

METALLIS RESOURCES INC.
Condensed Consolidated Interim Financial Statements
September 30, 2025

(Expressed in Canadian Dollars)

METALLIS RESOURCES INC.
Index to Condensed Consolidated Interim Financial Statements
For the three and nine-months ended September 30, 2025
(Expressed in Canadian Dollars)

	Page
MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND NOTICE OF NO AUDITOR REVIEW	3
FINANCIAL STATEMENTS	
Condensed Consolidated Interim Statements of Financial Position	4
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss	5
Condensed Consolidated Interim Statements of Changes in Equity	6
Condensed Consolidated Interim Statements of Cash Flows	7
Notes to Condensed Consolidated Interim Financial Statements	8-25

MANAGEMENT'S RESPONSIBILITY FOR UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND NOTICE OF NO AUDITOR REVIEW

The accompanying condensed consolidated interim financial statements of Metallis Resources Inc. (the "Company") are the responsibility of management and have not been reviewed by the Company's auditors.

These 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 financial position date. In the opinion of management, the 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.

The Company has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the 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 condensed consolidated interim financial statements and (ii) the 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 condensed consolidated interim financial statements.

The Board of Directors is responsible for reviewing and approving the condensed consolidated interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An 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 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 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.

METALLIS RESOURCES INC.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited- prepared by management)
(Expressed in Canadian Dollars)

	September 30, 2025 <i>(unaudited)</i>	December 31, 2024 <i>(audited)</i>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 724,231	\$ 518,301
Receivables <i>(Note 3)</i>	8,612	9,891
Deposits and prepaid expenses <i>(Note 4)</i>	38,383	6,040
Due from related party <i>(Note 9)</i>	1,213	3,126
Total current assets	772,439	537,358
Equipment <i>(Note 5)</i>	1,156	1,495
Right-of-use assets <i>(Note 5)</i>	44,534	8,872
Net investment in sublease <i>(Note 7)</i>	51,088	10,248
Total assets	\$ 869,217	\$ 557,973
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities <i>(Note 7)</i>	\$ 236,842	\$ 32,216
Lease liability <i>(Note 7)</i>	33,805	20,496
Due to related parties <i>(Note 9)</i>	-	38,575
Total current liabilities	270,647	91,287
Lease liability	65,347	-
Total liabilities	335,994	91,287
EQUITY		
Share capital <i>(Note 8)</i>	26,454,457	24,911,304
Equity reserves	4,726,584	4,643,618
Accumulated deficit	(30,647,818)	(29,088,236)
Total equity	533,223	466,686
Total liabilities and equity	\$ 869,217	\$ 557,973

Nature and Continuance of Operations and Going Concern *(Note 1)*
Events Subsequent to the Balance Sheet Date *(Note 14)*

Approved and authorized on behalf of the Board on November 27, 2025

"Fiore Aliperti" Director

"Michael Sikich" Director

METALLIS RESOURCES INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three and nine-month periods ended September 30, 2025 and 2024

(Unaudited- prepared by management)

(Expressed in Canadian Dollars)

	<i>Three months ended September 30, 2025</i>	<i>Three months ended September 30, 2024</i>	<i>Nine months ended September 30, 2025</i>	<i>Nine months ended September 30, 2024</i>
Operating Expenses:				
Communications	\$ 14,222	\$ 2,001	\$ 24,422	\$ 11,026
Consulting fees <i>(Note 9)</i>	124,250	71,250	282,750	238,750
Depreciation <i>(Note 5)</i>	4,162	4,638	13,260	13,936
Exploration and evaluation expenses <i>(Note 6)</i>	969,111	107,381	1,085,711	235,519
Office and general	5,058	13,251	27,435	28,685
Professional fees	8,355	3,661	29,289	24,395
Regulatory and transfer agent fees	3,454	7,223	42,308	50,793
Rent	(150)	2,359	8,057	11,119
Share-based compensation <i>(Note 8)</i>	54,854	-	54,854	192,399
Travel	4,245	-	7,578	1,056
Total operating expenses	(1,187,561)	(211,764)	(1,575,664)	(807,678)
Interest income	8,990	1,757	16,612	6,099
Finance income on sublease	1,299	416	1,513	1,594
Amortization of discount	(2,524)	(833)	(2,953)	(3,189)
Foreign exchange gain (loss)	(4,678)	1,370	(4,090)	(482)
Other income	-	-	5,000	-
Loan interest	-	(3,000)	-	(7,500)
Loss and comprehensive loss for the period	\$ (1,184,474)	\$ (212,054)	\$ (1,559,582)	\$ (811,156)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding:				
Basic and diluted	84,859,351	68,455,003	79,108,575	65,510,148

