

Grit Metals Corp.

(Formerly European Energy Metals Corp.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED FEBRUARY 28, 2025 AND 2024

(Unaudited - Expressed in Canadian dollars)

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 interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Grit Metals Corp. (formerly European Energy Metals Corp.) (the “Company”) have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the nine months ended February 28, 2025, have not been reviewed or audited by the Company’s independent auditors.

Grit Metals Corp. (formerly European Energy Metals Corp.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian dollars)

As at	February 28, 2025	May 31, 2024
	\$ (unaudited)	\$ (audited)
ASSETS		
CURRENT		
Cash	1,311,483	1,742,720
Amounts receivable (Note 6)	30,555	38,683
Prepayments (Note 7)	15,978	37,748
	1,358,016	1,819,151
Exploration and evaluation assets (Note 5 and 8)	4,639,504	2,960,155
TOTAL ASSETS	5,997,520	4,779,306
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 10)	56,727	241,474
	56,727	241,474
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	8,797,637	6,748,558
Reserves (Note 9)	1,155,168	1,026,474
Deficit	(4,012,012)	(3,237,200)
	5,940,793	4,537,832
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,997,520	4,779,306

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

Approved and authorized for issue on behalf of the Board on April 25, 2025.

"Larry Taddei" Director

"Jeremy Poirier" Director

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

Grit Metals Corp. (formerly European Energy Metals Corp.)
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three Months ended February 28,		Nine Months ended February 28,	
	2025	2024	2025	2024
	\$	\$	\$	\$
EXPENSES				
Filing and transfer agent fees	8,993	24,588	69,015	62,236
Investor relations and communications	15,400	15,000	62,600	649,794
Marketing and advertising	2,520	19,748	10,422	71,765
Management fee (Note 10)	71,500	66,000	212,500	195,000
Office & accounting (Note 10)	22,731	23,800	75,369	61,588
Professional fees	39,773	17,681	117,955	125,838
Share-based payments (Note 10)	41,112	135,652	196,732	383,746
Travel	22,124	1,390	27,278	37,513
Operating loss	224,153	303,859	771,871	1,586,480
Other income				
Foreign exchange (gain) loss	(66,515)	23,601	17,371	21,921
Interest income	(5,962)	(21)	(14,430)	(71)
NET LOSS AND COMPREHENSIVE LOSS	151,676	327,439	774,812	1,608,330
Basic loss per share	(0.00)	(0.01)	(0.02)	(0.06)
Weighted average number of common shares outstanding:				
Basic and diluted	55,207,148	35,181,102	48,583,430	25,484,727

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

Grit Metals Corp. (formerly European Energy Metals Corp.)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the nine months ended February 28, 2025 and 2024
(Unaudited - Expressed in Canadian dollars)

	Common Shares				
	Number of Shares	Amount	Reserves	Deficit	Total
		\$	\$	\$	\$
Balance, May 31, 2023	21,141,163	1,725,011	651,323	(1,025,631)	1,350,703
Shares issued for cash	12,023,354	4,323,367	-	-	4,323,367
Share issuance costs	695,000	(410,265)	114,857	-	(295,408)
Shares issued from exercise of warrants	97,299	24,644	(3,192)	-	21,452
Shares issued for asset acquisition (Note 5)	1,250,000	575,000	-	-	575,000
Restricted share units granted	-	-	189,658	-	189,658
Restricted share units forfeited	-	-	(10,179)	-	(10,179)
Stock options granted	-	-	67,614	-	67,614
Fair Value restricted stock units vested	-	-	135,652	-	135,652
Net loss and comprehensive loss	-	-	-	(1,608,330)	(1,608,330)
Balance, February 29, 2024	35,206,816	6,237,757	1,145,733	(2,633,961)	4,749,529
Shares issued for cash	-	5,040	-	-	5,040
Share issuance costs	-	262	(5,343)	-	(5,081)
Shares issued from exercise of warrants	50,000	7,738	-	-	7,738
Shares issued for acquisitions of assets	1,250,000	276,500	-	-	276,500
Restricted share units granted	-	-	123,979	-	123,979
Shares issued upon exercise of restricted share units	460,000	220,800	(220,800)	-	-
Stock option granted	-	-	119,018	-	119,018
Fair Value restricted stock units vested	-	-	(135,652)	-	(135,652)
Net loss and comprehensive loss	-	-	-	(603,239)	(603,239)
Balance, May 31, 2024	36,966,816	6,748,097	1,026,935	(3,237,200)	4,537,832
Shares issued for cash (Note 9)	17,622,000	2,202,750	-	-	2,202,750
Share issuance costs	-	(277,296)	22,340	-	(254,956)
Shares issued from exercise of warrants (Note 9)	368,332	55,586	-	-	55,586
Restricted share units granted (Note 9)	-	-	15,364	-	15,364
Shares issued from conversion of restricted share units (Note 9)	250,000	68,500	(68,500)	-	-
Stock options granted (Note 9)	-	-	159,029	-	159,029
Net loss and comprehensive loss	-	-	-	(774,812)	(774,812)
Balance, February 28, 2025	55,207,148	8,797,637	1,155,168	(4,012,012)	5,940,793

