

DISCOVERY ENERGY METALS

**DISCOVERY ENERGY METALS CORP.
(formerly DISCOVERY LITHIUM INC.)**

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED APRIL 30, 2025

(Expressed in Canadian Dollars)

(Unaudited – prepared by management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

DISCOVERY ENERGY METALS CORP. (formerly DISCOVERY LITHIUM INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars
(Unaudited – prepared by management)

	April 30, 2025	January 31, 2025
ASSETS		
Current		
Cash	\$ 396,169	\$ 602,695
Receivables	199,868	363,100
Prepays	21,021	1,534
	617,058	967,329
Non-current		
Exploration and evaluation assets (Note 5)	5,971,245	5,941,707
TOTAL ASSETS	\$ 6,588,303	\$ 6,909,036
LIABILITIES & SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 1,356,432	\$ 1,522,974
	1,356,432	1,522,974
Shareholders' equity		
Share capital (Note 6)	15,614,424	15,614,424
Reserves (Note 6)	1,326,489	1,326,489
Deficit	(11,709,042)	(11,554,851)
	5,231,871	5,386,062
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	\$ 6,588,303	\$ 6,909,036

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

Authorized and approved by the Board of Directors on June 19, 2025

“Mike Hodge”
Director

“Eric Negraeff”
Director

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

DISCOVERY ENERGY METALS CORP. (formerly DISCOVERY LITHIUM INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
For the three months ended April 30, 2025 and 2024
Expressed in Canadian Dollars
(Unaudited – prepared by management)

	April 30, 2025	April 30, 2024
EXPENSES		
Accounting and audit fees	\$ -	\$ 19,500
Advertising, meals and promotion (Note 11)	37,500	400,036
Consulting fees (Note 7)	25,797	82,629
Filing fees	13,627	14,879
Legal fees	21,214	29,826
Management fees (Note 11)	45,000	37,500
Office and administration	2,184	644
Travel expense	8,067	14,872
Net loss	(153,389)	(599,886)
OTHER ITEMS		
Interest income	1,557	25,628
Part XII.6 tax	(2,359)	-
Net loss and comprehensive loss for the period	\$ (154,191)	\$ (574,258)
Weighted-average number of shares outstanding	56,873,169	46,361,405
Weighted-average loss per share – basic & diluted	\$ (0.00)	\$ (0.01)

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

DISCOVERY ENERGY METALS CORP. (formerly DISCOVERY LITHIUM INC.)**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the three months ended April 30, 2025 and 2024

Expressed in Canadian Dollars

(Unaudited – prepared by management)

	April 30, 2025	April 30, 2024
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the period	\$ (154,191)	\$ (574,258)
Changes in non-cash working capital items:		
Receivables	163,232	74,611
Prepays	(19,487)	1,428
Accounts payable and accrued liabilities	(166,542)	123,490
Cash flows (used in) operating activities	(176,988)	(374,729)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(29,538)	(12,295)
Cash flows (used in) investing activities	(29,538)	(12,295)
FINANCING ACTIVITIES		
Exercise of warrants	-	458,700
Share subscriptions received	-	25,000
Cash flows provided by financing activities	-	483,700
Change in cash	(206,526)	96,676
Cash, beginning of the period	602,695	3,000,012
Cash, end of the period	\$ 396,169	\$ 3,096,688

Supplemental cash flow information (Note 10)

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

DISCOVERY ENERGY METALS CORP. (formerly DISCOVERY LITHIUM INC.)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the three months ended April 30, 2025 and 2024
Expressed in Canadian Dollars
(Unaudited – prepared by management)