METALLIS RESOURCES INC.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited- prepared by management)
(Expressed in Canadian Dollars)

	<i>Share Capital</i>		<i>Equity Reserves</i>	<i>Deficit</i>	<i>Total</i>
	<i>Number of Shares</i>	<i>Amount</i>			
Balance at December 31, 2023	60,544,312	\$ 23,533,854	\$ 4,427,305	\$ (28,047,092)	\$ (85,933)
Share capital issued	7,910,691	514,195	-	-	514,195
Share issue costs	-	(3,521)	-	-	(3,521)
Warrants issued for property	-	-	16,657	-	16,657
Share based compensation	-	-	192,399	-	192,399
Loss for the period	-	-	-	(811,156)	(811,156)
Balance at September 30, 2024	68,455,003	24,044,528	4,636,361	(28,858,248)	(177,359)
Share capital issued	6,850,000	890,500	-	-	890,500
Share issue costs	-	(16,467)	-	-	(16,467)
Finders' warrants	-	(7,257)	7,257	-	-
Loss for the period	-	-	-	(229,988)	(229,988)
Balance at December 31, 2024	75,305,003	\$ 24,911,304	\$ 4,643,618	\$ (29,088,236)	\$ 466,686
Share capital issued	10,075,000	1,626,000	-	-	1,626,000
Share issue costs	-	(54,735)	-	-	(54,735)
Finders' warrants	-	(28,112)	28,112	-	-
Share-based compensation	-	-	54,854	-	54,854
Loss for the period	-	-	-	(1,559,582)	(1,559,582)
Balance at September 30, 2025	85,380,003	\$ 26,454,457	\$ 4,726,584	\$ (30,647,818)	\$ 533,223

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

METALLIS RESOURCES INC.
Condensed Consolidated Interim Statements of Cash Flows
For the nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
(Expressed in Canadian Dollars)

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Cash flows provided by (used in) operating activities		
Loss for the period	\$ (1,559,582)	\$ (811,156)
Items not affecting operating cash:		
Amortization of discount	2,953	3,189
Depreciation	13,260	13,936
Interest income	(16,612)	(6,099)
Finance income	(1,513)	(1,594)
Fair value of warrants for property	-	16,657
Share-based compensation	54,854	192,399
Changes in non-cash working capital items:		
Receivables	1,279	(2,269)
Deposits and prepaid expenses	(32,343)	-
Accounts payable and accrued liabilities	204,626	(20,284)
Due from related party	1,913	3,928
Due from (to) related parties	(38,575)	21,937
Net cash used in operating activities	<u>(1,369,740)</u>	<u>(589,356)</u>
Cash flows provided by investing activities		
Interest received	16,612	6,099
Proceeds from investment in sublease	15,693	15,356
Net cash provided by investing activities	<u>32,305</u>	<u>21,455</u>
Cash flows provided by (used in) financing activities		
Proceeds from issuance of shares	1,626,000	514,195
Share issuance costs	(54,735)	(3,521)
Proceeds from loan	-	100,000
Lease payments	(27,900)	(30,713)
Net cash provided by financing activities	<u>1,543,365</u>	<u>579,961</u>
Increase in cash and cash equivalents during the period	205,930	12,060
Cash and cash equivalents, beginning of period	<u>518,301</u>	<u>35,817</u>
Cash and cash equivalents, end of period	<u>\$ 724,231</u>	<u>\$ 47,877</u>

Supplemental Disclosure with Respect to Cash Flows (Note 10).

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine-month periods ended September 30, 2025 and 2024 (Unaudited- prepared by management) (Expressed in Canadian Dollars, unless otherwise noted)

1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN

Metallis Resources Inc. (the “Company”) was incorporated under the Business Corporations Act (British Columbia) on June 19, 2007. The Company’s common shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol “MTS” and on the OTCQB Venture Market under the symbol “MTLFF”. The Company’s registered and head office is located at Suite #604 - 850 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1E1, and its website is at www.metallisresources.com.

The Company is engaged in the exploration of mineral properties and has not yet determined whether any of its properties contain economically recoverable reserves. To date, the Company has not earned any operating revenues and is in the exploration stage. The mining exploration business involves a high degree of risk. The recoverability of the amounts expended on mineral interests by the Company is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its mineral properties and upon future profitable production or proceeds from disposition of its mineral interests.