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

Grit Metals Corp. (formerly European Energy Metals Corp.)
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

Nine months ended	February 28, 2025	February 29, 2024
Cash provided by (used in):	\$	\$
OPERATING ACTIVITIES		
Net loss	(774,812)	(1,608,330)
Non-cash items		
Share-based payments (Note 9)	196,732	382,746
Net changes in non-cash working capital items:		
Amounts receivable	8,129	(6,217)
Prepayments	21,770	73,415
Accounts payable and accrued liabilities	(184,747)	30,276
Net cash provided (used) in operating activities	(732,928)	(1,128,110)
INVESTING ACTIVITY		
Additions to exploration and evaluation assets (Note 8)	(1,679,349)	(1,353,662)
Net cash used in investing activity	(1,679,349)	(1,353,662)
FINANCING ACTIVITY		
Shares issued for cash (Note 9)	2,202,750	4,323,367
Share issuance costs	(277,296)	(295,408)
Proceeds on exercise of warrants	55,586	21,452
Net cash provided by financing activity	1,981,040	4,049,411
Change in cash	(431,237)	1,567,639
Cash, beginning of period	1,742,720	892,711
Cash, end of period	1,311,483	2,460,350

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Grit Metals Corp. (formerly European Energy Metals Corp.) (the “Company”) was incorporated on February 2, 2021, under the laws of British Columbia. The Company commenced trading on the TSX Venture Exchange on April 29, 2022 under the trading symbol “HILO.V”. The address of the Company’s corporate office and its principal place of business is 503 - 905 Pender Street, Vancouver, British Columbia, Canada, V6C 1L6. On April 25, 2023, the Company changed its name to European Energy Metals Corp. and updated its trading symbol to “FIN.V”. On October 30, 2024 the Company changed its name to Grit Metals Corp with no change to its trading symbol.

Grit Metals Corp. is a junior mining exploration company currently focused on the Lithium-Cesium-Tantalum Finnish Pegmatite Project in central Finland and several 100 percent owned precious metals projects in Northern Finland.

The Company’s unaudited condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which presumes that the Company will realize its assets and discharge its liabilities in the normal course of business for at least the next twelve months. Management recognizes that the Company will need to obtain additional financial resources in order to meet its planned business objectives. The Company has not generated cash flows from operations and has an accumulated deficit of \$4,012,012 as at February 28, 2025. The Company’s ability to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. There are no assurances that the Company will be able to obtain additional financial resources and/or achieve positive cash flows or profitability. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

These unaudited condensed consolidated interim financial statements do not give effect to any adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these unaudited condensed consolidated interim financial statements.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, country tariff rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, the outbreaks of the relations between NATO and Russian Federation regarding the situation in Ukraine, the Israeli-Palestinian conflict in the Middle East, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. They do not include all the information required for full annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended May 31, 2024, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

These unaudited condensed consolidated interim financial statements were authorized for issuance by the Board of Directors of the Company on April 25, 2025.