	Number of Shares	Share Capital	Share Subscriptions	Reserves	Deficit	Shareholders' Equity
Balance, January 31, 2024	44,382,905	\$ 13,878,311	\$ 25,000	\$ 1,326,489	\$ (3,888,073)	\$ 11,316,727
Exercise of warrants	1,453,500	290,700	-	-	-	290,700
Exercise of finder's warrants	525,000	168,000	-	-	-	168,000
Share subscriptions received	-	-	25,000	-	-	25,000
Loss for the period	-	-	-	-	(574,528)	(574,528)
Balance, April 30, 2024	46,361,405	\$ 14,337,011	\$ 25,000	\$ 1,326,489	\$ (4,462,331)	\$ 11,226,169
	Number of Shares	Share Capital	Reserves	Reserves	Deficit	Shareholders' Equity
Balance, January 31, 2025	63,486,654	\$ 15,614,424	\$ -	\$ 1,326,489	\$ (11,554,851)	\$ 5,386,062
Loss for the period	-	-	-	-	(154,191)	(154,191)
Balance, April 30, 2025	63,486,654	\$ 15,614,424	\$ -	\$ 1,326,489	\$ (11,709,042)	\$ 5,231,871

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

DISCOVERY ENERGY METALS CORP. (formerly DISCOVERY LITHIUM INC.)
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended April 30, 2025 and 2024
Expressed in Canadian Dollars
(Unaudited – prepared by management)

1. NATURE AND CONTINUANCE OF OPERATIONS

Discovery Energy Metals Corp. (formerly Discovery Lithium Inc.) (the “Company” or “Discovery”) was incorporated under the Business Corporations Act (British Columbia) on October 26, 2021 as a wholly-owned subsidiary of Ameriwest Lithium Inc. (“Ameriwest” or the “Parent”). The Company changed its name from ISM Resources to Discovery Lithium Inc. on September 1, 2023 and then subsequently to Discovery Energy Metals Corp. on March 28, 2025.

The Company’s corporate office and principal address is located at Suite 1450, 789 West Pender Street, Vancouver, BC, Canada, V6C 1H2.

On March 31, 2022, Ameriwest and Discovery entered into an arrangement agreement pursuant to which it was proposed that Discovery would, through a series of transactions, acquire all of Ameriwest’s gold assets on a tax deferred basis and would itself be acquired by Ameriwest’s shareholders. Discovery obtained assets and a distribution of shareholders sufficient to facilitate the intended listing of its common shares for trading on the Canadian Securities Exchange (“CSE”). The Company’s shares are now trading on the CSE under the stock symbol “DEMC”. The Company is also trading on the OTC under the symbol DCLIF, and on the Frankfurt Stock Exchange under the symbol Q3Q0.

Effective February 1, 2023, the Company consolidated its common shares on a 2:1 basis. All share and per share amounts in the financial statements have been retroactively restated to reflect the share consolidation.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management believes that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These events and conditions create a material uncertainty that may cast significant doubt upon the Company’s ability to continue as a going concern. The financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. Such adjustments could be material.

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting (“IAS 34”) using accounting policies consistent with IFRS Accounting Standards (“IFRS”), and International Financial Reporting Interpretations Committee (“IFRIC”) as issued by the International Accounting Standards Board (“IASB”).

These consolidated financial statements have been prepared on a historical cost basis, modified where applicable. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements were authorized for issuance on June 19, 2025 by the directors of the Company.

The functional currency of the Company and its subsidiaries is the Canadian dollar. These financial statements are presented in Canadian dollars, unless otherwise indicated.

Basis of Consolidation

These financial statements include the accounts of the Company and its 100% owned US subsidiary, ISM Resources Nevada Corp., which was incorporated on February 15, 2022 and its 100% owned British Columbia, Canada subsidiary, Discovery Lithium Holdings Inc. All significant inter-company transactions and balances have been eliminated on consolidation.

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2. BASIS OF PREPARATION (continued)

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The subsidiaries of the Company are as follows:

Name of subsidiary	Incorporation	Interest April 30, 2025	Interest January 31, 2025
Discovery Lithium Holdings Inc.	British Columbia, Canada	100%	100%
ISM Resources Nevada Corp.	Nevada, USA	100%	100%

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year that could result in a material adjustment of the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Significant judgments

i) Impairment of exploration and evaluation assets

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

ii) Going concern

The Company's assessment of its ability to raise sufficient funds to finance operations involves significant judgments. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

iii) Functional currency

The determination of a subsidiaries' functional currency often requires significant judgment where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation method.

