



(FORMERLY PREMIUM RESOURCES LTD.)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

***For the three and six months ended June 30, 2025 and
2024***

In accordance with generally accepted accounting principles in the United States and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission and stated in Canadian dollars, unless otherwise indicated

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Unaudited Condensed Interim Consolidated Balance Sheets
(Expressed in Canadian dollars)

	Notes	As at	
		June 30, 2025	December 31, 2024
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	26,463,957	6,105,933
Prepaid expenses		1,471,657	540,288
Other receivables	4	1,435,756	972,022
TOTAL CURRENT ASSETS		29,371,370	7,618,243
NON-CURRENT ASSETS			
Exploration and evaluation assets	5	8,794,678	8,846,821
Property, plant and equipment	6	8,887,826	8,488,405
TOTAL NON-CURRENT ASSETS		17,682,504	17,335,226
TOTAL ASSETS		47,053,874	24,953,469
LIABILITIES			
CURRENT LIABILITIES			
Trade payables and accrued liabilities – current	7	4,812,152	3,893,216
Vehicle financing – current		180,949	136,935
DSU liability – current	10(c)	502,929	177,602
TOTAL CURRENT LIABILITIES		5,496,030	4,207,753
NON-CURRENT LIABILITIES			
Trade payables and accrued liabilities – non-current	7	292,182	584,364
Provision for leave and severance		1,181,049	1,001,936
Vehicle financing – non-current		161,762	109,202
Term Loan	8	-	18,983,212
NSR option liability	9	2,750,000	2,750,000
DSU liability – non-current	10(c)	617,224	764,062
TOTAL NON-CURRENT LIABILITIES		5,002,217	24,192,776
TOTAL LIABILITIES		10,498,247	28,400,529
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Common Shares (no par value, unlimited Common Shares authorized; 21,449,318 issued and outstanding) (December 31, 2024 – 9,285,424)	10	-	-
Preferred shares	10	31,516	31,516
Additional paid-in capital		215,735,416	145,025,333
Deficit		(177,304,175)	(146,987,099)
Accumulated other comprehensive loss		(1,907,130)	(1,516,810)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		36,555,627	(3,447,060)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		47,053,874	24,953,469
Nature of Operations and Going Concern (Note 1)			

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

Approved by the Board of Directors on August 13, 2025.

"signed"
Morgan Lekstrom
Director and Chief Executive Officer

"signed"
Jason LeBlanc
Director

Unaudited Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2025 \$	2024 \$	2025 \$	2024 \$
EXPENSES					
General exploration expenses	5	10,337,096	6,594,276	16,472,873	13,308,735
Depreciation and amortization	6	431,322	369,674	1,067,150	733,902
General and administrative expenses	15	1,915,022	1,735,268	3,575,404	2,932,968
Investor relations and communications		1,934,047	85,388	2,143,445	160,092
Director fees	10(c)	248,116	283,664	248,116	564,913
Fair value movement of DSUs	10(c)	379,759	(93,914)	368,935	(320,516)
Net foreign exchange loss		31,818	147,989	283,243	214,002
LOSS FOR THE PERIOD BEFORE OTHER ITEMS		15,277,180	9,122,345	24,159,166	17,594,096
OTHER ITEMS					
Interest (income) expense, net		(188,434)	(99,498)	(252,895)	15,821
Interest expense and accretion on Term Loan	8	-	770,345	428,371	1,530,455
Loss on Term Loan extinguishment	8	-	-	5,982,434	-
NET LOSS FOR THE PERIOD		15,088,746	9,793,192	30,317,076	19,140,372
OTHER COMPREHENSIVE LOSS (INCOME)					
Exchange differences on translation of foreign operations		870,068	(392,697)	390,320	(255,460)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		15,958,814	9,400,495	30,707,396	18,884,912
Basic and diluted loss per share		0.70	1.26	1.86	2.52
Weighted average number of Common Shares outstanding - basic and diluted		21,449,318	7,748,629	16,341,832	7,609,994

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

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian dollars)

Three months ended June 30						
Notes	Number of shares	Preferred shares \$	Additional paid-in capital \$	Deficit \$	Accumulated other comprehensive (loss) income \$	Total shareholders' equity (deficiency) \$
BALANCE, MARCH 31, 2025	21,449,318	31,516	214,806,833	(162,215,429)	(1,037,062)	51,585,858
Net loss for the period	-	-	-	(15,088,746)	-	(15,088,746)
Share-based compensation 10(c)	-	-	928,583	-	-	928,583
Exchange differences on translation of foreign operations	-	-	-	-	(870,068)	(870,068)
BALANCE, JUNE 30, 2025	21,449,318	31,516	215,735,416	(177,304,175)	(1,907,130)	36,555,627
BALANCE, MARCH 31, 2024	7,471,354	31,516	116,459,585	(113,913,996)	(1,926,224)	650,881
Net loss for the period	-	-	-	(9,793,192)	-	(9,793,192)
Share capital issued through private placement	1,814,070	-	28,760,081	-	-	28,760,081
Share issue costs	-	-	(1,734,507)	-	-	(1,734,507)
Share-based compensation	-	-	389,612	-	-	389,612
Exchange differences on translation of foreign operations	-	-	-	-	392,697	392,697
BALANCE, JUNE 30, 2024	9,285,424	31,516	143,874,771	(123,707,188)	(1,533,527)	18,665,572

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

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)...continued

(Expressed in Canadian dollars)

Six months ended June 30

Notes	Number of shares	Preferred shares \$	Additional paid-in capital \$	Deficit \$	Accumulated other comprehensive (loss) income \$	Total shareholders' (deficiency) equity \$
BALANCE, DECEMBER 31, 2024	9,285,424	31,516	145,025,333	(146,987,099)	(1,516,810)	(3,447,060)
Net loss for the period	-	-	-	(30,317,076)	-	(30,317,076)
Share capital issued through private placement 10(a)	8,394,953	-	49,709,891	-	-	49,709,891
Share issue costs - private placement 10(a)	-	-	(5,389,306)	-	-	(5,389,306)
Share capital issued through debt conversion 8	3,768,941	-	26,594,817	-	-	26,594,817
Share issue costs - debt conversion 8	-	-	(2,161,483)	-	-	(2,161,483)
Share-based compensation 10(c)	-	-	1,956,164	-	-	1,956,164
Exchange differences on translation of foreign operations	-	-	-	-	(390,320)	(390,320)
BALANCE, JUNE 30, 2025	21,449,318	31,516	215,735,416	(177,304,175)	(1,907,130)	36,555,627
BALANCE, DECEMBER 31, 2023	7,465,041	31,516	116,069,973	(104,566,816)	(1,788,987)	9,745,686
Net loss for the period	-	-	-	(19,140,372)	-	(19,140,372)
Share capital issued through private placement	1,814,070	-	28,760,081	-	-	28,760,081
Share issue costs	-	-	(1,734,507)	-	-	(1,734,507)
Exercise of options, net	6,313	-	-	-	-	-
Share-based compensation	-	-	779,224	-	-	779,224
Exchange differences on translation of foreign operations	-	-	-	-	255,460	255,460
BALANCE, JUNE 30, 2024	9,285,424	31,516	143,874,771	(123,707,188)	(1,533,527)	18,665,572

