

BEDFORD METALS CORP.

Consolidated financial statements

For the years ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

Mao & Ying LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Bedford Metals Corp.**

Opinion

We have audited the consolidated financial statements of **Bedford Metals Corp.** (the "Company"), which comprise the statements of consolidated financial position as at March 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in this report.

Impairment Assessment of Exploration and Evaluation ("E&E") Assets

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's E&E assets was \$565,777 as at March 31, 2025. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment of the E&E assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E assets.

Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators;
- Evaluating the intent for the E&E assets through discussion and communication with management;
- Reviewing the Company's recent expenditure activity; and
- Obtaining supporting of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the Audit of the Consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and,

based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Vancouver, Canada
July 18, 2025

Mao & Ying LLP

Chartered Professional Accountants

BEDFORD METALS CORP.**Statements of Financial Position**

As at March 31

(Expressed in Canadian Dollars)

	2025	2024
ASSETS		
Current assets		
Cash	\$ 378,742	\$ 61,027
Short-term investments (note 4)	4,770,000	-
Other receivables	76,240	-
GST receivable	7,309	1,378
Total current assets	5,232,291	62,405
Exploration and evaluation assets (note 5)	565,777	2
Total assets	\$ 5,798,068	\$ 62,407
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 7 & 12)	\$ 96,206	\$ 18,202
Total current liabilities	96,206	18,202
Flow-through premium liability (note 11)	885,836	-
Convertible debentures (note 9)	-	675,814
Total liabilities	982,042	694,016
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (note 6)	18,753,467	10,903,408
Reserves (note 6)	782,557	1,693,238
Deficit	(14,719,998)	(13,228,255)
Total shareholders' equity (deficiency)	4,816,026	(631,609)
Total liabilities and shareholders' equity (deficiency)	\$ 5,798,068	\$ 62,407

Going concern (note 1)

Subsequent events (note 16)

Approved on behalf of the Board:

Director "Peter Born"
Peter BornDirector "Richard Ko"
Richard Ko*The accompanying notes are an integral part of these consolidated financial statements*

BEDFORD METALS CORP.

Statements of Loss and Comprehensive Loss

For the years ended March 31

(Expressed in Canadian Dollars)

	2025	2024
EXPENSES		
Consulting fees	\$ 120,000	\$ -
Corporate communications	233,066	-
Management fees (note 12)	27,850	15,250
Office and general	20,082	4,863
Professional fees	156,012	57,437
Regulatory and filing fees	63,894	23,503
Share-based compensation (note 6)	-	38,905
Loss from operations	(620,904)	(139,958)
Other items		
Interest income	82,842	1,056
B.C. mining tax credit	-	13,969
Interest and accretion (notes 8, 9 & 10)	(959,548)	(160,993)
Other income (note 11)	11,942	-
Non-deductible penalties (note 11)	(6,075)	-
Write-down of mineral properties (note 4)	-	(291,499)
	(870,839)	(437,467)
Net loss and comprehensive loss	\$ (1,491,743)	\$ (577,425)
Basic and diluted loss per share	\$ (0.03)	\$ (0.04)
Weighted average number of common shares outstanding	58,035,105	14,212,168

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

BEDFORD METALS CORP.**Statements of Changes in Equity**

(Expressed in Canadian Dollars)

	Number of Shares	Share capital	Reserves	Deficit	Total
Balance at March 31, 2023	14,212,168	\$ 10,903,408	\$ 1,388,754	\$ (12,650,830)	\$ (358,668)
Convertible debentures - equity portion (note 9)	-	-	265,579	-	265,579
Share-based payments (note 6)	-	-	38,905	-	38,905
Net loss	-	-	-	(577,425)	(577,425)
Balance at March 31, 2024	14,212,168	\$ 10,903,408	\$ 1,693,238	\$ (13,228,255)	\$ (631,609)
Conversion of debentures (note 9)	28,606,178	1,474,982	-	-	1,474,982
Options exercised (note 6)	851,400	81,475	(38,905)	-	42,570
Warrants exercised (note 6)	28,705,600	2,425,221	(945,026)	-	1,480,195
Shares issued to acquire mineral property (note 4)	1,000,000	390,000	-	-	390,000
Shares issued in private placements (note 6)	6,055,831	3,885,198	-	-	3,885,198
Share issue costs (note 6)	-	(406,817)	73,250	-	(333,567)
Net loss	-	-	-	(1,491,743)	(1,491,743)
Balance at March 31, 2025	79,431,177	\$ 18,753,467	\$ 782,557	\$ (14,719,998)	\$ 4,816,026

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

BEDFORD METALS CORP.