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Significant estimates and assumptions

i) Share-based compensation

Share-based compensation is determined using the Black-Scholes option pricing model based on the estimated fair value of all share-based awards at the date of grant and is expensed to the statement of loss and comprehensive loss over each award's vesting period. The Black-Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

ii) Economic recoverability and probability of future benefits of exploration and evaluation costs

The carrying value of exploration and evaluation assets and the likelihood of future economic recoverability of these carrying values is subject to significant management estimates. The application of the Company's accounting policy for and determination of recoverability of capitalized assets is based on assumptions about future events or circumstances. New information may change estimates and assumptions made. If information becomes available indicating that recovery of expenditures is unlikely, the amounts capitalized are impaired and recognized as a loss in the period that the new information becomes available. A change in estimate could result in the carrying amount of capitalized assets being materially different from their presented carrying costs.

iii) Recognition of deferred income tax assets

Management is required to assess the recoverability of deferred income tax assets, which arise from the differences between the carrying amount of assets and liabilities and their tax bases in accordance with IAS 12 Income Taxes, to the extent that it is probable future taxable profits will be available against which the temporary differences can be utilized.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The policies applied in these condensed interim consolidated financial statements are consistent with policies disclosed in Note 4 of the financial statements for the year ended January 31, 2025 and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended January 31, 2025.

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5. EXPLORATION AND EVALUATION ASSETS

Table 1	Various Claims, Quebec, Canada (see Table 2)	Whitefish & Eagle Lake Claims, Ontario Canada	ESN Property, Nevada USA	Koster Dam Property, British Columbia Canada	Total
Balance – January 31, 2024	\$ 5,601,437	\$ -	\$ 2,718,272	\$ 219,180	\$ 8,538,889
Acquisition costs:					
Cash	9,481	-	9,984	-	19,465
Shares	525,000	180,000	-	-	705,000
Exploration costs:					
Assays	15,353	40,595	-	3,347	59,295
Fieldwork	12,300	-	-	7,059	19,359
Field supplies and rentals	77,861	-	-	-	77,861
Geological services	1,891,064	722,850	-	8,348	2,622,262
Travel and accommodation	585,910	112,266	-	-	698,176
Write-off of exploration assets	(5,742,889)	(1,055,711)	-	-	(6,798,600)
Balance – January 31, 2025	\$ 2,975,517	\$ -	\$ 2,728,256	\$ 237,934	\$ 5,941,707
Exploration costs:					
Assays	-	-	-	62	62
Geological services	29,476	-	-	-	29,476
Balance – April 30, 2025	\$ 3,004,993	\$ -	\$ 2,728,256	\$ 237,996	\$ 5,971,245

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Table 2	Serindac Lake & Vaurbert Lake	Route du Nord, et al	West James Bay Properties	Sakami & Radisson Properties	Total Quebec Properties
Balance – January 31, 2024	\$ 5,216,465	\$ 384,972	\$ -	\$ -	\$ 5,601,437
Acquisition costs:					
Cash	9,481	-	-	-	9,481
Shares	-	-	525,000	-	525,000
Exploration costs:					
Assays	15,353	-	-	-	15,353
Fieldwork	12,300	-	-	-	12,300
Field supplies and rentals	1,006	-	74,021	2,834	77,861
Geological services	232,809	6,878	1,585,593	65,784	1,891,064
Travel and accommodation	255,475	-	312,390	18,045	585,910
Write-off of exploration assets	(5,742,889)	-	-	-	(5,742,889)
Balance – January 31, 2025	\$ -	\$ 391,850	\$ 2,497,004	\$ 86,663	\$ 2,975,517
Exploration costs:					
Geological services	-	-	25,244	4,232	29,476
Balance – April 30, 2025	\$ -	\$ 391,850	\$ 2,522,248	\$ 90,895	\$ 3,004,993