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

Unaudited Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	Six months ended June 30,	
		2025	2024
		\$	\$
OPERATING ACTIVITIES			
Net loss for the period		(30,317,076)	(19,140,372)
Adjustments to reconcile net loss to net cash used in operating activities:			
DSUs granted	10(c)	-	564,913
Fair value movement of DSUs	10(c)	368,935	(320,516)
Share-based compensation	10(c)	1,956,164	779,224
Depreciation and amortization	6	1,067,150	733,902
Provision for leave and severance		179,113	259,983
Interest and accretion, net		36,464	494,849
Accrued interest on lease liability		-	90,463
Loss on Term Loan extinguishment	8	5,982,434	-
DSU redemption	10(c)	(190,446)	-
Changes in non-cash working capital			
Prepaid expenses and other receivables		(1,395,103)	(134,824)
Trade payables and accrued expenses		626,754	(6,934)
Net cash used in operating activities		(21,685,611)	(16,679,312)
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6	(1,510,130)	(1,120,588)
Net cash used in investing activities		(1,510,130)	(1,120,588)
FINANCING ACTIVITIES			
Proceeds from issuance of units	10(a)	46,000,000	27,454,421
Share issue costs	8	(2,371,203)	(278,847)
Vehicle loan financing, net of repayments		86,349	(45,171)
Lease payments		-	(452,972)
Net cash provided by financing activities		43,715,146	26,677,431
Effect of exchange rate changes on cash and cash equivalents		(161,381)	(41,642)
Change in cash and cash equivalents for the period		20,358,024	8,835,889
Cash and cash equivalents at the beginning of the period		6,105,933	19,245,628
Cash and cash equivalents at the end of the period		26,463,957	28,081,517
Supplemental cash flow information			
Income taxes paid		-	-
Interest paid		291,873	1,135,919

See Note 8 and 10(a) for noncash Financing Activities.

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

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

a) Nature of Operations

NexMetals Mining Corp. and its wholly-owned subsidiaries' (collectively, the "**Company**" or "**NEXM**" and formerly Premium Resources Ltd.) principal business activity is the exploration and evaluation of the Selebi and Selebi North nickel-copper-cobalt ("**Ni-Cu-Co**") mines in Botswana and related infrastructure (together, the "**Selebi Mines**"), as well as the nickel, copper, cobalt, platinum-group elements ("**Ni-Cu-Co-PGE**") Selkirk mine in Botswana, together with associated infrastructure and four surrounding prospecting licences (collectively, the "**Selkirk Mine**" and together with the Selebi Mines, the "**Mines**").

The common shares of NEXM ("**Common Shares**") are listed and posted for trading on the Nasdaq Capital Market (the "**Nasdaq**") and on the TSX Venture Exchange (the "**TSXV**") under the symbol "NEXM". Prior to June 11, 2025, the Company traded on the TSXV under its previous name and symbol, Premium Resources Ltd. and "PREM", respectively. The Company's head and registered office is located at One First Canadian Place, 100 King Street West, Suite 3400, Toronto, Ontario, Canada M5X 1A4.

b) Share Consolidation

On June 20, 2025, the Company consolidated its Common Shares on the basis of twenty (20) pre-consolidated shares for every one (1) post-consolidation share (the "Share Consolidation"). No fractional shares were issued in connection with the Share Consolidation. All fractional shares created by the Share Consolidation were rounded to the nearest whole number of Common Shares, with any fractional interest representing one-half (1/2) or more Common Shares entitling holders thereof to receive one whole Common Share.

As a result of the Share Consolidation, the number of Common Shares issuable upon exercise of warrants has been adjusted in accordance with the applicable warrant terms, such that each warrant now entitles the holder to receive one post-consolidation Common Share for every twenty Common Shares previously issuable, at a proportionally adjusted exercise price. The total number of warrants outstanding was not affected by the Consolidation, however for comparative and presentation purposes, all warrant figures presented herein, including the number of warrants outstanding and the number of Common Shares issuable upon exercise, are presented on a post-consolidation basis.

The exercise price, number of Options outstanding, and number of Common Shares issuable upon the exercise of outstanding Options presented in these financial statements were proportionately adjusted to reflect the Share Consolidation. Further, the number of restricted share units and deferred share units, and number of Common Shares issuable upon the vesting of restricted share units presented in these financial statements were also proportionately adjusted to reflect the Share Consolidation. All information respecting outstanding Common Shares and other securities of the Company, including basic and diluted loss per share, in the current and comparative periods presented herein give effect to the Share Consolidation.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

c) Going Concern

The Company, being in the exploration stage, is subject to risks and challenges similar to companies in a comparable stage of exploration and development. These risks include the challenges of securing adequate capital for exploration and advancement of the Company's material projects, operational risks inherent in the mining industry, and global economic and metal price volatility, and there is no assurance management will be successful in its endeavors.

These unaudited condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The ability of the Company to continue operations as a going concern is ultimately dependent upon achieving profitable operations and its ability to obtain adequate financing. The Company incurred a net loss of \$15,088,746 and \$30,317,076 for the three and six months ended June 30, 2025, respectively. To date, the Company has not generated profitable operations from its resource activities and will need to invest additional funds in carrying out its planned evaluation, development and operational activities.

It is not possible to predict whether future financing efforts will be successful or if the Company will attain a profitable level of operations. These material uncertainties cast substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities and the reported expenses and comprehensive loss that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The properties in which the Company currently has an interest are in pre-revenue stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out the planned activities and cover administrative costs, the Company will use its existing working capital and raise additional amounts as needed. Further, the second instalment under the Selebi APA (defined in Note 5) of \$34,107,500 (US\$25,000,000) is due January 31, 2026, which may require the Company to raise additional funding as the Company does not currently have sufficient funds to meet this obligation.

On March 18, 2025, the Company closed a significant refinancing (Note 8 and Note 10(a)). While this transaction will provide sufficient capital for the Company to fund operations in the near term, the Company will need further funding to support advancement of the Selebi Mines and the Selkirk Mine toward the development stage.

Although the Company has been successful in its past fundraising activities, there is no assurance as to the success of future fundraising efforts or as to the sufficiency of funds raised in the future.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These unaudited condensed interim consolidated financial statements reflect the accounts of the Company and have been prepared in accordance with generally accepted accounting principles in the United States of America ("**US GAAP**") for interim financial information and in accordance with the instructions in Article 10 of Regulation S-X promulgated by the U.S. Securities and Exchange Commission (the "**SEC**").

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

Certain information or footnote disclosures normally included in annual financial statements prepared in accordance with US GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed interim consolidated financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The accompanying unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024. The interim period results do not necessarily indicate the results that may be expected for any other interim period or for the full fiscal year.

(b) Basis of Preparation

These unaudited condensed interim consolidated financial statements have been prepared under the historical cost convention, modified by the revaluation of any financial assets and financial liabilities where applicable. The preparation of these unaudited condensed interim consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ materially from those estimates. The Company assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to the Company as of June 30, 2025, and through the date of this report filing.

Operating segments are reported in a manner consistent with the internal reporting provided to executive management. The Company determined that it has one reportable operating segment being that of the acquisition, exploration and evaluation of mineral properties in three geographic segments, which are Canada, Barbados and Botswana (Note 13).

