The Quebec and Super FT shares were issued at a premium of \$0.10 per share. As a result, a flow-through premium liability of \$435,000 was recorded.

On November 8, 2024, the Company completed a private placement by issuing 200,000 NFT units at \$0.35 per NFT unit and 1,330,000 FT units at \$0.46 per FT unit for total gross proceeds of \$681,800. Each NFT unit consists of one common share and one share purchase warrant. Each FT unit consists of one flow-through share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$0.60 until November 8, 2025. All proceeds were allocated to common shares with \$Nil value allocated to warrants using the residual method. The FT shares were issued at a premium of \$0.11. As a result, a flow-through premium liability of \$146,300 was recorded.

Finders', legal and filing fees incurred in connection with the November and December 2024 private placements amounted to \$153,455 in cash; 306,600 in broker shares valued at \$85,848; and 574,800 in broker warrants valued at \$22,023. The Company determined the fair value of the broker warrants using the Black-Scholes option pricing model and made the following assumptions:

	<u>FY 2025</u>
Expected stock price volatility	78% to 82%
Risk-free interest rate	2.94 to 3.08%
Dividend yield	0%
Expected life of options	1 year
Stock price on date of grant	\$0.28 to \$0.37
Forfeiture rate	0%

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(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES, continued

Issued, continued

Year ended October 31, 2024

On October 31, 2024, the Company completed a private placement by issuing 685,000 units ("NFT") at \$0.35 per unit and 4,377,824 flow-through ("FT") units at \$0.46 per flow-through unit for total gross proceeds of \$2,253,549. Each NFT unit consists of one common share and one share purchase warrant. Each FT unit consists of one flow-through share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$0.60 until October 31, 2025. All proceeds were allocated to common shares with \$Nil value allocated to warrants using the residual method. The flow-through shares were issued at a premium of \$0.11 per FT unit. As a result, a flow through premium liability of \$481,561 was recorded.

On June 5, 2024, the Company issued 1,500,000 common shares with a fair value of \$885,000 to acquire the Kemlee Lake Project (note 4). No finders' fees or commissions were payable by the Company in connection with this acquisition.

On November 23, 2023, the Company completed a private placement by issuing 400,000 units at \$1.25 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$2.00 until November 23, 2024. The unit warrants have been valued at \$16,000 using the residual method.

On November 17, 2023, the Company completed a private placement by issuing 800,000 units at \$1.25 per unit for gross proceeds of \$1,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$2.00 until November 17, 2024. All proceeds were allocated to common shares with \$Nil value allocated to warrants using the residual method.

On November 10, 2023, the Company completed a private placement by issuing 800,000 units at \$1.25 per unit gross proceeds of \$1,000,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$2.00 until November 10, 2024. All proceeds were allocated to common shares with \$Nil value allocated to warrants using the residual method.

On November 3, 2023, the Company completed a private placement by issuing 806,000 units at \$1.25 per unit and 263,158 flow-through common shares at \$1.90 per flow-through share for total gross proceeds of \$1,507,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$2.00 until November 3, 2024. All proceeds were allocated to common shares with \$Nil value allocated to warrants using the residual method. The flow-through shares were issued at a premium of \$0.65 per flow-through share. As a result, a flow-through premium liability of \$171,053 was recorded.

ARBOR METALS CORP.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES, continued**Issued, continued**

Finders', legal and filing fees incurred in connection with the October 2024 and November 2023 private placements amounted to \$310,890 in cash; 571,428 in broker shares valued at \$222,858; and 612,571 in broker warrants valued at \$78,721. The Company determined the fair value of the broker warrants using the Black-Scholes option pricing model and made the following assumptions:

	FY 2024
Expected stock price volatility	71% to 84%
Risk-free interest rate	3.09 to 4.57%
Dividend yield	0%
Expected life of options	1 year
Stock price on date of grant	\$0.39 to \$1.54
Forfeiture rate	0%

Warrants

Warrant activity for the nine months ended July 31, 2025 and the year ended October 31, 2024 is presented below:

	For the nine months ended July 31, 2025		Year ended October 31, 2024	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of the period	4,889,483	1.05	1,579,168	2.00
Expired	(1,580,789)	2.00	(1,579,168)	2.00
Issued in private placements	3,868,000	0.56	4,276,912	1.06
Broker warrants	574,800	0.56	612,571	1.01
Outstanding - end of period	7,751,494	0.58	4,889,483	1.05

Details of common share purchase warrants outstanding at July 31, 2025 are as follows:

Number of Warrants	Weighted Average Exercise Price	Expiry date	Remaining Life (years)
3,308,694	\$ 0.60	October 31, 2025	0.25
956,800	0.60	November 8, 2025	0.27
3,486,000	0.55	December 11, 2025	0.36
7,751,494	\$ 0.58		0.31

ARBOR METALS CORP.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the nine months ended July 31, 2025 and 2024

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6. SHARE CAPITAL AND RESERVES, continued**Share-based Payments**

Pursuant to a stock option plan (the "Plan") for directors, officers, employees and consultants, the Company may reserve a maximum of 10% of the issued and outstanding listed common shares, the exercise price to be determined on the date of issuance of the options. The options are non-transferable and will expire, if not exercised, 30 days following the date the optionee ceases to be a director, officer, employee or consultant of the Company for reasons other than death, one year after the death of an optionee or on the final anniversary of the date the option was granted which concludes the option term. Options granted under the plan may not exceed ten years and vest at the discretion of the board of directors and shall not be exercisable at less than the price determined by policy or policies of the stock exchange(s) on which the Company's common shares are then listed. Notwithstanding the foregoing, options issued to consultants performing investor relations activities vest over 12 months with no more than 25% of the options vesting in any three-month period. Occasionally, the Company issues stock options to agents which do not fall under the plan.