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Expressed in Canadian Dollars
(Unaudited – prepared by management)

5. EXPLORATION AND EVALUATION ASSETS (continued)

QUEBEC PROPERTIES

Route du Nord, Lac Belanger, Lac Ferland and Lac Robertson Claims

On September 19, 2023, the Company entered into a definitive agreement (the “Agreement”) with certain arm’s-length vendors (the “Sellers”) to acquire a 100% undivided legal and beneficial interest in 303 mineral claims comprising approximately 16,404 hectares located in the northern and eastern regions of Québec (the “Claims”), identified as the Route De Nord, Lac Belanger, Lac Ferland and Lack Robertson properties. Pursuant to the Agreement, the Company acquired a 100% interest in the Claims by making a cash payment of \$25,000 and issuing an aggregate of 400,000 common shares (issued with a fair value of \$232,000).

West James Bay Properties

On June 6, 2024, the Company entered into an Earn-In Option Agreement (“the Agreement”) with Apex Critical Metals Corp. (“Apex”) and DG Resource Management Ltd. (“DGRM”) to acquire an 80% interest on the West James Bay property portfolio. The portfolio includes the Mantle, Cirrus East, Cirrus West, Neptune, Alto, Opus and Bruce Lake projects located within the James Bay Region. Upon and subject to the terms of this Agreement, Apex and DGRM granted the Company the sole and exclusive right and option to acquire, as to 40% from DGRM and as to 40% from Apex, an undivided 80% Earned Interest in the Mantle, Cirrus East, Cirrus West, Neptune, Alto, Opus and Bruce Lake projects, free and clear of any encumbrance, The projects are subject to a 2.0% gross overriding royalty on gross proceeds derived from the sale or disposition of mineral products, payable as to 1.0% to each of Apex and DGRM. During the year ended January 31, 2025, the Company issued an aggregate of 5,000,000 common shares (issued with a fair value of \$525,000) and incurred minimum expenditures of \$1,000,000 on or before the date that was six (6) months from the effective date, thereby acquiring an 80% interest in the projects.

Sakami and Radisson East Lithium Properties

On July 24, 2024, and subsequently amended on April 25, 2025, the Company entered into a definitive agreement to purchase a 100% interest in a group of claims generally known as the Sakami and Radisson East Lithium Properties (the “Claims”), located in the James Bay lithium district. In consideration, the Company issued 2,200,000 common shares in the capital of the Company to acquire a 100% interest in the Claims. The Company granted to the vendor a 2% net smelter returns royalty interest in the future minerals produced from the Claims upon achieving commercial production, with the Company having the right, at any time, to repurchase 50% of the royalty (being 1.0% of the 2.0% royalty) for \$1,000,000. See Note 15.

Serindac Lake and Vaubert Lake Claims

On May 29, 2023, the Company entered into a definitive agreement (the “Agreement”) with various sellers (the “Sellers”) pursuant to which, it had acquired, through its wholly-owned subsidiary, Discovery Lithium Holdings Inc., a 100% undivided legal and beneficial interest in and to each of those certain Serindac Lake Claims (comprising 1,649 mineral claims) and Vaubert Lake Claims (comprising 2,113 mineral claims) located in the Nunavik region of Northern Quebec.

In accordance with the terms and conditions of the Agreement, the Company: (i) made a cash payment of \$495,000 paid at closing to one of the Sellers; (ii) completed the issuance to the Sellers of an aggregate of 7,500,000 common shares of the Company (issued with a fair value of \$3,525,000); and (iii) granted a 1% net smelter return royalty to one of the Sellers.

During the year ended January 31, 2025, the Company made the determination that it will not pursue further exploration on the properties. As a result, the Company impaired the properties and recorded a write off of exploration and evaluation assets on the statement of comprehensive loss in the amount of \$5,742,889.