The Company's presentation currency is Canadian dollars. Reference herein of \$ or CAD is to Canadian dollars, US\$ or USD is to United States dollars, and BWP is to Botswana pula.

The significant accounting policies used in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those used in the preparation of the audited annual consolidated financial statements for the year ended December 31, 2024. Except as described in Note 2(e) and (f), there were no changes in significant accounting policies during the three and six months ended June 30, 2025.

(c) Reclassification

Certain comparative figures on the unaudited condensed interim consolidated balance sheets, unaudited condensed interim consolidated statements of operations and comprehensive loss, unaudited condensed interim consolidated statements of cash flows, and the notes to the unaudited condensed interim consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications have no effect on net loss or shareholders' equity as previously reported. For the three and six months ended June 30, 2024, an adjustment has been made to reduce share-based compensation by \$389,612 and \$779,224, respectively, on the face of the unaudited condensed interim consolidated statement of operations and comprehensive loss, and to increase general and administrative expenses by \$266,785 and \$533,573, respectively, and to

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

increase general exploration expenses by \$122,827 and \$245,651, respectively. For the three and six months ended June 30, 2024, general and administrative expenses were reduced by \$1,009,074 and \$1,943,414, respectively, with an increase to general exploration expenses of \$923,686 and \$1,783,322, respectively, and an increase to investor relations and communications of \$85,388 and \$160,092, respectively. For the three and six months ended June 30, 2024, operating cash outflows attributable to the purchase of spares of \$25,505 and \$992,311, respectively, were reclassified to investing cash outflows. Trade payables and accruals of \$584,364 were reclassified from current to non-current for the year ended December 31, 2024.

(d) Basis of Consolidation

These unaudited condensed interim consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiaries as summarized in the table below. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Name of Entity	Place of Incorporation	Percentage Ownership	Functional Currency
NexMetals Mining Corp.	Ontario, Canada		CAD
NAN Exploration Inc.	Ontario, Canada	100	CAD
PNR Amalco Ltd.	Ontario, Canada	100	CAD
Premium Resources International Ltd.	Barbados	100	USD
Premium Resources Selkirk (Barbados) Limited	Barbados	100	USD
Premium Resources Selebi (Barbados) Limited	Barbados	100	USD
Premium Nickel Group Proprietary Limited	Botswana	100	BWP
Premium Nickel Resources Proprietary Limited	Botswana	100	BWP

(e) Debt Extinguishment

Upon the extinguishment of debt, the difference between the amount paid on extinguishment, including miscellaneous costs of reacquisition, and the net carrying amount of the debt being extinguished, being the amount due at maturity, adjusted for unamortized premiums, discounts, and costs of issuance, is recognized as a gain or loss when the debt is extinguished. The fair value of the assets transferred or the fair value of an equity interest granted is used in accounting for the settlement of the debt unless the fair value of the debt being settled is more clearly evident.

Recently Adopted Accounting Pronouncements

(f) ASU 2023-09, Income Taxes: Improvements to Income Tax Disclosures

In December 2023, the Financial Accounting Standards Board ("FASB") issued a final standard on improvements to income tax disclosures. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The Company adopted the new standard effective January 1, 2025, and will include certain additional disclosures in the notes to its consolidated financial statements for the year ending December 31, 2025.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

Recently Issued Accounting Pronouncements and Disclosures Not Yet Adopted

(g) ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures*

In November 2024, FASB issued an Accounting Standards Update (“ASU”) which will require entities to provide disaggregated disclosure of specified categories of expenses that are included on the face of the income statement, including: purchases of inventory, employee compensation, depreciation, amortization and depletion. This ASU becomes effective January 1, 2027. The Company is assessing the impact of this ASU, and upon adoption, may be required to include certain additional disclosures in the notes to its consolidated financial statements.

3. CASH AND CASH EQUIVALENTS

A summary of the Company’s cash and cash equivalents is detailed in the table below:

	June 30, 2025	December 31, 2024
	\$	\$
Cash	9,176,457	4,015,933
Short-term deposits	17,287,500	2,090,000
	26,463,957	6,105,933

4. OTHER RECEIVABLES

A summary of the Company’s other receivables is detailed in the table below:

	June 30, 2025	December 31, 2024
	\$	\$
HST paid on purchases	709,403	503,235
VAT paid on purchases	592,845	468,787
Interest receivable	133,508	-
	1,435,756	972,022

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets of the Company consist of the acquisition costs of mining assets located in Botswana:

	Botswana		Total
	Selebi	Selkirk	
	\$	\$	\$
Balance, December 31, 2023	8,285,523	309,275	8,594,798
Foreign currency translation	242,955	9,068	252,023
Balance, December 31, 2024	8,528,478	318,343	8,846,821
Foreign currency translation	(50,266)	(1,877)	(52,143)
Balance, June 30, 2025	8,478,212	316,466	8,794,678

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

Botswana Assets - Selebi and Selkirk

In September 2021, the Company executed the Selebi Asset Purchase Agreement ("**Selebi APA**") with the BCL Limited ("**BCL**") liquidator to acquire the Selebi Mines formerly operated by BCL. In January 2022, the Company closed the transaction and ownership of the Selebi Mines transferred to the Company.

Pursuant to the Selebi APA, the aggregate purchase price payable to the seller for the Selebi Mines shall be the sum of \$77,123,330 (US\$56,750,000), which amount shall be paid in three instalments:

- \$2,086,830 (US\$1,750,000) payable on the closing date. This payment has been made. The Company also made care and maintenance funding contributions in respect of the Selebi Mines from March 22, 2021 to the closing date of \$6,164,688 (US\$5,178,747).
- \$34,107,500 (US\$25,000,000) payable upon the earlier of: (a) approval by the Botswana Ministry of Mineral Resources, Green Technology and Energy Security ("**MMRGTES**") of the Company's Section 42 and Section 43 applications (for the further extension of the mining licence and conversion of the mining licence into an operating licence, respectively), and (b) January 31, 2026, the expiry date of the study phase.
- \$40,929,000 (US\$30,000,000) payable on the completion of mine construction and production start-up (commissioning) by the Company on or before January 31, 2030, but not later than four years after the approval by the Minister of MMRGTES of the Company's Section 42 and Section 43 applications.

The total acquisition cost of the Selebi Mines included the first instalment of \$2,086,830 (US\$1,750,000) and the payment of the care and maintenance funding contribution of \$6,164,688 (US\$5,178,747). As per the terms and conditions of the Selebi APA, the Company has the option to cancel the second and third payments and return the Selebi Mines to the liquidator if the Company determines that the Selebi Mines are not economical. The Company also has an option to pay in advance the second and third payments if the Company determines that the Selebi Mines are economical.

In addition to the Selebi APA, the purchase of the Selebi Mines is also subject to a royalty agreement as well as a contingent consideration agreement with the liquidator. The royalty agreement consists of a net smelter returns royalty (the "**Selebi NSR**") of 2% on the net value of sales of concentrate or other materials with respect to production from the Selebi mining licence, of which the Company has the right to buy-back 50% (Note 9). The contingent consideration agreement consists of two components: (i) a

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

sliding scale payment of US\$0.50/tonne of ore up to US\$1.40/tonne of ore with respect to the discovery of new mineable deposits greater than 25 million tonnes of ore from a base case of 15.9 million tonnes, with a minimum grade of 2.5% nickel equivalent, accrued at the time of a decision to mine; and (ii) price participation of 15% on post-tax net earnings directly attributable to an increase of 25% or more in commodity prices, on a quarterly basis, for a period of seven years from the date of first shipment of concentrate or other materials.