Statements of Cash Flows

For the years ended March 31

(Expressed in Canadian Dollars)

Cash provided by (used for):	2025	2024
Operating activities		
Net loss	\$ (1,491,743)	\$ (577,425)
Adjustments for non-cash items:		
Write-down of mineral property	-	291,499
Interest and accretion on debentures	959,293	160,993
Other income	(11,942)	-
Share-based compensation	-	38,905
Working capital adjustments:		
Other receivables	(76,240)	-
GST receivable	(5,931)	7,106
Accounts payable and accrued liabilities	78,004	(12,120)
Net cash flows used in operating activities	(548,559)	(91,042)
Investing activities		
Purchase of short-term investments	(4,770,000)	-
Exploration and evaluation expenditures	(175,775)	(1,500)
Net cash flows used in investing activities	(4,945,775)	(1,500)
Financing activities		
Loan repayments	(30,000)	(51,608)
Loan advances	30,000	-
Note repayments	-	(343,310)
Proceeds from debentures unit private placement, net	-	441,500
Interest paid on debentures converted	(160,125)	-
Proceeds from equity unit private placements, net	4,630,199	-
Share issue costs	(180,790)	-
Exercise of warrants	1,480,195	-
Exercise of options	42,570	-
Net cash flows provided by financing activities	5,812,049	46,582
Change in cash	317,715	(45,960)
Cash, beginning of year	61,027	106,987
Cash, end of year	\$ 378,742	\$ 61,027
Supplemental cash flow information:		
Interest paid on debentures and loans	\$ 160,380	\$ 79,750
Income taxes paid	\$ -	\$ -
Non-cash transactions:		
Finders fees paid by issuance of common shares	\$ 152,777	\$ -
Finders fees paid by issuance of warrants	\$ 73,250	\$ -
Issue of shares for mineral property acquisition	\$ 390,000	\$ -

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

BEDFORD METALS CORP.
Notes to the Consolidated financial statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Bedford Metals Corp. (“Bedford” or the “Company”) is in the business of acquiring, exploring and developing mineral exploration properties. The Company is currently in the exploration stage of developing its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. On January 4, 2024, the Company undertook a forward share split in which 1.2 additional common shares were issued for every one common share currently outstanding. All share amounts in these consolidated financial statements reflect the forward share split. The Company’s shares are listed on the TSX Venture Exchange (“the Exchange”) under the symbol “BFM”.

The Company’s head office, principal address and registered and records office is 2200 – 885 West Georgia Street, Vancouver, B.C., V6C 3E8.

These consolidated financial statements have been prepared using accounting principles applicable to a going concern which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at March 31, 2025 the Company had not advanced its exploration and evaluation assets to commercial production and is not able to finance day to day activities through operations. The Company has incurred operating losses since inception and at March 31, 2025, had an accumulated deficit of \$14,719,998. The Company expects to incur further losses in the development of its business, which indicates that a material uncertainty exists that may cast significant doubt about the Company’s ability to continue as a going concern.

The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months from proceeds of private placements of its common shares. There can be no assurance that the Company will be able to raise the funds as needed or at the terms expected. Further discussion of liquidity risk is included in Note 14.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. These adjustments may be material.

These consolidated financial statements were authorized for issue on July 18, 2025 by the directors of the Company.

2. Basis of presentation

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements have been prepared on a historical cost basis. The presentation and functional currency of the Company is the Canadian dollar.

BEDFORD METALS CORP.
Notes to the Consolidated financial statements
For the years ended March 31, 2025 and 2024
(Expressed in Canadian Dollars)

3. Material accounting policy information

Significant accounting judgments, estimates and assumptions

The preparation of the Company's consolidated 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 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.

Critical judgments in applying accounting policies:

The following are critical 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 financial statements:

- the determination that the Company will continue as a going concern for the next year. The factors considered by management are discussed in Note 1; and
- the determination that there have been no events or changes in circumstances that indicate the carrying amount of exploration and evaluations assets may not be recoverable.

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

All capitalized exploration and evaluation assets are monitored for indications of impairment at each reporting period. The Company considered the following facts and circumstances in determination if it should test exploration and evaluation assets for impairment:

- (i) the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- (iv) sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that deferred exploration expenditures are not expected to be recovered, an impairment is charged to profit or loss. Exploration areas where reserves have been discovered, but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

An impairment charge relating to an exploration and evaluation asset may be subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized. General exploration costs in areas of interest in which the Company has not secured rights are expensed as incurred.

BEDFORD METALS CORP.
Notes to the Consolidated financial statements
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3. Material accounting policy information, continued

Significant accounting judgments, estimates and assumptions, continued

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and evaluation activities, and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary, Northern Lights Exploration Corp. ("NLE"). NLE is incorporated in the Province of Saskatchewan.