The Company operates in a single jurisdiction in the single business activity of exploration and evaluation of mineral properties.

These condensed consolidated interim financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company.

Going Concern of Operations

These condensed consolidated interim financial statements have been prepared on the basis that the Company will continue as a going concern which assumes that the Company will be able to continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

The Company incurred a loss of \$1,559,582 during the period ended September 30, 2025, and as of that date the Company’s total deficit was \$30,647,818. The ability of the Company to continue as a going concern depends upon i) its ability to raise adequate financing on reasonable terms from lenders, shareholders and other investors and ii) its ability to develop a mine and/or commence commercially profitable operations. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

The Company has primarily raised private placement funds from equity investors to provide for its exploration and working capital. During the period ended September 30, 2025, a \$1.5 million private placement was completed and in 2024, \$1.4 million was raised through two private placements. To the extent future financing is not available, future working capital commitments may not be satisfied, and future exploration programs may face curtailment and could result in a loss of property ownership or earning opportunities for the Company. In addition, should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the statements of financial position.

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine-month periods ended September 30, 2025 and 2024 (Unaudited- prepared by management) (Expressed in Canadian Dollars, unless otherwise noted)

2. MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

Basis of presentation

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

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

These condensed consolidated interim financial statements should be read in conjunction with the Company's annual financial statements and notes thereto for the year ended December 31, 2024. These condensed consolidated interim financial statements do not include all disclosures required in annual financial statements but rather they follow recommendations for condensed interim financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements follow the same accounting policies and methods of their application as those followed in the December 31, 2024 annual financial statements.

Basis of consolidation

These condensed consolidated interim financial statements include the financial statements of the Company and its wholly owned subsidiary controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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 on consolidation. All amounts are expressed in Canadian dollars, being the functional currency of the parent company and the subsidiary, unless denominated otherwise. The subsidiary was incorporated on February 14, 2024:

Name	Place of incorporation	Ownership	Principal activity
Metallis Resources USA Inc.	Delaware, USA	100%	Exploration

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiary is the Canadian dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in International Accounting Standard ("IAS") 21, The Effects of Changes in Foreign Exchange Rates.

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
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2. MATERIAL ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

Transactions in foreign currencies are initially recorded in the Company's functional currency using the exchange rate at the time of the transaction. Monetary assets and liabilities of the Company that are denominated in foreign currencies are translated using the exchange rate at the end of each reporting period. Non-monetary assets and liabilities are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Exchange gains and losses arising on translation are included in profit or loss.

Future accounting standards

IFRS 18, "Presentation and Disclosure in Financial Statements", effective for annual reporting periods beginning on or after January 1, 2027, updates the requirements for presenting and disclosing information in financial statements, primarily focusing on the statement of profit or loss. It introduces three new categories for income and expense items: operating, financing, and investing, along with specified subtotals like "Operating profit or loss". IFRS 18 also enhances disaggregation guidance and requires companies to disclose management-defined performance measures. Management is assessing the effect of this new standard on the Company's consolidated financial statements.

Beginning January 1, 2025, IAS 21 '*The effects of changes in foreign exchange rates*' was amended with respect to the exchangeability of a foreign currency. As the Company's foreign currency transactions are mainly in USD, this amendment has not and is not expected to impact the Company's consolidated financial statements.

3. RECEIVABLES

	September 30, 2025	December 31, 2024
GST/ HST recoverable taxes	\$ 8,612	\$ 9,891
Total receivables	\$ 8,612	\$ 9,891

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
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4. DEPOSITS AND PREPAID EXPENSES

The deposits and prepaid expenses of the Company consist of the following:

	September 30, 2025	December 31, 2024
Rental deposit	\$ 6,040	\$ 6,040
Exploration deposit	25,823	-
Prepaid rock and core storage	540	-
Prepaid marketing & advertising	5,980	-
	\$ 38,383	\$ 6,040

5. EQUIPMENT AND RIGHT-OF-USE ASSETS

Equipment:

	<i>Furniture & fixtures</i>	<i>Computers and software</i>	<i>Total Equipment</i>
Cost:			
Balance, December 31, 2023 and 2024 and September 30, 2025	\$ 3,692	\$ 23,869	\$ 27,561
Accumulated depreciation:			
Balance, December 31, 2023	\$ 2,368	\$ 22,822	\$ 25,190
Additions	187	432	619
Balance, September 30, 2024	2,555	23,254	25,809
Additions	78	179	257
Balance, December 31, 2024	2,633	23,433	26,066
Additions	159	180	339
Balance, September 30, 2025	\$ 2,792	\$ 23,613	\$ 26,405
Net Book Value:			
September 30, 2025	\$ 900	\$ 256	\$ 1,156
December 31, 2024	\$ 1,059	\$ 436	\$ 1,495