DISCOVERY ENERGY METALS CORP. (formerly DISCOVERY LITHIUM INC.)
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(Unaudited – prepared by management)

5. EXPLORATION AND EVALUATION ASSETS (continued)

ONTARIO PROPERTIES

Whitefish and Eagle Lake Claims

On July 15, 2024, the Company entered into a definitive agreement to purchase two separate packages of mining claims known as the Eagle Lake claims and the Whitefish Lake claims, respectively (together, the “Claims”), located approximately 350 km northwest of Thunder Bay, Ontario (the “Acquisition”). The Company had agreed to acquire a 100% interest in the Claims for the following consideration: a cash payment of \$432,779 to be paid to the Vendor within 180 days following closing of the Acquisition (“Closing”); and an aggregate of 2,000,000 common shares in the capital of the Company to be issued to the Vendor upon Closing (issued with a fair value of \$180,000). The shares are subject to a hold period expiring four months and one day following Closing.

Subsequent to January 31, 2025, the Company made the determination that it will not complete the Acquisition. As a result, the Company impaired the properties and recorded a write off of exploration and evaluation assets on the statement of comprehensive loss in the amount of \$1,055,711.

BRITISH COLUMBIA PROPERTY

Koster Dam Property, Canada

On June 30, 2017, and later amended on October 26, 2018 and June 29, 2020, Ameriwest entered into an option and joint venture agreement, later replaced by an amended and restated option and joint venture agreement (the “Amended Agreement”), whereby Ameriwest was granted the option to acquire up to a 50% interest in 10 mineral claims in the Clinton Mining Division of British Columbia (the “Property”). Pursuant to the Amended Agreement, Ameriwest was granted the sole and exclusive right and option (the “Initial Option”) to acquire a 45% right, title and interest in the Property by incurring a total of \$110,495 of expenditures on the Property by October 1, 2020 and the sole and exclusive right and option (the “Second Option”) to acquire an additional 5% right, title and interest in the Property by paying \$50,000 in cash within 30 days of exercising the Initial Option.

If, during the term of the Amended Agreement and so long as the joint venture agreement is still in force, either party or any of its affiliates stakes any interest in mineral claims or any other form of mineral tenure (the “AOI Tenure”) within two kilometers around the perimeter boundaries of the Property or any part thereof (the Area of Interest or “AOI”) located wholly or partly within the AOI, the acquiring party must give notice to the other party of such staking. If staking occurs prior to the formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property. If a non-acquiring party so elects and if the AOI Tenure was staked by Ameriwest or any of its affiliates, the staking or acquisition costs shall constitute expenditures. If a non-acquiring party so elects and if the AOI Tenure was staked by the third party or any of its affiliates, Ameriwest shall reimburse the third party for the staking or acquisition costs and these costs will also constitute expenditures. If such staking occurs after formation of the joint venture, the non-acquiring party may elect to require that such AOI Tenure be included in and thereafter form part of the Property provided that it then holds a participating interest, excluding any interest in any royalty, in the Property. If the AOI Tenure becomes part of the Property, the acquiring party shall be reimbursed its staking costs in proportion to its participating interest and such reimbursement shall be deemed a cost of the joint venture.

On September 30, 2020, Ameriwest notified the third party that it had completed the minimum expenditure required to exercise the Initial Option and thereby acquired a 45% interest in the Koster Dam property.

On December 28, 2021, Discovery, as transferee, entered into an Assignment and Novation Agreement (the “Koster Dam ANA”) with Ameriwest, the transferor, and the third party, the Obligee. Pursuant to the Koster Dam ANA, Ameriwest assigned, transferred, set over and conveyed all of its right, title, estate and interest in and to the Amended Agreement and all rights, benefits, privileges and advantages of Ameriwest to be derived therefrom, to have and to hold the same unto Discovery for its sole use and benefit in the same manner and to the same extent as if Discovery had been originally named as a party thereto instead of Ameriwest.