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 financial statements.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in comprehensive loss.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Restoration and environmental obligations

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

BEDFORD METALS CORP.
Notes to the Consolidated financial statements
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3. Material accounting policy information, continued

Changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit and loss for the period. The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

As at March 31, 2025 and 2024, the Company does not have material restoration and environmental obligations.

Impairment of assets

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

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

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

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

During the years ended March 31, 2025 and 2024, common share equivalents (including stock options and warrants) are not included in the computation of loss per share as such inclusion would be anti-dilutive.

Cash

Cash consists of cash and deposits in banks.

BEDFORD METALS CORP.
Notes to the Consolidated financial statements
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3. Material accounting policy information, continued

Financial instruments

The Company follows IFRS 9 – Financial Instrument (“IFRS 9”) to account for its financial instruments. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments for principal and interest.

Financial assets

The Company classifies its financial assets into one of three categories, depending on the purpose for which the asset was acquired.

- amortized cost
- fair value changes through other comprehensive income (“FVTOCI”)
- fair value through profit loss (“FVTPL”)

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. On initial recognition, all financial assets are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

Financial assets classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income. Financial assets classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss. Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income (“OCI”). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

The Company has classified its cash and short-term investments as FVTPL, and other receivable as amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories:

- amortized cost
- FVTPL

All financial liabilities are initially recorded at fair value adjusted for directly attributable transaction costs except for financial liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

Financial liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization using the effective interest method is included in finance costs. Financial liabilities classified as FVTPL are measured at fair value with gains and losses recognized in profit or loss.

The Company's financial liabilities classified as amortized cost consist of accounts payable and accrued liabilities. The Company does not have financial liabilities classified as FVTPL.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

BEDFORD METALS CORP.
Notes to the Consolidated financial statements
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(Expressed in Canadian Dollars)

3. Material accounting policy information, continued

Financial instruments, continued

Derecognition of financial assets and liabilities

A financial asset is derecognized when the rights to receive cash flows from the asset have expired; or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process. Gains and losses on derecognition of equity investments designated as FVTOCI (including any related foreign exchange component) are recognized in OCI. Amounts presented in OCI are not subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. In this case, a new liability is recognized, and the difference in the respective carrying amounts is recognized in the statement of income. At initial recognition, all financial instruments are classified in one of the following categories depending on the purpose for which the instruments were acquired.

Impairment of financial assets at amortized cost

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

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3. Material accounting policy information, continued

Share purchase warrants

The Company may enter into a financing arrangement requiring the issuance of warrants to holders as part of the transaction. Warrants may also be issued to brokers or finders as consideration for services provided. Warrants issued for services provided are measured at the fair value of services received. Only if the fair value of the services cannot be measured reliably would the fair value of the equity instruments granted be used. Warrants not issued in exchange for goods or services can be classified as a derivative financial liability or an equity instrument depending on the terms and conditions of the warrants. Consideration received on the sale of a share and share purchase warrant classified as equity is allocated, within equity, to their respective equity accounts using the residual method as follows: the proceeds are allocated first to common shares based on the market trading price of the common shares at the time of financing, and any excess is allocated to share purchase warrants.

Convertible debentures

When convertible debentures are issued, the total proceeds are allocated to the liability component and the equity component, which are separately presented on the balance sheet. The liability component is recognized initially at its fair value, determined using a market interest rate for equivalent non-convertible debt. It is subsequently carried at amortized cost using the effective interest method until the liability is extinguished on conversion or redemption of the debt.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount will be transferred to the share capital account.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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3. Material accounting policy information, continued

Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, any premium on flow-through shares is separated on the flow-through shares into i) a flow-through share liability, equal to the excess of the issuance price of the flow-through shares over the current fair value of non-flow-through shares and ii) share capital. The premium is a reflection of the value of the income tax benefits that the Company must pass on to the flow-through shareholders. As expenses are incurred, the Company recognizes other income when the eligible expenditures are incurred and renounced, and the flow-through premium liability is reduced accordingly.

Share-based payments

Share-based payments to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to equity settled share-based payments reserve.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based payment reserve.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

Recent accounting pronouncements

Certain accounting standards or amendments to existing accounting standards that have been issued that are not mandatory for the current period and have not been early adopted.

Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the International Accounting Standards Board (“IASB”) issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (“ESG”)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026, with early application permitted. Management is currently assessing the effect of these amendments on the Company’s financial statements.

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3. Material accounting policy information, continued

Recent accounting pronouncements, continued

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. Retrospective application is required, and early application is permitted. Management is currently assessing the effect of this new standard on our financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted. Management is currently assessing the effect of the standard on the Company's financial statements. The Company has performed an assessment of new standards issued by the IASB and IFRIC that are not yet effective and has determined that any new standards that have been issued would have no or very minimal impact on the Company's consolidated financial statements.