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
(Expressed in Canadian Dollars, unless otherwise noted)

5. EQUIPMENT AND RIGHT-OF-USE ASSETS

Right-of-Use assets:

Cost:	
Balance, December 31, 2023 and 2024	\$ 53,262
Disposal- lease maturity	(53,262)
Addition- lease commenced July 1, 2025	103,603
Derecognize- sublease commenced July 1, 2025	(55,020)
Balance, September 30, 2025	\$ 48,583
Accumulated depreciation:	
Balance, December 31, 2023	\$ 26,634
Additions	13,317
Balance, September 30, 2024	39,951
Additions	4,439
Balance, December 31, 2024	\$ 44,390
Additions	12,921
Disposal- lease maturity	(53,262)
Balance, September 30, 2025	\$ 4,049
Net Book Value:	
September 30, 2025	\$ 44,534
December 31, 2024	\$ 8,872

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
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6. EXPLORATION AND EVALUATION EXPENSES

Kirkham Property – Golden Triangle, Skeena Mining Division, British Columbia, Canada

The Kirkham Property (the “Property”) is comprised of 30 mineral claims situated in the “Golden Triangle” region of north-western British Columbia, Canada. The Property was assembled by the Company through a series of transactions between 2013 and 2015 including staking, re-staking and acquisitions from third parties. A portion of the mineral claims are subject to third-party Net Smelter Return (“NSR”) royalties of 2%. The Company is entitled to purchase each 1% increment of the NSR royalty for \$500,000.

Greyhound Property - Custer County, Idaho, USA

On February 27, 2024, the Company entered into an option agreement (the “Agreement”) to acquire a 100% interest in the 124 hectare Greyhound Property, a group of 12 patented claims and three patented millsite claims in central Idaho, including the past producing Greyhound and Bulldog high-grade silver/gold mines. Subsequent to the signing of the Agreement, the Company staked an additional 81 mining claims surrounding Greyhound, for a total property size of 677 ha.

The Agreement requires staged payments of US\$670,000 and exploration expenditures of US\$10 million over a ten-year period (the “Option Period”) which began on February 29, 2024 (the “Effective Date”). At any time during the Option Period, the Company may exercise the option to acquire a 100% interest in the Property by paying US\$7.5 million, plus the balance remaining of the US\$670,000 at the time of exercise. If the option is not exercised within the Option Period, the agreement shall terminate. If the option is exercised, there is no further requirement to incur exploration in the event that less than US\$10 million has been incurred at the time of exercise. Pursuant to the Agreement, the Company issued a share purchase warrant to the Optionor for the purchase of up to 1,000,000 common shares of the Company at a price of \$0.34 per share for a three-year period.

The Optionor retains a 2% Net Smelter Returns Royalty, which may be reduced to 1% by the payment of US\$5 million during the term of the Agreement.

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
(Expressed in Canadian Dollars, unless otherwise noted)

6. EXPLORATION AND EVALUATION EXPENSES (continued)

Greyhound Property - Custer County, Idaho, USA (continued)

The following table specifies the above noted obligations:

Date	Option payment (USD)	Minimum exploration expenditures (USD)
On the Effective Date	\$20,000 (paid)	-
1 st anniversary	\$35,000 (paid)	-
2 nd anniversary	\$55,000	\$90,000
3 rd anniversary	\$75,000	\$200,000
4 th anniversary	\$85,000	\$400,000
5 th anniversary	\$100,000	\$900,000
6 th anniversary	\$60,000	\$1,610,000
7 th anniversary	\$70,000	\$1,700,000
8 th anniversary	\$80,000	\$1,700,000
9 th anniversary	\$90,000	\$1,700,000
10 th anniversary	-	\$1,700,000
Total	\$670,000	\$10,000,000

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
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6. EXPLORATION AND EVALUATION EXPENSES (continued)

The following schedules summarize the Company's exploration and evaluation expenses incurred during the three and nine-month periods ended September 30, 2025 and 2024:

	<u>Three months ended September 30,</u>					
	2025			2024		
	<u>Kirkham</u>	<u>Greyhound</u>	<u>Total</u>	<u>Kirkham</u>	<u>Greyhound</u>	<u>Total</u>
Accommodations/camp/travel	\$ -	\$ 152,004	\$ 152,004	\$ -	\$ 15,973	\$ 15,973
Assays and lab analysis	-	-	-	311	-	311
Drilling	-	745,783	745,783	-	-	-
Field supplies	-	2,066	2,066	-	12,874	12,874
Geological and geophysical	2,000	46,014	48,014	7,500	37,420	44,920
Licenses, claim fees and	-	-	-	10,351	22,952	33,303
Survey- drone magnetic	-	21,244	21,244	-	-	-
	\$ 2,000	\$ 967,111	\$ 969,111	\$ 18,162	\$ 89,219	\$ 107,381

	<u>Nine months ended September 30,</u>					
	2025			2024		
	<u>Kirkham</u>	<u>Greyhound</u>	<u>Total</u>	<u>Kirkham</u>	<u>Greyhound</u>	<u>Total</u>
Acquisition costs	\$ -	\$ 50,225	\$ 50,225	\$ -	\$ 90,822	\$ 90,822
Accommodations/camp/travel	-	152,714	152,714	-	15,973	15,973
Assays and lab analysis	-	-	-	311	-	311
Community relations	1,500	-	1,500	-	-	-
Drilling	-	745,783	745,783	-	-	-
Field supplies	-	2,066	2,066	-	12,874	12,874
Geological and geophysical	11,906	74,336	86,242	30,062	44,920	74,982
Licenses, claim fees and	1,620	-	1,620	17,123	23,434	40,557
Survey- drone magnetic	-	45,561	45,561	-	-	-
	\$ 15,026	\$ 1,070,685	\$ 1,085,711	\$ 47,496	\$ 188,023	\$ 235,519

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
(Expressed in Canadian Dollars, unless otherwise noted)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY

Accounts payable and accrued liabilities of the Company comprise:

	September 30, 2025	December 31, 2024
Accounts payable	\$ 231,842	\$ 2,216
Accrued liabilities	5,000	30,000
	\$ 236,842	\$ 32,216

Lease liability:

Following the maturity of the Company's three-year premises lease on June 30, 2025, Company entered into a new three-year premises lease commencing July 1, 2025 at its same head office location. The fixed lease continues at the same rate of \$31/sq.Ft. (\$3,488/month) in the 1,350 square foot office for the first two years and rises \$1/sq.ft. in the third year.

Concurrently, the Company signed a new three-year sublease with Etruscus Resources Corp. ("ETR"), a public company related through two common directors and a common officer, for ½ of the office space, consistent with the prior three-year sublease which also matured on June 30, 2025. The following schedule shows recent changes in lease liabilities:

<u>Lease liability:</u>	Lease: 7/1/25 – 6/30/28	Lease: 7/1/22 – 6/30/25
Balance, December 31, 2023	\$ -	\$ 57,893
Lease payments	-	(41,176)
Accretion of lease liability discount	-	3,779
	-	20,496
Balance, December 31, 2024	-	20,496
Lease payments	(6,975)	(20,925)
Accretion of lease liability discount	2,524	429
Addition- lease commencement	103,603	
	\$ 99,152	\$ -

Lease liability allocation:

Short-term portion of lease liability	\$ 33,805
Long-term portion of lease liability	65,347
	\$ 99,152

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
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7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES AND LEASE LIABILITY (continued)

Net investment in sublease:

The net investment in sublease represents the new three-year sublease with ETR which commenced July 1, 2025 at a fixed lease cost of \$1744 per month, rising to \$1,800 per month in the third year.

The reconciliation of the Company's net investment in sublease is as follows:

Net investment in sublease: (continued)

	Nine months ended September 30, 2025	Year ended December 31, 2024
Balance, beginning of period	\$ 10,248	\$ 28,946
Finance income	1,513	1,889
Addition- lease commencement	55,020	-
Lease payments received	(15,693)	(20,587)
	\$ 51,088	\$ 10,248

8. SHARE CAPITAL

Authorized: Unlimited common shares, without par value
 Issued: 85,380,003 common shares (December 31, 2024 – 75,305,003 common shares)

Transactions in 2025:

On June 13, 2025, the Company closed a non-brokered private placement financing of \$1,500,000 consisting of 9,375,000 units at a price of \$0.16 per unit. Each unit consisted of one common share and one non-transferable share-purchase warrant exercisable at \$0.26 per share for a three-year period. Proceeds from the financing were mainly used for field exploration work at the Company's Greyhound and Kirkham properties, with the remaining balance for overhead.