The Company also negotiated a separate asset purchase agreement (the "**Selkirk APA**") with the liquidator of Tati Nickel Mining Company ("**TNMC**") in January 2022 to acquire the Selkirk deposit and related infrastructure formerly operated by TNMC. The transaction closed in August 2022. The Selkirk APA does not provide for a purchase price or initial payment for the purchase of the assets. The acquisition cost of the Selkirk Mine of \$327,109 (US\$244,954) was the care and maintenance funding contribution from April 1, 2021, to the closing date of the Selkirk APA. The Selkirk APA provides that if the Company elects to develop the Selkirk Mine first, the payment of the second Selebi instalment of \$34,107,500 (US\$25,000,000) would be upon the approval by the Minister of MMRGTES of the Company's Section 42 and Section 43 applications (for the further extension of the Selkirk mining licence and conversion of the Selkirk mining licence into an operating licence, respectively). For the third Selebi instalment of \$40,929,000 (US\$30,000,000), if the Selkirk Mine were to be commissioned earlier than the Selebi Mines, the payment would trigger on the Selkirk Mine's commission date. The Selkirk APA provides for a three-year study phase expiring August 17, 2025, which can be extended for one year with written notice to the liquidator. The Company has submitted the written notice and, as of August 13, 2025, is awaiting formal acceptance by the liquidator.

In addition to the Selkirk APA, the purchase of the Selkirk Mine is also subject to a royalty agreement as well as a contingent consideration agreement with the liquidator. The royalty agreement consists of a net smelter returns royalty (the "**Selkirk NSR**") of 1% on the net value of sales of concentrate or other materials with respect to production from the Selkirk mining licence, which the Company has the right to buy-back in full (Note 9). The contingent consideration agreement is on similar terms as the Selebi Mines contingent consideration.

In August 2023, the Company entered into a binding commitment letter with the liquidator of BCL to acquire a 100% interest in two additional deposits ("**Phikwe South**" and the "**Southeast Extension**") located adjacent to and immediately north of the Selebi North shaft. The agreement has since lapsed and on August 11, 2025, the Company informed the liquidator of BCL that it would no longer be pursuing the acquisition of the Phikwe South and the Southeast Extension deposits.

Both the Selebi Mines and Selkirk Mine are subject to a royalty payable to the Botswana Government of 5% of all precious metals sales and 3% of all base metals sales.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

General Exploration Expenses - Details of the general exploration expenses by nature are presented as follows:

	Three months ended June 30, 2025				Three months ended June 30, 2024			
	Selebi \$	Selkirk \$	Other \$	Total \$	Selebi \$	Selkirk \$	Other \$	Total \$
Drilling	3,034,485	703,233	-	3,737,718	1,008,650	-	-	1,008,650
Site operations, administration & overhead	1,362,912	344,208	113,086	1,820,206	1,274,300	101,418	47,682	1,423,400
Infrastructure & equipment maintenance	731,349	-	-	731,349	908,023	-	-	908,023
Geology	451,862	303,536	-	755,398	705,639	23,742	-	729,381
Mine development	708,170	-	-	708,170	695,663	-	-	695,663
Electricity	865,329	4,296	-	869,625	701,917	7,794	-	709,711
Engineering & technical studies	495,977	15,915	-	511,892	202,088	74,357	-	276,445
Geophysics	242,959	20,939	-	263,898	183,226	90,629	-	273,855
Freight, tools, supplies & other consumables	392,598	76,638	-	469,236	318,143	93	-	318,236
Health & safety	127,031	3,630	-	130,661	67,164	43	-	67,207
Environmental, social & governance	86,371	-	-	86,371	60,878	-	-	60,878
Share-based compensation	121,262	131,310	-	252,572	98,261	24,566	-	122,827
Total	8,620,305	1,603,705	113,086	10,337,096	6,223,952	322,642	47,682	6,594,276

	Six months ended June 30, 2025				Six months ended June 30, 2024			
	Selebi \$	Selkirk \$	Other \$	Total \$	Selebi \$	Selkirk \$	Other \$	Total \$
Drilling	3,718,577	703,233	-	4,421,810	2,559,903	-	-	2,559,903
Site operations, administration & overhead	2,294,239	386,470	152,742	2,833,451	2,458,560	204,410	95,715	2,758,685
Infrastructure & equipment maintenance	1,442,278	-	-	1,442,278	1,778,704	-	-	1,778,704
Geology	1,019,837	330,071	-	1,349,908	1,489,126	33,297	-	1,522,423
Mine development	1,376,789	-	-	1,376,789	1,363,232	-	-	1,363,232
Electricity	1,729,242	8,652	-	1,737,894	1,373,330	15,328	-	1,388,658
Engineering & technical studies	1,338,749	27,595	-	1,366,344	264,438	124,001	-	388,439
Geophysics	469,768	20,939	-	490,707	496,364	92,837	-	589,201
Freight, tools, supplies & other consumables	522,793	87,602	-	610,395	450,513	93	-	450,606
Health & safety	220,615	3,630	-	224,245	111,177	43	-	111,220
Environmental, social & governance	160,780	-	-	160,780	152,013	-	-	152,013
Share-based compensation	320,791	137,481	-	458,272	196,521	49,130	-	245,651
Total	14,614,458	1,705,673	152,742	16,472,873	12,693,881	519,139	95,715	13,308,735

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For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

6. PROPERTY, PLANT AND EQUIPMENT

The tables below set out costs and accumulated depreciation and amortization as at June 30, 2025 and December 31, 2024:

Cost	Land and Buildings ⁽¹⁾ \$	Equipment ^{(1) (2)} \$	Furniture & Fixtures \$	Vehicles \$	Computer & Software \$	Total \$
Balance - December 31, 2023	2,909,637	5,476,434	191,899	398,032	567,407	9,543,409
Additions	73,049	1,129,567	30,121	111,629	6,543	1,350,909
Foreign currency translation	86,264	(22,306)	3,857	11,561	35,317	114,693
Balance - December 31, 2024	3,068,950	6,583,695	225,877	521,222	609,267	11,009,011
Additions	-	1,312,094	2,804	191,563	3,669	1,510,130
Foreign currency translation	(18,087)	(34,325)	(1,037)	(4,013)	(3,608)	(61,070)
Balance - June 30, 2025	3,050,863	7,861,464	227,644	708,772	609,328	12,458,071

Accumulated Depreciation & Amortization	Land and Buildings ⁽¹⁾	Equipment ^{(1) (2)}	Furniture & Fixtures	Vehicles	Computer & Software	Total
Balance - December 31, 2023	170,256	401,409	19,079	106,083	145,948	842,775
Depreciation during the year	110,535	1,229,847	14,750	113,688	162,644	1,631,464
Foreign currency translation	2,609	13,358	750	4,581	25,069	46,367
Balance - December 31, 2024	283,400	1,644,614	34,579	224,352	333,661	2,520,606
Depreciation during the period	43,182	665,653	16,591	70,542	271,182	1,067,150
Foreign currency translation	(1,882)	(10,413)	(247)	(1,669)	(3,300)	(17,511)
Balance - June 30, 2025	324,700	2,299,854	50,923	293,225	601,543	3,570,245