4. Short-term investments

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

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5. Exploration and evaluation assets

A summary of the Company's exploration and evaluation assets is shown below:

March 31, 2025	Cable Lake	Sheppard Lake	Ubiquity Lake	Close Lake	Enid Project	Margurete Gold	Total
Acquisition Costs							
<i>Balance, March 31, 2024</i>	\$ -	\$ -	\$ -		\$ 1	\$ 1	\$ 2
Additions	390,000	5,000	10,000	10,000	-	-	415,000
Acquisition costs, March 31, 2025	390,000	5,000	10,000	10,000	1	1	415,002
Exploration Costs							
<i>Balance, March 31, 2024</i>	-	-	-	-	-	-	-
Additions	-	17,400	131,375	2,000	-	-	150,775
Exploration costs, March 31, 2025	-	17,400	131,375	2,000	-	-	150,775
Balance, March 31, 2025	\$ 390,000	\$ 22,400	\$ 141,375	\$ 12,000	\$ 1	\$ 1	\$ 565,777
March 31, 2024	Cable Lake	Sheppard Lake	Ubiquity Lake	Close Lake	Enid Project	Margurete Gold	Total
Acquisition Costs							
<i>Balance, March 31, 2023</i>	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 290,000	\$ 290,001
Impairment	-	-	-	-	-	(289,999)	(289,999)
Acquisition costs, March 31, 2024	-	-	-	-	1	1	2
Exploration Costs							
<i>Balance, March 31, 2023</i>	-	-	-	-	-	-	-
Additions	-	-	-	-	1,500	-	1,500
Impairment	-	-	-	-	(1,500)	-	(1,500)
Exploration costs, March 31, 2024	-	-	-	-	-	-	-
Balance, March 31, 2024	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ 2

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5. Exploration and evaluation assets (continued)

Margurete Gold Property (British Columbia, Canada)

On September 5, 2017, the Company entered into an agreement to earn a 100% interest in certain mineral claims. On June 6, 2018, the Company amended its Option Agreement for the Margurete Property, originally dated September 5, 2017. Under the amended terms, the previous GORR is replaced with an NSR ("Net Smelter Return"). The arms-length Vendor shall retain a 1% NSR, with a buyback provision of 0.5% to the Company for \$1,000,000.

On March 20, 2022, the consideration of the Option Agreement was amended and on March 20, 2024 the deadline for completion of the final cash payment of \$250,000 and incurring exploration expenditures of \$200,000 was extended to March 31, 2026.

As at March 31, 2024, the Company recorded \$289,999 impairment towards this property as the Company does not have any specific exploration plans in the foreseeable future.

Enid Project (British Columbia, Canada)

On April 8, 2019, the Company acquired an additional 739 hectares of mineral claims in the Phillips Arm Gold Camp known as the Enid Project which adjoins the Company's Margurete Gold Project. The additional claims comprising the Enid Project were purchased from an arm's length vendor for a one-time cash payment of \$300,000. In connection with the acquisition, the Vendor retained a 2% NSR, and one-half of the royalty may be purchased for a cash payment of \$1,000,000.

The Company has fully impaired this property as at March 31, 2024 because the Company does not have a planned or budgeted exploration work program for the foreseeable future.

Ubiquity Lake Property (Saskatchewan, Canada)

On April 26, 2024, the Company entered into an agreement with an arm's length third party to acquire a 100% interest in the Ubiquity Lake Property. The Company can acquire the interest by making a series of payments totaling \$500,000 (of which \$10,000 was paid in May 2024 and the 2nd payment of \$10,000 was paid subsequent to the year ended March 31, 2025 in accordance with the agreed payment schedule) and incurring exploration expenditures of \$150,000 over a three-year period (of which \$131,375 has been incurred to March 31, 2025). Pursuant to the same option agreement, the Company agreed to pay a 3% net smelter royalty to the Vendor upon commencement of commercial production. The Company has the right to purchase from the Vendor the NSR at any time at a cost of \$1,000,000 per percent.

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5. Exploration and evaluation assets (continued)

Close Lake Property (Saskatchewan, Canada)

On May 17, 2024, the Company entered into a property option agreement with an arm's length third party to acquire a 100% interest in the Close Lake Property. The Company can acquire the interest by making a series of payments totaling \$500,000 (of which \$10,000 has been paid and the 2nd payment of \$10,000 was paid subsequent to the year ended March 31, 2025 in accordance with the agreed payment schedule) and incurring exploration expenditures of \$150,000 over a three-year period (of which \$2,000 has been incurred to March 31, 2025). Pursuant to the same option agreement, the Company agreed to pay a 3% net smelter royalty to the Vendor upon commencement of commercial production. The Company has the right to purchase from the Vendor the NSR at any time at a cost of \$1,000,000 per percent.