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5. EXPLORATION AND EVALUATION ASSETS (continued)

Koster Dam Property, Canada (continued)

On December 29, 2021, the third party and Discovery (the “Participants”) entered into a Joint Venture Agreement (the “JV Agreement”). Pursuant to the terms of the JV Agreement, each of the Participants will be liable for their share of costs associated with the exploration, development or operation of the property, with each Participant’s share of costs being equal to their interest in the property. At inception of the JV Agreement, Discovery has a 45% interest in the joint venture.

Each Participant’s respective interest will not change so long as each Participant contributes its respective share of costs. At any time after a Participant has elected not to contribute its share of costs, or loses its right to contribute its share of costs, then that Participant’s interest will be reduced in accordance with the terms of the JV Agreement. If the interest of one of the Participants is reduced to 10% or less, their remaining interest will be transferred to the other Participant, and the diluted Participant’s interest will be converted to a royalty interest, being 3.0% of net profits.

Per the terms of the JV Agreement, the Participants will establish a Management Committee consisting of two members, and two alternate members, representing each Participant. One member of the two members appointed by each Participant will be appointed as a voting member, with their number of votes being equal to the interest held by that Participant.

Pursuant to the JV Agreement, the third party will act as the initial managing operator of the joint venture.

USA PROPERTY

ESN Property, USA

On February 18, 2022, Ameriwest and Discovery entered into an Asset Transfer Agreement whereby Discovery purchased from Ameriwest a 100% interest in certain claims comprising the ESN Property for a nominal amount.

The claims making up the ESN Property are subject to an underlying production royalty based on the Net Smelter Returns (“NSR”) from the production or sale of minerals from the property, at the rate of 2% of the NSR, with the Company having the right to repurchase each 1% of the royalty at the rate of US\$1,000,000 for each 1% within five years after the date of the acquisition of the property.

6. SHARE CAPITAL

The Company has authorized an unlimited number of common shares without par value.

For the three months ended April 30, 2025

None

For the year ended January 31, 2025

During the year ended January 31, 2025, the Company issued 1,578,500 common shares pursuant to the exercise of share purchase warrants priced at \$0.20 and 525,000 finder’s warrants priced at \$0.32 for total gross proceeds of \$458,700.

On June 14, 2024, the Company issued 5,000,000 shares with a fair value of \$525,000 in connection with the acquisition of the West James Bay Properties. See Note 5.

On September 17, 2024, the Company issued 2,000,000 shares with a fair value of \$180,000 in connection with the acquisition of the Whitefish and Eagle Lake Claims. See Note 5.

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6. SHARE CAPITAL (continued)

For the year ended January 31, 2025 (continued)

On November 6, 2024, the Company completed a non-brokered private placement of 10,000,249 units of the Company (“Units”) at a price of \$0.055 per Unit for gross proceeds of \$550,014. Each Unit is comprised of one common share of the Company and one share purchase warrant, with each warrant exercisable to acquire one common share of the Company at a price of \$0.10 per share for a period of 24 months from the date of issuance.

Warrants

	Number of Warrants	Weighted Average Exercise Price (\$)
Outstanding, January 31, 2024	27,011,193	0.44
Expired	(5,655,652)	0.40
Exercised	(2,103,500)	0.23
Issued	10,000,249	0.10
Outstanding, January 31, 2025 and April 30, 2025	29,252,290	0.34

The weighted-average remaining contractual life of warrants at April 30, 2025 was 0.64 years (January 31, 2025 – 0.89 years).

Warrants outstanding as at April 30, 2025 are as follows:

Exercise price (\$)	April 30, 2025 Number of warrants	January 31, 2025 Number of warrants	Expiry Date
0.20	8,374,500	8,374,500	**May 7, 2025
0.60	3,333,365	3,333,365	July 31, 2025
0.70	5,696,145	5,696,145	August 14, 2025
0.70	173,109	173,109	*August 14, 2025
0.75	769,230	769,230	November 7, 2025
0.75	107,692	107,692	*November 7, 2025
0.75	700,000	700,000	November 27, 2025
0.75	98,000	98,000	*November 27, 2025
0.10	10,000,249	10,000,249	November 6, 2026
	29,252,290	29,252,290	

*Broker’s warrants

**See Note 13

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6. SHARE CAPITAL (continued)

Stock options

Under the Company’s stock option plan, the maximum number of shares that may be reserved for issuance is limited to 10% of the issued and outstanding common shares of the Company at any time. Under the plan, the exercise price of an option may not be less than the discounted market price. The options may have a maximum term of 5 years and be vested at the discretion of the board of directors.