Carrying Value	Land and Buildings ⁽¹⁾	Equipment ^{(1) (2)}	Furniture & Fixtures	Vehicles	Computer & Software	Total
Balance - December 31, 2024	2,785,550	4,939,081	191,298	296,870	275,606	8,488,405
Balance - June 30, 2025	2,726,163	5,561,610	176,721	415,547	7,785	8,887,826

Note:

- (1) Land and Buildings contains the Syringa Lodge right-of-use ("ROU") asset and Equipment contains the drilling equipment supply agreement ROU asset. The Company obtained full title to these assets during the year ended December 31, 2024.
- (2) Included within Equipment is \$945,296 related to the Selebi Hinge deep drill and other capital components that were in transit at June 30, 2025, which are currently non-depreciable.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

7. TRADE PAYABLES AND ACCRUED LIABILITIES

A summary of trade payables and accrued liabilities is detailed in the table below:

	June 30, 2025	December 31, 2024
	\$	\$
Amounts due to related parties (Note 11)	37,042	1,259,665
Trade payables	3,280,133	2,493,306
Accrued liabilities	1,787,159	724,609
Total	5,104,334	4,477,580
Less: current portion	4,812,152	3,893,216
Non-current portion	292,182	584,364

Included in accrued liabilities at June 30, 2025 is \$876,547 due to the Company's former Chief Executive Officer related to his retirement from the Company and is payable in equal monthly installments of \$48,697 until December 31, 2026. The Company has reported \$584,365 of this amount as current at June 30, 2025. For the year ended December 31, 2024, the corresponding amount of \$1,168,729 was reported in amounts due to related parties, of which \$584,365 was reported as current.

8. TERM LOAN

The Company had a three-year term loan (the "**Term Loan**") with Cymbria Corporation ("**Cymbria**"), the lender and an affiliate of the Company's largest shareholder, EdgePoint Investment Group Inc. ("**EdgePoint**"), in the amount of \$20,882,353 which bore interest at a rate of 10% per annum and was to mature on June 28, 2026.

On March 18, 2025, the Company closed a financing transaction (the "**March 2025 Financing**") which included a non-brokered private placement (Note 10(a)) and the conversion of the Term Loan to equity (the "**Debt Conversion**").

The Company issued to Cymbria an aggregate of 3,480,392 units (each, a "**Settlement Unit**") at a deemed issue price of \$6.00 per Settlement Unit in full satisfaction of the \$20,882,353 principal amount outstanding under the Term Loan. Accrued interest under the Term Loan, up to the date of the Debt Conversion, in the amount of \$268,896, was settled in cash. Each Settlement Unit consisted of one Common Share of the Company and one Common Share purchase warrant (each, a "**Settlement Warrant**") of the Company.

Each Settlement Warrant entitles the holder to acquire one additional Common Share of the Company at a price of \$8.00 per Common Share until March 18, 2028. If, at any time prior to the expiry date, the volume-weighted average trading price of the Common Shares is at least \$40.00 per Common Share for a period of 20 trading days, the Company may, at its option, accelerate the expiry date with 30 days' notice to the Settlement Warrant holders.

The fair value of the Common Shares issued as part of the Settlement Units was estimated at \$17,727,018 and was determined by applying an implied discount for lack of marketability to the market observed price on the date of issuance. The fair value of the Settlement Warrants was estimated at \$7,398,104 using a Monte Carlo model. The \$5,982,434 difference between the fair value of the Settlement Units issued of \$25,125,122 and the carrying amount of the Term Loan of \$19,142,687 was recognized as a loss in the current period.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

The Monte Carlo model used to value the Settlement Warrants was based on the following assumptions:

	Settlement Warrants
Expected dividend yield	0%
Share price	\$5.00
Expected share price volatility	81.8%
Risk free interest rate	2.57%
Expected life of warrant	3 years

The volatility was determined by calculating the historical volatility of the Company's share price over a 3-year period using daily closing prices. The formula used to compute historical volatility is the standard deviation of the logarithmic returns. The same implied discount for lack of marketability for purposes of the Common Shares valuation was also applied to the share price for the Settlement Warrants valuation.

In connection with the March 2025 Financing, the Company issued: (i) 200,000 Common Shares to TriView Capital Ltd. ("**TriView**") for its services as finder; (ii) 450,000 Common Shares to Fiore Management and Advisory Corp. ("**Fiore**") and 187,500 Common Shares to Bowering Projects Ltd. ("**Bowering**") for certain advisory services; and (iii) 179,335 Common Shares to a financial advisor for financial advisory services. The fair value of these shares was determined to be \$5,179,586. In addition to the Common Shares, the Company incurred various legal, listing and financing fees payable in cash totalling \$2,371,203. Certain of these fees were allocated between the non-brokered private placement (Note 10(a)) and Debt Conversion transactions based on the value of the units issued under each transaction.

All securities issued as part of the Debt Conversion are subject to a hold period which expired July 19, 2025, with the exception of the Common Shares issued to Fiore and Bowering which have a hold period expiring March 19, 2026.

The following is a continuity of the Term Loan:

	\$
Term Loan balance, December 31, 2023	17,956,423
Accrued interest	2,082,530
Accretion of warrant value and transaction costs	1,026,789
Interest paid	(2,082,530)
Term Loan balance, December 31, 2024	18,983,212
Accrued interest	268,896
Accretion of warrant value and transaction costs	159,475
Interest paid	(268,896)
Debt Conversion	(19,142,687)
Term Loan balance, June 30, 2025	-

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

9. NSR OPTION

In 2023, Cymbria paid an aggregate of \$2,750,000 ("**Option Payment**") to two subsidiaries of NEXM to acquire a right to participate with such subsidiaries in the exercise of certain contractual rights. The Option Payment was allocated to PNRP and PNGP (defined below) for \$2,500,000 and \$250,000, respectively.

As the NSR options are exercisable entirely at the discretion of Cymbria and the underlying projects are in the exploration stage, the fair value of the call and put on the options as at June 30, 2025 and December 31, 2024 is \$nil. The Option payment received in cash was recorded as a non-current liability.

NEXM's indirect wholly-owned subsidiary Premium Nickel Resources Proprietary Limited ("**PNRP**") acquired the Selebi Mines in January 2022 out of liquidation. Pursuant to the acquisition agreement, the liquidator retained a 2% net smelter returns royalty on the Selebi Mines. PNRP has a contractual right to repurchase one-half of the Selebi NSR at a future time on payment by PNRP to the liquidator of \$27,286,000 (US\$20,000,000).

PREM's indirect wholly-owned subsidiary Premium Nickel Group Proprietary Limited ("**PNGP**") acquired the Selkirk Mine in August 2022 out of liquidation. Pursuant to the acquisition agreement, the liquidator retained a 1% net smelter returns royalty on the Selkirk Mine. PNGP has a contractual right to repurchase the entirety of the Selkirk NSR at a future time on payment by PNGP to the liquidator of \$2,728,600 (US\$2,000,000).