Sheppard Lake Property (Saskatchewan, Canada)

On July 8, 2024, the Company entered into a property option agreement with an arm's length third party (the "Vendor") to acquire a 100% interest in the Sheppard Lake Property. The Company can acquire the interest by making a series of payments totaling \$300,000 (of which \$5,000 was paid in July 2024 and the 2nd payment of \$10,000 was paid subsequent to the year ended March 31, 2025 in accordance with the agreed payment schedule) and incurring exploration expenditures of \$100,000 over a three-year period (of which \$17,400 has been incurred to March 31, 2025). Pursuant to the same option agreement, the Company agreed to pay a 3% net smelter royalty to the Vendor upon commencement of commercial production. The Company has the right to purchase from the Vendor the NSR at any time at a cost of \$1,000,000 per percent.

Cable Lake Property (Saskatchewan, Canada)

On March 6, 2025, the Company completed the acquisition of all of the outstanding share capital of Northern Lights Exploration Corp. ("NLE") from an arm's length party (the "Vendor") by issuing 1,000,000 common shares with a fair value of \$390,000 based on the per share trading price of the Company's common share at date of issuance. 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 Cable Lake Property ("Cable Lake Property").

For accounting purposes, the Company has determined that the acquisition of NLE is considered to be an asset acquisition, as NLE does not meet the definition of a business under IFRS 3 Business Combinations. NLE does not have any other assets or liabilities and has no operating activities other than holding the Cable Lake Property. Therefore the acquisition primarily involved the purchase of Cable Lake Property without any associated substantive processes or outputs that would constitute a business.

The acquisition of has been recorded as an asset acquisition for the purchase of exploration and evaluation assets as follows:

Purchase Price:

Common shares issued	<u>\$ 390,000</u>
<i>Assets Acquired:</i>	
Exploration and evaluation properties	<u>\$ 390,000</u>

Following the acquisition of NLE, the Vendor has been granted the right to acquire 2,500,000 common shares (the "Bonus Share") for total consideration of \$1.00, contingent upon the Company successfully recovering a radioactive sample prior to December 31, 2027 from the Cable Lake claims which meets or exceeds a target per centage. As at March 31, 2025, no radioactive sample has been discovered and no Bonus Shares are payable or accrued.

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6. Share capital

Authorized

Unlimited number of common shares without par value

Issued

At March 31, 2025 there were 79,431,177 (March 31, 2024 – 14,212,168) issued and outstanding common shares.

2025

On May 28, 2024, the Company issued 851,400 common shares pursuant to the exercise of share options for gross proceeds of \$42,570. An amount of \$35,509 was transferred from reserves to share capital upon exercise of these options.

On October 22, 2024, the Company completed a private placement by issuing 700,000 common shares at \$0.72 per share for gross proceeds of \$504,000.

On October 31, 2024, the Company completed a private placement by issuing 1,111,109 flow-through units at \$0.90 per unit for total gross proceeds of \$999,998. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$1.10 until October 31, 2025. The \$844,433 proceeds were allocated to common shares based on the Company's stock trading price at date of issuance, with \$155,555 allocated to flow-through premium. The Company allocated \$Nil value to warrants using the residual method.

On November 8, 2024, the Company completed a private placement by issuing 1,078,055 common shares at a price of \$0.72 and 1,500,000 flow-through units at a purchase price of \$0.90 per flow-through unit for total gross proceeds of \$2,126,200. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$1.10 until November 8, 2025. \$1,080,000 proceeds were allocated to common shares based on the Company's stock trading price at date of issuance, with \$270,000 allocated to flow-through premium. The Company allocated \$Nil value allocated to warrants using the residual method.

On December 18, 2024, the Company issued 1,388,890 flow-through units at a purchase price of \$0.72 per flow-through unit for gross proceeds of \$1,000,001. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant is exercisable at a price of \$0.90 until December 18, 2025. \$527,778 proceeds were allocated to common shares on the Company's stock trading price at date of issuance, with \$472,223 allocated to flow-through premium. The Company allocated \$Nil value allocated to warrants using the residual method.

Finders' and legal fees incurred in connection with the October, November and December 2024 private placements amounted to \$180,790 in cash, 277,777 common shares valued at \$152,777 based on the Company's per share trading price at the date of issuance and 382,015 in broker warrants (the "Broker Warrants") valued at \$73,250. The Company determined the fair value of the broker warrants using the Black-Scholes option-pricing model and made the following assumptions:

	<u>Fiscal year 2025</u>
Expected stock price volatility	117% to 122%
Risk-free interest rate	3.04 to 3.09
Dividend yield	0%
Expected life of options	1 year
Stock price on date of grant	\$0.34 to \$0.76
Forfeiture rate	0%

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6. Share capital, continued

Issued, continued

On March 6, 2025, the Company issued 1,000,000 common shares with a fair value of \$390,000 based on the Company's per share trading price at the date of issuance to acquire NLE (the Cable Lake Property) (note 5).