Finder's fees of \$42,720 along with 267,000 finder's warrants, also exercisable at a price of \$0.26 per share for a 3-year period, were paid and issued to registered finders. All shares issued on closing are subject to a regulatory trading hold period expiring four months plus one day from date of issuance.

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
(Expressed in Canadian Dollars, unless otherwise noted)

8. SHARE CAPITAL (continued)

Transactions in 2025: (continued)

The finders' warrants were valued under the Black Scholes model using the following parameters:

Risk-free interest rate	2.70%
Expected life	3 years
Annualized volatility	105%
Forfeiture rate	0%
Dividends	0%
Weighted average fair value of options	\$0.11

In addition to the private placement, warrant holders exercised 700,000 warrants at \$0.18 per share during the period for total proceeds of \$126,000.

Transactions in 2024:

On April 17, 2024, the Company completed a non-brokered private placement financing of \$514,195 consisting of 7,910,691 common shares at a price of \$0.065 per share. No finders' fees were incurred. The proceeds were used for the initial exploration at Greyhound and for working capital purposes.

Stock options:

At the Company's Annual and Special Meeting ("ASM") on November 21, 2024, the shareholders approved the Company's Amended and Restated 2024 Security-Based Compensation Plan (the "Plan"). Under the Plan, a Stock Option Plan ("SOP") authorizes the Board of Directors to grant stock options to executive officers and directors, employees and consultants. The exercise price of each stock option shall not be less than the discounted market price as calculated and defined in the policies of the TSXV. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors at the time of grant. However, stock options granted to employees or consultants in respect of investor relations activities follow the vesting provisions of the TSX-V, which allow for vesting of options as to no more than 25% of the grant vesting each three months, measured from the date of grant.

During the period, the Company granted 300,000 stock options at an exercise price of \$0.32 per share to a consultant. The options are valid for a two-year period, vested upon grant and were valued at \$54,854 under the Black Scholes option model.

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
(Expressed in Canadian Dollars, unless otherwise noted)

8. SHARE CAPITAL (continued)

Stock options: (continued)

In the comparative period, on May 14, 2024, the Company granted 1,050,000 stock options to directors and officers and 700,000 stock options to consultants. The options are exercisable at \$0.15 per share for a period of five years and vested upon grant. None were granted for investor relations purposes. Share-based compensation of \$192,399 was recognized using the Black-Scholes option model. The following weighted average parameters have been used for the valuation of stock option grants:

<i>Black Scholes parameters for the nine-months ended:</i>	September 30, 2025	September 30, 2024
Risk-free interest rate	2.63%	3.66%
Expected life	2 years	5 years
Annualized volatility	109%	108%
Forfeiture rate	0%	0%
Dividends	0%	0%
Weighted average fair value of options	\$0.18	\$0.11

Stock option transactions are summarized as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2024	6,000,000	\$ 0.28
Options granted (Sept 2025)	300,000	0.32
Balance, September 30, 2025	6,300,000	\$ 0.28

As at September 30, 2025, the following incentive stock options are outstanding and exercisable:

Expiry Date	Number of Options	Vested and exercisable	Exercise Price	Weighted average remaining life (years)
October 6, 2025	350,000	350,000	\$ 0.40	0.02
April 12, 2026	450,000	450,000	0.50	0.53
September 27, 2026	1,800,000	1,800,000	0.39	0.99
August 31, 2027	1,650,000	1,650,000	0.20	1.92
September 2, 2027	300,000	300,000	0.32	1.92
May 14, 2029	1,750,000	1,750,000	0.15	3.62
Total outstanding options	6,300,000	6,300,000		2.17

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
(Expressed in Canadian Dollars, unless otherwise noted)

8. SHARE CAPITAL (continued)

Restricted Share Units:

The Plan also includes a Restricted Share Unit Plan (“RSU Plan”) under which the Board may grant RSUs to directors, officers and employees. RSUs are subject to vesting requirements of up to three years but can be settled by issuing shares from treasury or disbursing cash. RSUs provide a means to earn compensation through an equity plan without making a stock option exercise payment. As at September 30, 2025, no RSU’s had been granted.

The total grants from the SOP and RSU Plans together are limited to 10% of the outstanding common shares of the Company's stock as calculated on the date of grant, with the number of outstanding RSU’s not to exceed 1,500,000.