Each of PNRP and PNGP has agreed to grant Cymbria, in exchange for the Option Payment, an option to participate in any such repurchase of the applicable portion of its NSR from the relevant liquidator. Cymbria will, following the exercise of its option to participate in any such repurchase, acquire a 0.5% NSR royalty on the applicable property by paying an amount equal to one half of the repurchase price payable by PNRP or PNGP pursuant to the applicable NSR, less the Option Payment paid at closing pursuant to the relevant option agreement among Cymbria and PNRP or PNGP. Cymbria also has the right: (i) at any time following the date of any buyback exercise notice from PNRP and/or PNGP and prior to the first anniversary of sale of product, to terminate the option and receive from PNRP and/or PNGP a refund of the related option price paid by Cymbria; (ii) upon receipt from PNRP and/or PNGP of any termination, settlement or waiver of the buyback right or royalty agreement and prior to the first anniversary of sale of product, to exercise the option or terminate the option, and if terminated PNRP and/or PNGP shall refund the related option price paid by Cymbria; (iii) to exercise the option and compel PNRP and/or PNGP to exercise the buyback right at any time within the first nine months immediately following the first anniversary of sale of product and not less than 60 days prior to the date of exercise of the buyback right; and (iv) to require PNRP and/or PNGP to repurchase the option from Cymbria for an amount equal to the option price at any time commencing on the first anniversary of sale of product, provided PNRP and/or PNGP have not provided a buyback exercise notice or notice of any termination, settlement or waiver of the buyback right or royalty agreement to Cymbria.

Under the NSR option purchase agreements, Cymbria could acquire a 0.5% net smelter returns royalty on the Selebi Mines and Selkirk Mine upon payment of \$11,054,241 (US\$8,102,500) and \$1,105,424 (US\$810,250), respectively.

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(Expressed in Canadian dollars)

10. SHARE CAPITAL

As disclosed in Note 1(b), the Share Consolidation has been applied retrospectively herein.

The authorized capital of the Company comprises an unlimited number of Common Shares without par value and 20,000,000 Preferred Shares, issuable in series, of which 4,000,000 are authorized to be designated as Series 1 Convertible Preferred Shares.

There are currently 118,186 Series 1 Convertible Preferred Shares outstanding, without par value, which are convertible at a ratio of 180:1, to 657 Common Shares.

a) Common Shares Issued and Outstanding

Six months ended June 30, 2025

On March 18, 2025, the Company closed the March 2025 Financing which included a non-brokered private placement and the conversion of its \$20,882,353 three-year Term Loan with Cymbria (Note 8).

The non-brokered private placement (the "**Private Placement**") consisted of issuing 7,666,667 units (each, a "**Private Placement Unit**") of the Company at a price of \$6.00 per unit for aggregate gross proceeds of \$46,000,000. Each Private Placement Unit consisted of one Common Share of the Company and one-half of one Common Share purchase warrant (each whole warrant, a "**Private Placement Warrant**") of the Company. Each Private Placement Warrant entitles the holder to acquire one additional Common Share at a price of \$11.00 per share until March 18, 2028.

In connection with the March 2025 Financing, the Company issued: (i) 200,000 Common Shares to TriView for its services as finder; (ii) 450,000 Common Shares to Fiore and 187,500 Common Shares to Bowering for certain advisory services; and (iii) 179,335 Common Shares to a financial advisor for financial advisory services. The fair value of these shares was determined to be \$5,179,586. In addition to the Common Shares, the Company incurred various legal, listing and financing fees payable in cash totalling \$2,371,203. Certain of these fees were allocated between the Private Placement and Debt Conversion (Note 8) transactions based on the value of the units issued under each transaction.

All securities issued as part of the Private Placement are subject to a hold period which expired July 19, 2025, with the exception of the Common Shares issued to Fiore and Bowering which have a hold period expiring March 19, 2026.

The fair value of the Common Shares issued under the Private Placement was estimated at \$39,048,922 and was determined by applying an implied discount for lack of marketability to the market observed price on the date of issuance. The fair value of the Private Placements Warrants was estimated at \$6,951,078 using the Black-Scholes Option Pricing Model.

The fair value of the Private Placement Warrants was calculated using the following assumptions:

	Private Placement Warrants
Expected dividend yield	0%
Share price	\$5.00
Expected share price volatility	81.8%
Risk free interest rate	2.57%
Expected life of warrant	3 years

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(Expressed in Canadian dollars)

The volatility was determined by calculating the historical volatility of the Company's share price over a 3-year period using daily closing prices. The formula used to compute historical volatility is the standard deviation of the logarithmic returns. The same implied discount for lack of marketability for purposes of the Common Shares valuation was also applied to the share price for the Settlement Warrants valuation.

As at June 30, 2025, the Company had 21,449,318 Common Shares issued and outstanding (December 31, 2024 - 9,285,424).

Year ended December 31, 2024

During the year ended December 31, 2024, 6,313 Common Shares were issued for the net exercise of 13,905 options. In addition, 1,814,070 Common Shares were issued as a result of the following financing transactions:

On June 14, 2024, the Company closed the first tranche of a non-brokered private placement offering (the "**June 2024 Financing**"), pursuant to which the Company issued an aggregate 961,730 units of the Company (the "**June 2024 Units**") at a price of \$15.60 per Unit for aggregate gross proceeds of \$15,002,999. Each June 2024 Unit was comprised of one Common Share and one Common Share purchase warrant of the Company (each, a "**June 2024 Warrant**").

On June 21, 2024, the Company closed the second tranche of the June 2024 Financing and issued an additional 801,090 June 2024 Units at \$15.60 per Unit for gross proceeds of \$12,497,000.

Each June 2024 Warrant entitles the holder thereof to acquire one Common Share for a period expiring 60 months following the date of issuance (the "**Expiry Date**") at a price of \$22.00 per Common Share. If, at any time prior to the Expiry Date, the volume-weighted average trading price of the Common Shares is at least \$40.00 per Common Share for a period of 20 trading days, the Company may, at its option, accelerate the Expiry Date with 30 days' notice to the June 2024 Warrant holders.

In connection with the June 2024 Financing, the Company issued 51,250 June 2024 Units (comprised of 51,250 Common Shares and 51,250 non-transferable June 2024 Warrants) to a financial advisor.

The fair value of the June 2024 Warrants, calculated using the Monte Carlo model, was estimated at \$12,533,135. Gross proceeds raised of \$27,499,999 and related issuance costs of \$358,746 in cash, and the value of \$1,087,755 for 51,250 June 2024 Units granted to the financial advisor were allocated to the Common Shares and the June 2024 Warrants based on relative fair values. The key inputs used in the Monte-Carlo model were as follows:

	June 14, 2024	June 21, 2024
Expected dividend yield	0%	0%
Share price	\$16.20	\$16.80
Expected share price volatility	83.17%	83.71%
Risk free interest rate	3.23%	3.30%
Expected life of warrant	5 years	5 years

The volatility was determined by calculating the historical volatility of stock prices of the Company

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over a 5-year period using daily closing prices. The formula used to compute historical volatility is the standard deviation of the logarithmic returns.

b) Warrants

The following summarizes Common Share purchase warrant activity:

	Six months ended June 30, 2025		Year ended December 31, 2024	
	Number Outstanding	Weighted Average Exercise Price \$	Number Outstanding	Weighted Average Exercise Price \$
Outstanding, beginning of the year	2,126,342	23.02	344,555	30.00
Issued	7,313,726	9.57	1,814,070	22.00
Exercised	-	-	-	-
Expired	(11,072)	(35.00)	(32,283)	(41.00)
Outstanding, end of the period	9,428,996	12.58	2,126,342	23.02