During the year ended March 31, 2025, the Company issued 28,705,600 common shares pursuant to the exercise of warrants for gross proceeds of \$1,480,195.

During the year ended March 31, 2025, the Company issued 28,606,178 common shares pursuant to the conversion of debentures with a face value of \$1,474,982. Upon conversion, the Company paid cash interest to the debenture holders in the amount of \$160,125.

Share-based payment reserve

Share-based payment reserve records the fair value of warrants and options issued for services until such time that the options and warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Stock options

The Company has a Stock Option Plan (the "Plan"), which follows the policies of the TSX-V regarding stock option awards granted to employees, directors and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan.

On August 2, 2023, the Company granted 851,400 (post stock split) incentive stock options to consultants of the Company. These options are exercisable at a price of \$0.05 (post stock split) until August 2, 2028 and vest immediately. The estimated fair value of \$38,905 has been expensed during the year ended March 31, 2024. It was calculated using the Black-Scholes Option Pricing Model based on the following assumptions: risk-free interest rate of 3.20%, expected life of 5 years, no annual dividend, and expected volatility of 150%. These stock options were exercised during the year ended March 31, 2025. There were no stock options granted during the year ended March 31, 2025.

A summary of stock option activity for the years ended March 31, 2025 and 2024 is presented below:

	2025		2024	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding - beginning of year	851,400	\$ 0.05	-	\$ -
Granted	-	-	851,400	0.05
Exercised	(851,400)	0.05	-	-
Outstanding - end of year	-	\$ -	851,400	\$ 0.05

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6. Share capital, continued

Warrants

A summary of warrant activity for the years ended March 31, 2025 and 2024 is presented below. Each warrant entitles its holder to acquire 2.2 common shares of the Company based on its original stated exercise price.

	2025		2024	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Outstanding - beginning of year	17,504,000	\$ 0.114	13,436,225	\$ 0.115
Issued in private placement - convertible debentures	-	-	4,067,775	0.110
Issued in private placement	1,305,555	1.100	-	-
Broker warrants	201,110	1.100	-	-
Issued in private placement	694,445	0.900	-	-
Broker warrants	138,889	0.900	-	-
Broker warrants	42,016	1.000	-	-
Exercised	(4,067,775)	0.110	-	-
Exercised	(8,980,225)	0.115	-	-
Outstanding - end of year	6,838,015	\$ 0.433	17,504,000	\$ 0.114

As at March 31, 2025, the following warrants were outstanding:

Number of Warrants	Weighted Average Exercise Price	Expiry date	Remaining Life (years)
4,456,000	\$ 0.115	January 6, 2028	2.77
21,000	1.000	October 22, 2025	0.56
666,665	1.100	October 31, 2025	0.59
21,016	1.000	November 6, 2025	0.60
840,000	1.100	November 8, 2025	0.61
694,445	0.900	December 18, 2025	0.72
138,889	0.900	December 19, 2025	0.72
6,838,015	\$ 0.433		2.03

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7. Accounts payable and accrued liabilities

	March 31 2025	March 31 2024
Trade	\$ 71,881	\$ 3,202
Accrued liabilities	24,325	15,000
	\$ 96,206	\$ 18,202

8. Notes payable

On March 30, 2022, the Company reached debt settlement agreements with certain creditors of the Company in which \$498,986 of payables and \$810,875 of loans plus accrued interest of \$182,689 were settled in exchange for \$1,492,550 in promissory notes. These promissory notes bear interest between 5% and 10% per annum, the principal and the accrued interest mature no later than March 31, 2025.

On December 30, 2022, a note along with accrued interest totalling \$410,482 was settled by the issuance of an unsecured convertible debenture (the "Debenture") in the amount of \$410,482 and 3,569,410 detachable common share purchase warrants (the "New Debt"). The debenture matures 60 months from the date of issuance and bears interest at a rate of 8% per annum payable on maturity. The principal amount of the debenture is convertible into common shares of the Company, at the option of the holder, at a rate of one common share for every \$0.115 of outstanding indebtedness. Each detachable warrant entitles its holder to purchase one common share of the Company at a price of \$0.115 per share for a period of 60 months from the date of issuance.

The debt settlement is considered as a substantial loan modification. Therefore, the old debt is derecognized and new debt is recognized. Because the term of the New Debt is identical to the debenture unit financing completed on January 6, 2023 (Note 9), the fair value of the New Debt is estimated to be \$410,482 by reference to the debenture unit financing. The New Debt is equivalent to 410.482 debenture units.

During the year ended March 31, 2023, a cash repayment of \$850,000 was made and the notes incurred total interest of \$100,549. As at March 31, 2023, the notes payable balance including accrued interest was \$332,617. On August 25, 2023, the notes payable principal of \$269,168 and accrued interest of \$74,142 was repaid.