b) Basis of presentation

These unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis, with the exception of financial instruments, which are measured at fair value. In addition, these unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The accounting policies set out below have been applied consistently to all years presented in these unaudited condensed consolidated interim financial statements.

c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated from the date of acquisition of control.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The principal subsidiaries and their geographic locations at February 28, 2025, were as follows:

Name	Proportion of Ownership Interest	Country of Incorporation	Functional Currency	Principal Activity
BB Gold Inc.	100%	Canada	Canadian	Holding Company
Sisu Exploration Oy	100%	Finland	Canadian	Holds mineral interest in Finland
Grit Exploration Oy	100%	Finland	Canadian	Holds mineral interest in Finland

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Foreign currency

The condensed consolidated interim financial statements are presented in Canadian dollars ("CDN"). The functional currency of the Corporation and its subsidiary is measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Company and its subsidiaries is the Canadian dollar.

e) Significant accounting policies

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited financial statements for the year ending May 31, 2024.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date that could result in a material adjustment to 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:

Critical accounting estimates

- The inputs used in valuing share-based payments.

The Company uses the fair-value method of accounting for share-based payments (related to incentive stock options and compensation warrants granted, modified or settled). Under this method compensation costs attributable to option awards granted are measured at fair value at the issue or grant date and are expensed over the vesting period. In determining the fair value for share-based payments, the Company uses option pricing models and makes estimates of the expected volatility of the stock, the expected life and risk-free rate. The expected volatility is based on historical volatility of the Company's stock over a period commensurate with the expected life of the option. Changes to these estimates could result in the fair value of share-based payments expense being less than or greater than the amount recorded.

Significant accounting judgments

- The evaluation of the Company's ability to continue as a going concern.

The Company's management has made an assessment of the Company's ability to continue as a going concern. Factors considered by management are disclosed in Note 1.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

- Exploration and evaluation assets

The Company is required to review the carrying value of its exploration and evaluation properties at each reporting date for potential impairment. Impairment is indicated if the carrying value of the Company's exploration and evaluation assets is not recoverable. If impairment is indicated, the amount by which the carrying value of exploration and evaluation assets exceeds their estimated fair value is charged to the statements of loss and comprehensive loss.

Evaluating for recoverability during the exploration and evaluation phase requires judgment in determining whether future economic benefits from future exploitation, sale or otherwise are likely. Evaluations may be more complex where activities have not reached a stage which permits a reasonable assessment of the existence of reserves or resources. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of geological, geophysical and seismic data, the Company's financial ability to continue exploration and evaluation activities, contractual issues with joint venture partners, the impact of government legislation and political stability in the region, and the impact of current and expected future metal prices on potential reserves.

4. ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

A number of amendments to standards and interpretations applicable to the Company are not yet effective for the nine months ended February 28, 2025 and have not been applied in preparing these condensed consolidated interim financial statements nor does the Company expect these amendments to have a significant effect on its condensed consolidated interim financial statements.

5. ASSET ACQUISITION

On September 1, 2023, the Company acquired all the shares of BB Gold Inc., a company existing under the laws of Newfoundland and Labrador and its wholly owned Finnish subsidiary Sisu Exploration Oy, from a private individual (the "Vendor") in exchange for the issuance of 1,250,000 common shares (the "Consideration Shares") and \$10,000 cash. The Consideration Shares were subject to the following contractual resale restrictions:

Number of Consideration Shares	Contractual Resale Restriction Period
500,000	No contractual resale restriction
250,000	December 1, 2023
250,000	March 1, 2024
250,000	June 1, 2024

The acquisition constitutes an asset acquisition (the "Transaction"), as the Company does not meet the definition of a business combination as defined in IFRS 3. Through this acquisition the Company acquired a 100% interest in seven mineral reservations covering approximately 3,106.5 km² located in northern and central Finland. The Vendor is granted a 1% net smelter royal on six of the seven concessions.

The purchase price allocation requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed. As a result of this asset acquisition, \$631,411 has been capitalized in Exploration and evaluation assets. The table below summarizes the fair value of the consideration given and the fair values of identified assets and liabilities recognized as a result of the Transaction.