Warrants:

Warrant transactions are summarized as follows:

	Number of Warrants outstanding	Weighted average exercise price
Balance at December 31, 2023	3,852,217	\$ 0.32
Warrants issued	7,920,000	0.20
Balance at December 31, 2024	11,772,217	0.24
Warrants expired	(3,852,217)	0.32
Warrants issued	9,642,000	0.26
Warrants exercised	(700,000)	0.18
Balance at September 30, 2025	16,862,000	\$ 0.24

As at September 30, 2025, the following warrants are outstanding:

Expiry Date	Number of Warrants	Exercise Price	Weighted average remaining contractual life (years)
February 26, 2027	1,000,000	\$ 0.34	1.41
October 11, 2027	6,220,000	0.18	2.03
June 13, 2028	9,642,000	0.26	2.70
Total	16,862,000		2.38

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
(Expressed in Canadian Dollars, unless otherwise noted)

9. RELATED PARTY TRANSACTIONS

The following related parties, for the periods presented, include directors and key management personnel, being officers and directors of the Company, including those entities in which such individuals may hold positions that result in them having control or significant influence over the financial or operation policies of these entities:

- a) Avanti Consulting Inc., a company controlled by the current Chief Executive Officer of the Company, provides consulting services to the Company;
- b) Lever Capital Corp., a company owned by the Company’s Chief Financial Officer, provides consulting services to the Company;
- c) D. G. Dupre and Associates Inc., is a company that is controlled by the Vice-President of Exploration of the Company which provides the Company with geological consulting services, the amounts of which are expensed under exploration and evaluation costs; and
- d) Etruscus Resources Corp. (“ETR”), a public company related through two common directors and a common officer, subleases office space from the Company, shares certain administrative expenses and at times has shared an exploration camp in northwest BC with the Company, all of which results in occasional related party receivables or payables at the end of each period.

The aggregate value of fee-based transactions and outstanding balances relating to the above noted officers are as follows:

		Transactions for the period ended September 30, 2025	Transactions for the year ended December 31, 2024	Balance payable as at September 30, 2025	Balance payable as at December 31, 2024
Avanti Consulting Inc.	(a)	\$ 108,000	\$ 144,000	\$ -	\$ 18,900
Lever Capital Corp.	(b)	63,000	84,000	-	11,025
D.G. Dupre and Associates Inc.	(c)	45,000	60,000	-	8,650
Total		\$ 216,000	\$ 288,000	\$ -	\$ 38,575

During the period ended September 30, 2025, the Company entered into transactions with ETR as follows:

	Due from ETR, December 31, 2024	Additions	Amounts received	Due from ETR, September 30, 2025
Rent	\$ -	\$ 28,008	\$ (28,008)	\$ -
Office expenses, net	3,126	4,046	(5,959)	1,213
Legal	-	(203)	203	-
Total	\$ 3,126	\$ 31,851	\$ (33,764)	\$ 1,213

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine-month periods ended September 30, 2025 and 2024 (Unaudited- prepared by management) (Expressed in Canadian Dollars, unless otherwise noted)

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash investing and financing transactions during the nine-month period ended September 30, 2025 are as follows:

Total share issuance costs in respect of the private placement that closed in 2025 were \$82,847, of which \$28,112 is the fair value of 267,000 finders' warrants issued in connection with the private placement, pursuant to the Black Scholes option model.

The significant non-cash investing and financing transactions during the nine-month period ended September 30, 2024 were as follows:

The Company issued 1,000,000 share purchase warrants exercisable at \$0.34 per share for three years. The fair value under the Black Scholes option model was \$16,657, recognized as a Greyhound acquisition cost under exploration and evaluation expenses.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, receivables, deposits, net investment in sublease, accounts payable, lease liability and due from/to related parties. All financial instruments held by the Company are measured at amortized cost. Nevertheless, the fair values of these financial instruments approximate their carrying value due to their short-term maturities.

Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values, as follows:

The three levels of the fair value hierarchy are:

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

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk arises from the potential that one or more counterparties fail to meet their obligations. The Company is normally exposed to credit risk through its cash and cash equivalents, receivables, due from related parties and net investment in sublease. The Company manages credit risk associated with its cash and cash equivalents by using reputable financial institutions, from which management believes the risk to be remote. Receivables primarily consist of recoverable Canadian sales taxes, Canadian mineral exploration tax credits and accrued interest, for which management assesses the collectability of these amounts to be assured. Amounts due from related parties are normally not material and are settled in the short term and for these reasons the credit risk is considered negligible.