Stock Options

During the nine months ended July 31, 2025, no share options were granted.

On January 12, 2024, the Company granted 3,200,000 share purchase options to consultants. The options are exercisable at a price of \$0.90 per share for a period of one year, have an expiry date of January 12, 2025, and vest immediately.

On January 29, 2024, the Company granted 1,250,000 share purchase options to directors. The options are exercisable at a price of \$1.00 per share for a period of one year, have an expiry date of January 29, 2025, and vest immediately.

The following table summarizes activity related to stock options for the nine months ended July 31, 2025 and the year ended October 31, 2024:

	For the nine months ended July 31, 2025		Year ended October 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding - beginning of the period	4,450,000	0.93	-	-
Expired	(4,450,000)	(0.93)	-	-
Granted	-	-	4,450,000	0.93
Outstanding - end of period	-	-	4,450,000	0.93

ARBOR METALS CORP.**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL AND RESERVES, continued**Stock Options, continued**

During the nine months ended July 31, 2025, the Company recorded share-based compensation of \$Nil (2024 - \$904,948) related to the issuance of share purchase options. The fair value was determined using the Black-Scholes option-pricing model using the following assumptions:

	FY 2025	FY 2024
Expected stock price volatility	-	77% to 94%
Risk-free interest rate	-	3.98% to 4.20%
Dividend yield	-	0%
Expected life of options	-	1 year
Stock price on date of grant	-	\$0.90 to \$1.01
Forfeiture rate	-	0%

Restricted Share Units

On May 23, 2025, the Company granted 3,000,000 restricted share units ("RSUs") to certain consultants to the Company. The RSUs were granted in accordance with the omnibus incentive plan adopted by the Company, and will vest and convert into common shares of the Company on May 23, 2026. Each unit represents an entitlement to one common share of the Company. The weighted average fair value of the RSUs granted was \$0.22 per RSU initially at the closing price of the common shares of the Company on the date of the grant.

On June 2, 2025, the Company granted 1,100,000 restricted share units ("RSUs") to certain directors and officers to the Company. The RSUs were granted in accordance with the omnibus incentive plan adopted by the Company, and will vest and convert into common shares of the Company on June 2, 2026. Each unit represents an entitlement to one common share of the Company. The weighted average fair value of the RSUs granted was \$0.22 per RSU initially at the closing price of the common shares of the Company on the date of the grant (Note 7).

As at July 31, 2025, 744,932 RSU has vested resulting to recognition of share-based compensation of \$163,885 for the nine months ended July 31, 2025 (2024 - \$442,146). The expense recognized pertaining to RSUs was determined based on the following assumptions:

	FY 2025	FY 2023-2024
Vesting period of RSU	1 year	1 year
Stock price on date of grant	\$0.22	\$1.47
Forfeiture rate	0%	0%

ARBOR METALS CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

As at and for the nine months ended July 31, 2025 and 2024

(Unaudited - Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Key management personnel comprise the Company's Board of Directors and executive officers.

During the nine months ended July 31, 2025 and 2024, total remuneration was paid to key management personnel is noted below:

	2025	2024
	\$	\$
Consulting fees	32,250	114,125
Share based compensation (Note 6)	39,118	650,762
Total	71,368	764,887

8. CAPITAL MANAGEMENT

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash and cash equivalents to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also raise additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There was no change to the Company's approach to capital management during the period.

9. FINANCIAL INSTRUMENTS

As at July 31, 2025, the Company's financial instruments consist of cash, short-term investments, and accounts payable.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

ARBOR METALS CORP.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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(Unaudited - Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS, continued

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at July 31, 2025, cash and short-term investments are assessed to be Level 1 instruments.

The Company is exposed to varying degrees of a variety of financial instrument related risks. The Board approves and monitors the risk management processes, inclusive of counterparty limits, controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and short-term investments are held at a large Canadian financial institution and in lawyers' trust accounts and therefore are not subject to credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. As at July 31, 2025, the Company had working capital of \$856,743. This included cash of \$1,303,609, short-term investments of \$500,000, a GST receivable balance of \$113,472, other receivables of \$13,071 and prepaid expenses of \$4,458. Accounts payable have contractual maturities of approximately 30 to 90 days or are due on demand.

At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financing.

Interest Rate Risk

Interest rate risk consists of two components:

- i. To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- ii. To the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

In management's opinion, the Company is not exposed to significant interest rate risk.