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9. Convertible debentures

On January 6, 2023, the Company completed a private placement for gross proceeds of \$617,000 by issuing 617 debenture units. Each debenture unit consists of (i) unsecured convertible debenture (the "2023 Debenture") in the principal amount of \$1,000 and (ii) 8,695 detachable common share purchase warrants. The 2023 Debenture matures 60 months from the date of issuance and bears interest at a rate of 8% per annum payable on maturity. The principal amount of the debenture is convertible into common shares of the Company, at the option of the holder at a rate of one common share for every \$0.052 of outstanding indebtedness. Each warrant entitles the holder to purchase 2.2 common shares of the Company at a price of \$0.115 per warrant for a period of 60 months from the date of issuance. The total 5,364,815 detachable common share purchase warrants were issued in connection with January 6, 2023 debenture units financing.

On December 30, 2022, the Company settled a note payable in the amount of \$410,482 by issuing a \$410,482 2023 Debenture and 3,569,410 detachable common share purchase warrants (Note 8).

The gross proceeds of the January, 2023 debenture unit financing (including issued for debt settlement described in Note 8) in the amount of \$1,027,482 were allocated to debt and detachable common share purchase warrants in the amount of \$336,765 and \$690,717, respectively, based on the relative fair value method. The incurred transaction costs of \$16,765 in legal fees in connection with the debenture unit financing. This transaction cost was allocated to debt and detachable common share purchase warrants in the amount of \$5,495 and \$11,270, respectively, based on the same method described above. The fair value of the debt is estimated based on the discounted cash flows using an estimated market rate of 15% with no conversion feature. The fair value of the detached common share warrants was estimated to be \$0.16 per share based on the Black-Scholes Option Pricing Model with the following assumptions: expected volatility of 145%; risk free interest rate of 3.74%; expected life of 5 years; and expected dividend yield of nil. The equity component of the conversion feature is estimated to be nominal by applying the residual method. The effective interest rate of the debt is approximately 25.40%.

On August 18, 2023, the Company completed a private placement for gross proceeds of \$447,500 by issuing 447.5 debenture units at a price of \$1,000 per debenture unit for gross proceeds of \$447,500. Each debenture unit consists of (i) unsecured convertible debenture (the "2024 Debenture") in the principal amount of \$1,000 and (ii) 9,090 detachable common share purchase warrants. The 2024 Debenture matures 60 months from the date of issuance and bears interest at a rate of 8% per annum payable on maturity. The principal amount of the debenture is convertible into common shares of the Company, at the option of the holder, at a rate of 1 common share for every \$0.05 of outstanding indebtedness. Each warrant entitles the holder to purchase 2.2 common shares of the Company at a price of \$0.11 per warrant for a period of 60 months from the date of issuance. A total of 4,067,775 detachable common share purchase warrants were issued in connection with the August 18, 2023 debenture units financing.

The gross proceeds of the August, 2023 debenture unit financing in the amount of \$447,500 were allocated to debt and detachable common share purchase warrants in the amount of \$178,312 and \$269,188, respectively, based on the relative fair value method. The Company incurred transaction costs of approximately \$6,000 in legal fees in connection with the debenture unit financing. This transaction cost was allocated to debt and detachable common share purchase warrants in the amount of \$2,391 and \$3,609, respectively, based on the same method described above. The fair value of the debt is estimated based on the discounted cash flows using an estimated market rate of 15% with no conversion feature. The fair value of the detached common share warrants was estimated to be \$0.14 per share based on the Black-Scholes Option Pricing Model with the following assumptions: expected volatility of 150%; risk free interest rate of 4.018%; expected life of 5 years; and expected dividend yield of nil. The equity component of the conversion feature is estimated to be nominal by applying the residual method. The effective interest rate of the debt is approximately 25.40%.

During year ended March 31, 2025, all debentures were converted to common shares (Note 6) and the Company recorded accretion of \$959,294 (2024 - \$148,460).

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10. Loan payable

During the year ended March 31, 2023, the Company received a loan advance in the amount of \$40,000. This loan is unsecured, bears interest at 10% per annum and matures on March 31, 2025. On August 25, 2023, the loan was repaid including principal of \$40,000 and accrued interest of \$5,173.

11. Flow-through premium liability

The Company finances some exploration and evaluation expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference (“premium”) between the amount recognized in common shares and the amount the investors pay for the shares is recognized as other liabilities on the Company’s consolidated statement of financial position, which is reversed to the statement of profit or loss, under other income – premium on flow-through shares, when 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.