	Number of Options	Weighted Average Exercise Price (\$)
Outstanding at January 31, 2024	2,973,750	0.40
Gra	2,400,000	0.43
Expired	(25,000)	0.35
Cancelled	(1,343,750)	0.40
Outstanding at January 31, 2025 and April 30, 2025	1,600,000	0.40

The weighted-average remaining contractual life of the options at April 30, 2025 was 3.16 years (January 31, 2025 – 3.41 years).

Stock options outstanding as at April 30, 2025 are as follows:

Exercise price (\$)	April 30, 2025 Number of options	January 31, 2025 Number of options	Expiry Date
0.40	1,600,000	1,600,000	June 27, 2028
	1,600,000	1,600,000	

During the year ended January 31, 2025, 1,343,750 stock options were cancelled.

7. RELATED PARTY TRANSACTIONS

Key management personnel are the individuals responsible for planning, directing and controlling the activities of the Company, and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the three months ended April 30, 2025 and 2024, the Company had the following transactions with related parties:

	Three months ended April 30,	
	2025	2024
Key management compensation*	\$	\$
Consulting fees and salaries	22,500	63,000
Property exploration costs	-	15,000
Total	22,500	78,000

All transactions with related parties have occurred in the normal course of operations and have been measured at the exchange amount, which is the amount agreed by the related parties.

Included in accounts payable and accrued liabilities at April 30, 2025 is \$40,000 (January 31, 2025: \$40,000) owing to officers of the Company for unpaid remuneration. All amounts owing to related parties are unsecured, non-interest bearing and due on demand.

8. CAPITAL MANAGEMENT

The Company defines its capital as all components of shareholder's equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern.

In order to maintain its capital structure, the Company is dependent on equity funding and when necessary, raises capital through the issuance of equity instruments, primarily comprised of common shares. The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will make changes to its capital structure as deemed appropriate under the specific circumstances.

9. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

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

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. There can be no assurance of continued access to significant equity funding. As at April 30, 2025, the Company had cash of \$396,169 (January 31, 2025 - \$602,695).

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company considers this risk to be minimal.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk, from time to time, on its cash balances. Surplus cash, if any, is placed on call with financial institutions.

(e) Commodity Price Risk

The ability of the Company to finance the exploration and development of its properties and the future profitability of the Company is directly related to the market price of the primary minerals identified in its mineral properties. Mineral prices fluctuate on a daily basis and are affected by a number of factors beyond the Company's control. A sustained, significant decline in the prices of the primary minerals or in the share prices of junior mineral exploration companies in general, could have a negative impact on the Company's ability to raise additional capital. Sensitivity to commodity price risk is remote since the Company has not established any reserves or production.

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10. SUPPLEMENTAL CASH FLOW INFORMATION

Significant non-cash transactions during the three months ended April 30, 2025 included:

- \$708,377 (April 30, 2024 - \$18,122) included in accounts payable and accrued liabilities related to exploration and evaluation assets.

11. COMMITMENTS

On June 1, 2023, the Company entered into a management services agreement with Zimtu Capital Corp. (“Zimtu”), whereby Zimtu will provide all administrative and managerial services, including corporate maintenance, continuous disclosure and corporate compliance services, to the Company at a rate of \$12,500 per month. The initial term of the Services Agreement is for 12 months. On June 1, 2024 and 2025, the agreement was renewed for an additional 12-month period at a rate of \$15,000 per month. The agreement can be cancelled by either party by providing 30 day’s prior written notice of termination thereof.