5. ASSET ACQUISITION (continued)

Purchase price	\$
Fair value of consideration shares	575,000
Fair value of cash paid	10,000
Total consideration	585,000
Allocation of purchase price	
Cash	8,602
Sales tax receivable	14,493
Exploration and evaluation assets	631,431
Trade and accrued liabilities	(69,506)
Net assets acquired	585,000

6. AMOUNTS RECEIVABLE

Amounts receivable consist of:

	February 28, 2025	May 31, 2024
	\$	\$
Good and Services Tax (GST)	12,642	15,617
Value-Added Tax (VAT)	10,468	23,066
Accrued receivable	7,445	-
Total	30,555	38,683

7. PREPAYMENTS

Prepayments consist of:

	February 28, 2025	May 31, 2024
	\$	\$
Administration and insurance	14,700	28,280
Marketing & advertising	1,278	9,468
Total	15,978	37,748

8. EXPLORATION AND EVALUATION ASSETS

Expenditures related to the acquisition and exploration of mineral properties consisted of:

	Central Finland Property (Capella)	Northern Finland Property (BB Gold)	Champ Property	Total
	\$	\$	\$	\$
Acquisition Costs:				
Balance, May 31, 2023	150,000	-	236,231	386,231
Exploration and evaluation assets acquired from the Transaction (Note 5)	526,500	631,411	-	1,157,911
Impairment	-	-	(236,231)	(236,231)
Balance, May 31, 2024 and February 28, 2025	676,500	631,411	-	1,307,911
Exploration Costs:				
Balance, May 31, 2023	-	-	75,000	75,000
Additions	1,652,244	-	-	1,652,244
Impairment	-	-	(75,000)	(75,000)
Balance, May 31, 2024	2,328,744	631,411	-	2,960,155
Additions	1,246,871	432,478	-	1,679,349
Balance, February 28, 2025	3,575,615	1,063,889	-	4,639,504
Total, May 31, 2024	2,328,744	631,411	-	2,960,155
Total, February 28, 2025	3,575,615	1,063,889	-	4,639,504

The following table summarizes the accumulated expenditures of exploration and evaluation costs:

	Central Finland Property (Capella)	Northern Finland Property (BB Gold)	Total
As at February 28, 2025	\$	\$	\$
Acquisition costs	676,500	631,411	1,307,911
Field supplies	282,290	77,470	359,760
Geological and related	1,113,496	64,366	1,177,862
Geological consulting	1,236,301	264,420	1,500,721
Surveying	2,400	1,200	3,600
Travel	264,628	25,022	289,650
Total	3,575,615	1,063,889	4,639,504

8. EXPLORATION AND EVALUATION ASSETS (continued)

Capella Property

Pursuant to an initial earn-in agreement (the "Earn-In Agreement") dated April 6, 2023, with Capella Minerals Limited ("Capella"), the Company acquired the option to earn up to an 80% interest in a portfolio of reservations held by Capella in central Finland (the "Capella Property"). The Capella Property is subject to a 1% net smelter return royalty and the Company is the operator of the project.

On April 5, 2024, the Earn-In Agreement was amended with Capella to acquire a 100% interest in the Capella Property (the "Purchase Agreement"). Whereas the Capella Property was initially subject to the two stage 51/80% earn-in agreement, the Purchase Agreement replaced the Earn-In Agreement in its entirety, and, upon completion of the transaction, the Company acquired 100% interest in the Capella Property with no further commitments due to Capella. Under the terms of the Purchase Agreement, upon closing, the Company paid Capella \$250,000 in cash and issued 1,100,000 common shares of the Company at the fair value of \$242,000 (the "Consideration Shares"). Capella will also receive a 2% net smelter royalty on the Project, half of which may be repurchased by the Company at any time in exchange for the payment of 1,000,000 Euro.

BB Gold Property

On September 1, 2023, the Company completed an acquisition of seven mineral reservations located in northern and central Finland (Note 5). The Vendor was granted a 1% net smelter royal on six of the seven concessions.