At June 30, 2025, the Company had outstanding Common Share purchase warrants exercisable to acquire Common Shares as follows:

Warrants Outstanding	Warrants Exercisable	Expiry Date	Exercise Price \$	Intrinsic Value \$
301,200	301,200	June 28, 2026	28.75	-
1,012,981	1,012,981	June 14, 2029	22.00	-
801,089	801,089	June 21, 2029	22.00	-
3,833,334	3,833,334	March 18, 2028	11.00	6,133,334
3,480,392	3,480,392	March 18, 2028	8.00	16,009,803
9,428,996	9,428,996			22,143,137

c) Omnibus Plan

During the second quarter of 2025, the Company adopted a new “rolling up to 10%” long-term omnibus incentive plan (the “**Omnibus Plan**”) which replaces the Company’s existing stock option plan, restricted share unit plan, and deferred share unit plan.

The Omnibus Plan provides for the award of Restricted Share Units (“**RSUs**”), Deferred Share Units (“**DSUs**”) and options to purchase Common Shares (“**Options**”) and together with RSUs and DSUs, “**Awards**”) to directors, officers, employees and consultants upon approval by the Board of Directors. The maximum aggregate number of Common Shares issuable in respect of all past and future Awards granted or issued, at any point, shall not exceed 10% of the total number of issued and outstanding Common Shares on a non-diluted basis at such point in time, subject to certain participation limits on grants. No Award granted or issued under the Omnibus Plan, other than Options, may vest before the date that is one year following the date it is granted or issued.

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Options

An Option is an Award that gives a participant the right to purchase one Common Share at a specified price. The exercise price of each Option shall not be less than the discounted market price on the grant date and as approved by the Board of Directors of the Company. The Options can be granted for a maximum term of ten years.

The following summarizes the Option activity:

	Six months ended June 30, 2025		Year ended December 31, 2024	
	Number Outstanding	Weighted Average Exercise Price \$	Number Outstanding	Weighted Average Exercise Price \$
Outstanding, beginning of the year	779,343	25.60	674,401	27.80
Granted	299,000	9.99	170,500	21.00
Exercised	-	-	(13,905)	(17.20)
Expired/cancelled	(42,920)	(17.21)	(51,653)	(40.20)
Outstanding, end of the period	1,035,423	21.44	779,343	25.60

The total intrinsic value of options exercised for the year ended December 31, 2024, was \$149,405.

During the six months ended June 30, 2025, the Company granted an aggregate of 299,000 Options to employees, directors, officers and consultants with a term of five years. The Options have a weighted average exercise price of \$9.99 per Common Share. Of the 299,000 stock options granted, 287,500 vest as to one-half on the date of grant and the balance on the first anniversary of the date of grant, 7,000 vested immediately on the date of grant, and 4,500 vest annually in equal thirds beginning on the date of grant.

For the three and six months ended June 30, 2025, a total of \$498,099 (three months ended June 30, 2024 - \$389,612) and \$1,377,612 (six months ended June 30, 2024 - \$779,224), respectively, was recorded as share-based compensation expense and credited to additional paid-in capital related to Options.

The fair value of Options granted was calculated using the Black-Scholes Option Pricing Model. The volatility was determined using the historical daily volatility over the expected life of the Options. The expected life of the Options considered the contractual term of the Options, as well as an estimate of the time to exercise. The Black-Scholes Option Pricing Model used the following assumptions:

	Six months ended June 30, 2025	Year ended December 31, 2024
Expected dividend yield	0%	0%
Expected forfeiture rate	0%	0%
Expected share price volatility range	76.3-78.6%	74.2-79.8%
Weighted average expected share price volatility	77.5%	75.9%
Risk free interest rate	2.54%-2.70%	2.91%-3.23%
Expected life of Options	2.5-3.5 years	2.5-3.5 years

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

Details of Options outstanding as at June 30, 2025, are as follows:

Options Outstanding	Options Exercisable	Expiry Date	Exercise Price \$	Intrinsic Value \$
12,000	12,000	August 19, 2025	9.00	43,200
160,736	160,736	January 26, 2026	7.80	771,533
21,250	21,250	February 25, 2026	32.00	-
55,335	55,335	September 29, 2026	18.20	-
49,940	49,940	October 25, 2026	40.00	-
97,499	97,499	January 20, 2027	48.00	-
169,163	56,388	August 8, 2028	35.00	-
155,500	51,833	August 14, 2029	22.00	-
15,000	10,833	December 4, 2029	9.80	30,333
287,500	143,750	March 18, 2030	10.00	373,750
11,500	8,500	April 24, 2030	9.80	23,800
1,035,423	668,064			1,242,616

RSUs

A RSU is an Award that upon settlement, entitles the recipient participant to receive one Common Share. The number, terms, and vesting conditions of RSUs awarded will be determined by the Board of Directors from time to time. The Company uses the fair value method of accounting for the recording of RSU grants, and the fair value of the RSUs was determined based on the closing price of the Company's Common Shares on the grant date.

During the six months ended June 30, 2025, the Company granted an aggregate of 158,750 RSUs to employees, directors, officers and consultants with each RSU vesting in full on the first anniversary of the date of grant.

The following is a continuity of the RSUs which are fixed and are not subject to vesting conditions other than service:

	Six months ended June 30, 2025		Year ended December 31, 2024	
	Number Outstanding	Weighted Average Grant-Date Fair Value Per Award \$	Number Outstanding	Weighted Average Grant-Date Fair Value Per Award \$
Outstanding, beginning of the year	50,000	12.00	-	-
Granted	158,750	8.20	50,000	12.00
Outstanding, end of the period	208,750	9.00	50,000	12.00

For the three and six months ended June 30, 2025, a total of \$430,484 (three months ended June 30, 2024 - \$nil) and \$578,552 (six months ended June 30, 2024 - \$nil), respectively, was recorded as share-based compensation expense and credited to additional paid-in capital related to RSUs.

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DSUs

DSUs are granted annually by the Board of Directors and outstanding DSUs are settled in cash upon redemption. The number and vesting conditions of DSUs awarded will be determined by the Board of Directors from time to time. Each director may elect to receive any part or all of their director fees in DSUs.

The DSUs credited to the account of a director may only be redeemed following the date upon which the holder ceases to be a director but prior to the end of the calendar year following the year in which the holder ceases to be a director.

The following is a continuity of the DSUs:

	Number of Awards	Price ⁽¹⁾ \$	Fair Value \$
DSUs outstanding at December 31, 2023	36,548	24.20	884,481
Granted	71,688	14.24	1,020,523
Fair value adjustment			(963,340)
DSUs outstanding at December 31, 2024	108,236	8.70	941,664
Redeemed	(19,335)	9.85	(190,446)
Fair value adjustment			368,935
DSUs outstanding at June 30, 2025	88,901	12.60	1,120,153
Less: current portion	39,915	12.60	502,929
Non-current portion	48,986	12.60	617,224

Note:

⁽¹⁾ For DSUs granted and outstanding, price represents the closing price of the Company's Common Shares on the grant date and balance sheet date, respectively. For DSUs redeemed, price represents the volume weighted average price on the TSXV for the last five trading days immediately preceding the redemption date.