On June 1, 2023, the Company entered into a marketing agreement with Zimtu, whereby Zimtu will provide marketing services under its Zimtu ADVANTAGE program at a cost of \$12,500 per month (the “Zimtu Agreement”). The program is designed to provide strategic marketing support, investor engagement, and public awareness initiatives. Services include investor presentations, email marketing, lead generation campaigns, blog posts, digital campaigns, social media management, Rockstone Research reports & distribution, video news releases and related marketing & awareness activities. The initial term of the Marketing Agreement is for 12 months and will renew for an additional 12 month provided that neither party has given 30 day’s prior written notice of termination thereof. The agreement was renewed for 12 months on June 1, 2024 and 2025. A director of the Company is the Marketing Manager at Zimtu. See Note 13.

12. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

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

On November 7, 2023, the Company issued 1,538,461 common shares on a “flow-through” basis at a price of \$0.65 per share for gross proceeds of \$1,000,000. A flow-through share liability of \$92,308 was recognized at the date of issuance based on the premium value of the flow-through share at the time of issuance. At December 31, 2024, the Company has incurred \$1,000,000 in qualified expenditures. The flow-through expenditures were renounced on December 31, 2023.

On November 27, 2023, the Company issued 1,400,000 common shares on a “flow-through” basis at a price of \$0.65 per share for gross proceeds of \$910,000. A flow-through share liability of \$252,000 was recognized at the date of issuance based on the premium value of the flow-through share at the time of issuance. At December 31, 2024, the Company has incurred \$910,000 in qualified expenditures. The flow-through expenditures were renounced on December 31, 2023.

	Issued on November 7, 2023	Issued on November 27, 2023	Total
Balance, January 31, 2024	\$ 92,308	\$ 252,000	\$ 344,308
Settlement of flow-through share liability on incurred expenses	(92,308)	(252,000)	(344,308)
Balance, April 30, 2025 and January 31, 2025	\$ -	\$ -	\$ -

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13. SUBSEQUENT EVENTS

On May 5, 2025, the company issued 2,200,000 shares in connection with the Sakami property agreement.

On May 7, 2025, 8,374,500 share purchase warrants priced at \$0.20 expired unexercised.

On June 17, 2025, the Company announced has entered into a definitive agreement (the “Agreement”) with Zimtu (the “Vendor”) to acquire a 100% interest in the Crystal Lake Copper Property (“Crystal Lake” or the “Property”), located in north-central British Columbia. The Crystal Lake Copper Property is comprised of eight mineral claims totaling approximately 5,283 hectares and is situated 34 kilometres south of Fort Fraser, British Columbia. Pursuant to the Agreement, the Company will pay \$200,000 and issue 2,000,000 common shares. An additional \$200,000 and 1,000,000 common shares will be payable upon the discovery of a drill intercept exceeding 0.5% copper over 100 metres (or equivalent grade/interval combination). In addition, a 2% Net Smelter Returns (NSR) royalty will be granted to the Vendor, with a buyback right of 1% for CDN \$1,000,000 exercisable within five years.

On June 17, 2025, the Company announced that it intends to complete a non-brokered private placement of up to 10,000,000 units of the Company (“Units”) at a price of \$0.10 per Unit for gross proceeds of up to \$1,000,000 (the “Offering”). Each Unit will be comprised of one common share of the Company and one transferable share purchase warrant, with each warrant exercisable to acquire one common share of the Company at a price of \$0.15 per share for a period of 24 months from the date of issuance. The gross proceeds from the Offering are expected to be used for general working capital and property exploration. The closing of the Offering is subject to certain conditions including, but not limited to, receipt of all necessary regulatory approvals. The Company may pay finder’s fees in connection with the Offering. All securities issued in connection with the Offering will be subject to a statutory hold period of four months and one day pursuant to applicable securities law.

On June 17, 2025, the Company announced it has renewed its agreement with Zimtu, Capital Corp. (“Zimtu”) whereby Zimtu will provide marketing services under its Zimtu ADVANTAGE program, effective June 1, 2025 for a term of 12 months at a cost of \$12,500 per month (the “Zimtu Agreement”).