Champ Property

The Company owns a 100% undivided interest in the Champ Property located in the Greenwood Mining District of British Columbia. The Company recorded a write-down of exploration and evaluation assets on the property of \$311,231 during the prior year ended May 31, 2024, reducing the capitalized cost of the project to \$Nil. The impairment was recorded based on management's decision to pursue its other mining projects in Finland. The impairment of \$311,231 was recognized on the Company's statement of loss and comprehensive loss for the year ended May 31, 2024. Although the Company will not expend further funds on the Champ Property, the concession claims remain in good standing in the event of any third-party interest in them.

9. SHARE CAPITAL

a) Authorized

The Company's authorized capital consists of an unlimited number of common shares without par value.

On April 22, 2022, the Company entered into an escrow agreement with various security holders and an escrow agent. As of February 28, 2025, 347,796 (May 31, 2024 – 695,588) shares were held in escrow.

b) Issued and outstanding

Share capital activities during the nine months ended February 28, 2025, are as follows:

- 368,332 share purchase' warrants were exercised for gross proceeds of \$55,586.
- On September 9, 2024, the Company closed the first tranche of a private placement financing by issuing 15,795,000 units at a price of \$0.125 per unit for total gross proceeds of

9. SHARE CAPITAL (continued)

\$1,974,375. Each unit comprised one common share and one-half of a share purchase warrant, with each whole warrant exercisable at \$0.20 until September 9, 2026. In connection with the first tranche of the financing, the Company paid a cash commission of \$131,119 and issued 1,157,000 common shares plus 239,050 non-transferable broker warrants

b) Issued and outstanding (continued)

- On September 23, 2024, the Company closed the second tranche of a private placement and issued an additional 670,000 units at a price of \$0.125 per unit for total gross proceeds of \$83,750 as the second tranche of the financing originally announced August 23, 2024. Each unit comprised one common share and one-half of a share purchase warrant, with each whole warrant exercisable at \$0.20 until September 23, 2026. In connection with the second tranche, the Company paid a cash commission of \$1,313 and issued 10,500 non-transferable broker warrants
- On November 4, 2024, 150,000 restricted share units were converted into shares.
- On July 2, 2024, 100,000 restricted share units were converted into shares.

Share capital activities during the year ended May 31, 2024, are as follows:

- On May 22, 2024, 50,000 warrants were exercised for gross proceeds of \$7,500 at a price of \$0.15 per share.
- On May 8, 2024, 400,000 shares were issued as Restricted Share Units ("RSUs") were converted into shares.
- On April 18, 2024, the Company issued 1,100,000 common shares to Capella pursuant to the Purchase Agreement (see Note 9).
- On April 1, 2024, 60,000 shares were issued as RSUs were converted into shares.
- On March 12, 2024, the Company issued 150,000 common shares pursuant to the Capella Earn-In Agreement.
- On December 6, 2023, 50,000 warrants were exercised for gross proceeds of \$7,500 at a price of \$0.15 per share.
- On October 20, 2023, the Company completed a non-brokered private placement (the "Private Placement") consisting of 5,787,800 units ("Units") at a price of \$0.36 per Unit for total gross proceeds of \$2,083,608. Each Unit consists of one common share (a "Share") and one-half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable for one additional common share at an exercise price of \$0.75 until October 20, 2026. In connection with the Private Placement, the Company paid aggregate cash finder's fees of \$145,152, issued 695,000 Shares with a fair value of \$264,100, and issued 14,000 finder's broker warrants with a fair value of \$2,926. The finder's warrants have the same terms of the Warrants forming part of the Units.
- On September 1, 2023, the Company completed an asset acquisition. Pursuant to the acquisition, the Company issued 1,250,000 common shares with a fair value of \$575,000 (Note 5).
- On June 22, 2023, the Company completed a non-brokered private placement (the "Private Placement"). Pursuant to the Private Placement, the Company issued 6,235,554 units ("Units") at a unit price of \$0.36 for gross proceeds of \$2,244,799. Each Unit consists of one common share of the Company and one half of a common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to acquire one additional common share at an exercise price of \$0.75 for a period of three years following closing. In connection with the Private Placement, the Company paid aggregate cash finder's fees of \$104,504 and issued 324,869 finder's broker warrants with a fair value of \$111,932. The finder's warrants have the same terms of the Warrants forming part of the Units.
- On June 5, 2023, 47,299 brokers' warrants were exercised to 47,299 common shares for