During the six months ended June 30, 2025, the Company did not grant DSUs. During the three and six months ended June 30, 2025, the Company recorded a fair value adjustment gain of \$379,759 and \$368,935, respectively, on the outstanding DSUs. During the three and six months ended June 30, 2024, the DSU compensation, net of fair value adjustments, was \$189,750 and \$244,397, respectively.

The DSUs are classified as a derivative financial liability measured at fair value, with changes in fair value recorded in profit or loss. The fair value of the DSUs was determined based on the closing price of the Company's Common Shares on the respective balance sheet date. As at June 30, 2025, the Company reassessed the fair value of the DSUs at \$1,120,153 and recorded the amount as a DSU liability (December 31, 2024 - \$941,664).

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS

The following amounts due to related parties are included in trade payables and accrued liabilities (Note 7).

	June 30, 2025	December 31, 2024
	\$	\$
Directors and officers of the Company	37,042	1,259,665
	37,042	1,259,665

Included in the amounts due to related parties at December 31, 2024, is \$1,168,729 due to the Company's former Chief Executive Officer related to his retirement from the Company and is payable in equal monthly installments of \$48,697 until December 31, 2026. The former Chief Executive Officer was not considered a related party at June 30, 2025.

These amounts are unsecured, non-interest bearing and have 30-day fixed terms of repayment with the exception of the retirement payment, as noted above.

(a) Related party transactions

During 2024, EdgePoint and its affiliates, related parties of the Company, subscribed for 384,615 June 2024 Units as part of the June 2024 Financing. As of December 31, 2024, EdgePoint and its affiliates beneficially owned 1,191,661 Common Shares and 685,815 warrants, representing approximately 12.8% of the issued and outstanding Common Shares (approximately 18.8% on a partially-diluted basis assuming the exercise of all warrants held by EdgePoint).

On March 18, 2025, the Company closed the March 2025 Financing which included the conversion of its Term Loan held by EdgePoint and its affiliates to equity (Note 8). The Company issued to EdgePoint and its affiliates an aggregate of 3,480,392 Settlement Units. As of June 30, 2025, EdgePoint and its affiliates beneficially owned an aggregate of 4,672,053 Common Shares and 4,166,207 warrants, representing approximately 21.8% of the outstanding Common Shares (approximately 34.5% on a partially-diluted basis assuming the exercise of all warrants held by EdgePoint).

In connection with the Private Placement (Note 10(a)), certain insiders of the Company subscribed for an aggregate of 196,833 Private Placement Units for gross proceeds of \$1,181,000.

For the three and six months ended June 30, 2025, the Company paid interest of \$nil (three months ended June 30, 2024 - \$519,206) and \$268,896 (six months ended June 30, 2024 - \$1,038,412), respectively, to Cymbria. For the three and six months ended June 30, 2025, the Company recognized a loss on the Debt Conversion of \$nil (three months ended June 30, 2024 - \$nil) and \$5,982,434 (six months ended June 30, 2024 - \$nil), respectively.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian dollars)

(b) Key management personnel are defined as members of the Board of Directors and certain senior management.

Key management compensation was related to the following:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Salaries and management fees	264,405	235,691	460,509	492,182
Site operations and administration	408,543	596,559	835,457	1,179,596
Director fees, net of DSU fair value movements	627,875	189,750	617,051	244,397
Share-based compensation	416,601	220,998	745,137	441,996
	1,717,424	1,242,998	2,658,154	2,358,171

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820 - Fair Value Measurement establishes a three-tier fair value hierarchy. The fair value hierarchy's three tiers are based on the extent to which inputs used in measuring fair value are observable in the market, and are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3: One or more significant inputs used in a valuation technique are unobservable in determining fair values of the asset or liability.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of an asset or liability in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The carrying value of cash and cash equivalents, trade payables and accrued liabilities approximate their fair value due to their short-term nature and therefore have been excluded from the table below. A summary of the carrying value and fair value of other financial instruments were as follows:

Classification		June 30, 2025		December 31, 2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
		\$	\$	\$	\$
DSU liability	Level 1	1,120,153	1,120,153	941,664	941,664
Vehicle financing	Level 2	342,711	342,711	246,137	246,137
Term loan	Level 3	-	-	18,983,212	20,862,478
NSR option liability	Level 2	2,750,000	2,750,000	2,750,000	2,750,000

DSU liability - the fair value of the DSUs is measured using the closing price of the Company's Common Shares at the end of each reporting period.

Vehicle financing - the fair values approximate carrying values as the interest rates are comparable to current market rates.

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Term loan – the term loan was carried at amortized cost. The fair value measurement of the term loan was based on an income approach.

NSR option liability – The fair value of the NSR options is determined using a valuation model that incorporates such factors as discounted cash flow projections, metal price volatility, and risk-free interest rate. As the NSR options are exercisable entirely at the discretion of Cymbria and the underlying projects are in the exploration stage, the fair value of the call and put on the options as at June 30, 2025 and December 31, 2024 is \$nil.

13. SEGMENTED INFORMATION

The Company has identified its Chief Executive Officer as its Chief Operating Decision Maker (“CODM”). The CODM evaluates the Company’s performance and segmented results based on Loss for the Period Before Other Items. The significant segment expenses reviewed by the CODM are consistent with the expense line items presented in Loss for the Period Before Other Items in the Company’s unaudited condensed interim consolidated statements of operations and comprehensive loss. The CODM uses Loss for the Period Before Other Items to assess segment performance against the Company’s planned results, and to allocate capital investment.

The Company operates in one reportable operating segment being that of the acquisition, exploration and evaluation of mineral properties in three geographic segments, being Botswana, Barbados and Canada. The Company’s geographic segments are as follows:

	June 30, 2025	December 31, 2024
	\$	\$
Current assets		
Canada	19,907,057	4,066,121
Barbados	5,314,105	89,446
Botswana	4,150,208	3,462,676
Total	29,371,370	7,618,243
Exploration and evaluation assets		
Botswana	8,794,678	8,846,821
Property, plant and equipment		
Botswana	8,887,826	8,488,405

14. CONTINGENT LIABILITIES

There are no environmental liabilities associated with the Mines as at the acquisition dates as all liabilities incurred prior to the acquisitions are the responsibility of the sellers, BCL and TNMC. The Company has an obligation for the rehabilitation costs arising subsequent to the acquisitions. As of June 30, 2025, there were no material rehabilitation costs for which the Company expects to incur, and management is not aware of or anticipating any contingent liabilities that could impact the financial position or performance of the Company related to its exploration and evaluation assets.

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15. GENERAL AND ADMINISTRATIVE EXPENSES

Details of the general and administrative expenses are presented in the following table:

	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Advisory and consultancy	45,182	112,586	56,671	172,448
Filing fees	59,079	246,747	92,074	270,702
General office expenses	104,127	94,376	136,142	187,578
Insurance	76,872	85,176	153,350	170,356
Professional fees	465,091	426,150	730,604	561,630
Salaries and management fees	488,660	503,448	908,671	1,036,681
Share-based compensation	676,011	266,785	1,497,892	533,573
Total	1,915,022	1,735,268	3,575,404	2,932,968