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements For the three and nine-month periods ended September 30, 2025 and 2024 (Unaudited- prepared by management) (Expressed in Canadian Dollars, unless otherwise noted)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Interest rate risk

The Company is not exposed to risk in the event of interest rate fluctuations. The Company has no long-term debt other than a lease liability and accordingly has not needed to enter into any interest rate swaps or other financial arrangements to mitigate exposure to interest rate fluctuations. The Company considers it is not subject to material risks should interest rates rise further.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's operations do not currently generate positive cash flows, and historically the Company has relied on equity financings, and to a lesser extent non-core asset sales, for its capital requirements. As at September 30, 2025, the Company has working capital of \$0.5 million, sufficient to fund corporate overhead for the foreseeable future. Additional financing will be required for working capital needs beyond spring 2025, and to execute additional exploration and drilling programs.

The Company will continue to depend upon equity capital as required and may also enter into convertible debentures, earn-in arrangements, joint ventures or the sale of certain property interests. However, there can be no assurance the Company will be able to complete future financings on acceptable terms. The ability of the Company to continue this course will depend, in part, on the prevailing market conditions and the market interest in financing the Company's mineral property exploration programs.

The following are the contractual maturities of financial liabilities as at September 30, 2025:

	Carrying Amount	Contractual Cash Flows	Within 1 year	Within 2 years	Within 3 years
Accounts payable and accrued liabilities	\$ 236,842	\$ 236,842	\$ 236,842	\$ -	\$ -
Lease liability	99,152	99,152	33,805	33,998	31,349
Total	\$ 335,994	\$ 335,994	\$ 270,647	\$ 33,998	\$ 31,349

Foreign currency risk

While the Company's functional currency is the Canadian dollar, it engages in US dollar transactions with respect to its US subsidiary and US-based exploration. Changes in exchange rates between the US and Canadian dollar will result in foreign currency gains and losses. To date, the Company has not hedged its foreign currency risk. Based on the quantity and scale of foreign transactions and the relative stability of the US and Canadian dollar, the Company considers the foreign exchange risk derived from currency conversions as not material.

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
(Expressed in Canadian Dollars, unless otherwise noted)

12. CAPITAL MANAGEMENT

The Company endeavors to maintain appropriate levels of capital and liquidity. Sufficient liquidity is required to meet liabilities and financial obligations as they become due. The Company has no commercial operations or source of revenue, no long-term debt other than a lease liability, and no externally imposed capital requirements. The Company's capital is its issued share capital. The capital required for operations and property exploration is expected to continue to come from the issuance of common shares or units, for the foreseeable future. The Company's objectives of capital and liquidity management are to fund critical exploration work, meet on-going liabilities, maintain creditworthiness, minimize shareholder dilution and to ultimately maximize returns for shareholders over the long term.

There were no changes in the Company's capital management objectives during the period ended September 30, 2025.

The Company is not subject to externally imposed capital requirements.

13. SEGMENTED INFORMATION

The Company currently operates in the geographic segments of Canada and the United States. The segmented operating losses for the periods ended September 30, 2025 and 2024 are as follows:

	Canada		USA		Total	
	Three months ended		Three months ended		Three months ended	
	September 30,		September 30,		September 30,	
	2025	2024	2025	2024	2025	2024
Exploration and evaluation expenses	\$ 2,000	\$ 18,162	\$ 967,111	\$ 89,219	\$ 969,111	\$ 107,381
Depreciation	4,162	4,638	-	-	4,162	4,638
Share-based compensation	54,854	-	-	-	54,854	-
Other operating costs	159,391	99,745	43	-	159,434	99,745
Loss from operations	\$ 220,407	\$ 122,545	\$ 967,154	\$ 89,219	\$ 1,187,561	\$ 211,764

	Canada		USA		Total	
	Nine months ended		Nine months ended		Nine months ended	
	September 30,		September 30,		September 30,	
	2025	2024	2025	2024	2025	2024
Exploration and evaluation expenses	\$ 15,026	\$ 47,496	\$ 1,070,685	\$ 188,023	\$ 1,085,711	\$ 235,519
Depreciation	13,260	13,936	-	-	13,260	13,936
Share-based compensation	54,854	192,399	-	-	54,854	192,399
Other operating costs	415,924	362,287	5,915	3,537	421,839	365,824
Loss from operations	\$ 499,064	\$ 616,118	\$ 1,076,600	\$ 191,560	\$ 1,575,664	\$ 807,678

METALLIS RESOURCES INC.

Notes to the Condensed Consolidated Interim Financial Statements
For the three and nine-month periods ended September 30, 2025 and 2024
(Unaudited- prepared by management)
(Expressed in Canadian Dollars, unless otherwise noted)

14. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

The Annual General and Special Meeting of the shareholders was held on November 13, 2025, with all resolutions approved.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current presentation.