9. SHARE CAPITAL (continued)

gross proceeds of \$14,190 at an exercise price of \$0.30 per share.

c) Restricted Share Units ("RSU")

The Company adopted a RSU plan during the year ended May 31, 2023 after the shareholders approved a new rolling 10% restricted share unit plan (the "RSU Plan"). The maximum number of Common Shares which may be issuable under the RSU Plan and any other "rolling up to 10%" plans adopted by the Company (including the Company's stock option plan), from time to time, shall be equal to a maximum of 10% of the total number of issued and outstanding Common Shares calculated on the date an RSU is granted. The RSU Plan is an "evergreen" plan meaning any RSU converted to Common Shares will, subject to the overall limit described above, make new grants available under the RSU Plan resulting in a reloading of the number of RSUs available for grant.

RSU activity during the nine months ended February 28, 2025, are as follows:

- On November 4, 2024, 150,000 restricted share units were converted into shares.
- On July 2, 2024, 100,000 restricted share units were converted into shares.

RSU activity during the year ended May 31, 2024, are as follows:

- On September 18, 2023, the Company granted 100,000 RSUs to a consultant of the Company, which had a fair value of \$0.39 per RSU, all of which vest in one year from the grant date. The Company expensed \$17,416 included in share-based compensation expense for the year ended May 31, 2024 (2023 - \$nil) related to this grant.
- On July 17, 2023, the Company granted 50,000 RSUs to a consultant of the Company, which had a fair value of \$0.59 per RSU, all of which vest in one year from the grant date. The Company expensed \$18,266 included in share-based compensation expense for the year ended May 31, 2024 (2023 - \$nil) related to this grant.
- On June 5, 2023, 90,000 unvested RSUs were forfeited. The fair value of the unvested RSUs is \$10,179 and was reversed to profit or loss during the period.

A continuity schedule of the Company's outstanding restricted share units is as follows:

	Number outstanding	Weighted Average Fair Value (\$)
Balance, May 31, 2023	800,000	0.48
Granted	150,000	0.46
Forfeited	(90,000)	0.48
Exercised	(460,000)	0.48
Balance, May 31, 2024	400,000	0.46
Exercised	(250,000)	0.48
Forfeited	(150,000)	0.48
Balance, February 28, 2025	-	-
Exercisable, May 31, 2024	250,000	0.48
Exercisable, February 28, 2025	-	-

9. SHARE CAPITAL (CONTINUED)

c) Stock Options

There was no stock option activity during the nine-month period ended February 28, 2025.

During the year ended May 31, 2024, the following stock option transactions occurred:

- On May 30, 2024, the Company granted 400,000 incentive stock options in accordance with the terms of its Omnibus Incentive Plan. The Options are exercisable at \$0.36 for a period of five years. The Options are subject to a one-year vesting period, with 25% of the Options vesting on August 30, 2024, and 25% vesting every three months thereafter.
- On April 30, 2024, the Company granted an aggregate of 1,150,000 stock options to its directors and officers. Each Option is exercisable to acquire one common share at an exercise price of \$0.36 for five years. The Options are subject to a one-year vesting period, with 25% of the Options vesting on July 30, 2024, and 25% vesting every three months thereafter.
- On September 18, 2023, the Company granted 150,000 stock options with an expiry date of September 18, 2028 and an exercise price of \$0.40 to an employee of the Company. The stock options had a fair value of \$46,481. 30,000 of these options vested immediately and 30,000 vests on December 18, 2023, March 18, 2024, June 18, 2024, and September 18, 2024. The options expire five years from the date of grant.
- On September 6, 2023, the Company granted 250,000 stock options with an expiry date of September 6, 2028 and an exercise price of \$0.41 to a director of the Company. The stock options had a fair value of \$80,521. 62,500 of these options vests on each of December 6, 2023, March 6, 2024, June 6, 2024, and September 6, 2024. The options expire five years from the date of grant.
- On July 17, 2023, the Company granted 100,000 stock options with an expiry date of July 17, 2028 and an exercise price of \$0.59 to a consultant of the Company. The stock options had a fair value of \$46,921. 50,000 of these options vested immediately and the remaining 50,000 vest on July 17, 2024. The options expire five years from the date of grant.