	Flow-through funding and Expenditure requirements	Flow-through Premium liability
Balance, April 1, 2024		
Flow-through funds raised and premium recorded as liability	\$ 3,349,999	\$ 897,778
Flow-through expenditures incurred and reduction of liability	(44,562)	(11,942)
Balance, March 31, 2025	\$ 3,305,437	\$ 885,836

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 a further \$3,305,437 of eligible flow-through expenditures by December 31, 2025. For the year ended March 31, 2025, flow-through premium income of \$11,942 was recognized as other income relating to the flow-through shares issued.

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12. Related party balances and transactions

Related Party Balances

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Key management personnel comprise the Company's Board of Directors and executive officers. The related party transactions not disclosed elsewhere in these consolidated financial statements are presented below.

At March 31, 2025 an amount of \$Nil (March 31, 2024 - \$1,575) owing to the CFO in respect of fees is included in accounts payable and accrued liabilities.

Related Party Transactions

The Company's key management personnel includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and directors. No remuneration was paid or payable to key management personnel during the years ended March 31, 2025 and 2024 other than that shown below:

- a) consulting fees of \$27,850 (2024 - \$15,250) paid to the CFO, a director and a company controlled by a common officer.

Key management personnel were not paid post-employment benefits or other long-term benefits during the years ended March 31, 2025 and 2024.

13. Capital management

The Company manages its capital structure, consisting of working and share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The exploration and evaluation assets in which the Company currently has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for on-going general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available.

Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the year ended March 31, 2025.

14. Financial instruments and risk management

As at March 31, 2025, the Company's financial instruments consist of cash, short-term investments, other receivables, accounts payable and accrued liabilities.

In management's opinion, the Company's carrying values of other receivables, accounts payable and accrued liabilities approximate their fair values due to the immediate or short-term maturity of these instruments.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

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14. Financial instruments and risk management, continued

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Cash and short-term investments are classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.

Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and short-term investments, which are maintained with financial institutions of reputable credit. The carrying amount of financial assets represents the maximum credit exposure. The Company has gross credit exposure at March 31, 2025 relating to cash and short-term investments of \$5,148,742. The Company considers the credit risk to be minimal for all cash assets based on changes that are reasonably possible at the reporting date.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial instrument liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet accounts payable requirements. 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 the past, there is no guarantee of obtaining future financing.

Foreign Exchange Risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company only operates in Canada and is therefore not exposed to significant foreign exchange risk.

Interest Rate Risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Company's exposure to interest rate risk relates to its ability to maintain the current rate of interest on its cash equivalents. Management believes the interest rate risk to be minimal.

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14. Financial instruments and risk management, continued

Classification of Financial Instruments

The classification of the Company's financial instruments is as follows:

	2025			2024		
	Fair Value Level	Fair value through profit or loss	Amortized cost	Fair value through profit or loss	Amortized cost	
<i>Financial assets:</i>						
Cash	1	\$ 378,742	-	\$ 61,027	-	
Short term investments	1	\$ 4,770,000	-	\$ -	-	
Other receivable			\$ 76,240	\$ -	-	
<i>Financial liabilities:</i>						
Accounts payable			\$ 71,881	\$ -	\$ 3,202	
Accrued liabilities			\$ 24,325	\$ -	\$ 15,000	

15. Income taxes

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory rates to the amounts recognized in the statements of operations and comprehensive loss for the years ended March 31, 2025 and 2024:

	2025	2024
Net loss	\$ (1,491,743)	\$ (577,425)
Statutory tax rate	27.00%	27.00%
Expected tax recovery	(402,771)	(155,905)
Permanent differences	-	10,504
Temporary differences	248,585	118,128
Tax loss not recognized	154,186	27,273
Total income tax expense	\$ -	\$ -

The unrecognized deductible temporary differences as at March 31, 2025 and 2024 are comprised of the following:

	2025	2024
Exploration and evaluation assets	\$ 4,647,451	\$ 4,647,451
Financing costs	150,730	8,546
Convertible debentures	-	799,168
Non-capital losses	5,379,690	4,814,624
Total unrecognized deductible temporary differences	\$ 10,177,871	\$ 10,269,789

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15. Income taxes, continued

As at March 31, 2024, the Company has not recognized a deferred tax asset in respect of non-capital losses carried forward of approximately \$4,800,000 which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the various amounts between the years of 2027 and 2045.

16. Subsequent events

On June 2, 2025, the Company granted 1,100,000 share purchase options to directors and officers. . The options vest immediately and are exercisable at a price of \$0.30 per share until the earlier of June 2, 2030 or 90 days following the date that the optionee ceases to be an eligible person.

On May 26, 2025, the Company granted 2,750,000 share purchase options to consultants. The options vest immediately and are exercisable at a price of \$0.30 per share until the earlier of May 26, 2030 or 90 days following the date that the optionee ceases to be engaged by the Company.