The stock options were valued using the Black-Scholes option pricing model using the following weighted average assumptions:

As at	May 31, 2024
Risk-free interest rate	2.79%
Dividend yield	0%
Expected volatility	127.36%
Expected life (years)	5
Forfeiture rate	0%

The expected volatility used for the stock options granted is based on the historical share prices of comparable companies.

9. SHARE CAPITAL (CONTINUED)

Stock option transactions and the number of stock options outstanding are summarized below:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, May 31, 2023	500,000	0.15
Granted	2,050,000	0.40
Balance, May 31, 2024	2,550,000	0.34
Balance, February 28, 2025	2,550,000	0.34

Additional information regarding stock options outstanding is as follows:

Expiry Date	Exercise Price (\$)	Number of Options
February 1, 2027	0.15	500,000
July 17, 2028	0.59	100,000
September 6, 2028	0.41	250,000
September 18, 2028	0.40	150,000
April 30, 2029	0.36	1,150,000
May 30, 2029	0.36	400,000
Balance, February 28, 2025		2,550,000

The weighted average remaining life of the stock options as of February 28, 2025 is 3.49 (May 31, 2024 – 4.36) years.

d) Share Purchase Warrants

Share purchase warrant activity during the nine months ended February 28, 2025, was as follows:

- 368,332 warrants were exercised for proceeds of \$55,586.
- 5,931,668 warrants expired and were removed from the Company's warrant register.
- The Company issued 8,232,500 warrants as part of the two-tranche financing (Note 9(b)) which closed during the nine months ended February 28, 2025. Each whole warrant is exercisable at \$0.20 until September 9, 2026.

Share Purchase Warrants transactions and the number of warrants outstanding are summarized below:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, May 31, 2023	6,400,000	0.15
Granted	6,011,677	0.75
Exercised	(100,000)	0.15
Balance, May 31, 2024	12,311,677	0.44
Exercised	(368,332)	0.15
Expired	(5,931,668)	0.15
Issued	8,232,500	0.20
Balance, February 28, 2025	14,244,177	0.43

9. SHARE CAPITAL (CONTINUED)

The number of Share Purchase Warrants outstanding are as follows:

Expiry Date	Exercise Price (\$)	Issued and Exercisable
June 22, 2026	0.75	3,117,777
October 20, 2026	0.75	2,893,900
September 9, 2026	0.20	7,897,500
September 23, 2026	0.20	335,000
Balance, February 28, 2025		14,244,177

The weighted average remaining life of the Share Purchase Warrants as of February 28, 2025 is 1.11 (May 31, 2024 – 1.20) years.

e) Broker Warrants & Compensation Warrants

Broker and compensation warrant activity during the nine months ended February 28, 2025, was as follows:

- 918,799 broker and compensation warrants expired and were removed from the Company's warrant register.
- The Company issued 249,550 broker warrants with an exercise price of \$0.20 per common share as part of the two-tranche financing completed during the nine months ended February 28, 2025 (see Note 9(b)).

The broker warrants were valued using the following Black-Scholes option pricing model using the following weighted average assumptions:

	September 10, 2024
Risk-free interest rate	3.02%
Dividend yield	0%
Expected volatility	117%
Expected life (years)	2
Forfeiture rate	0%

The expected volatility used for the brokers' warrants granted is based on the historical share prices of comparable companies.

During the year ended May 31, 2024, the following broker and compensation warrant transactions occurred:

- The Company issued 338,869 compensation warrants with an exercise price of \$0.75 per common share.

9. SHARE CAPITAL (CONTINUED)

d) Broker Warrants & Compensation Warrants (continued)

The compensation warrants were valued using the following Black-Scholes option pricing model using the following weighted average assumptions:

	May 31, 2024
Risk-free interest rate	4.15-4.44%
Dividend yield	0%
Expected volatility	99-104%
Expected life (years)	3
Forfeiture rate	0%

The expected volatility used for the brokers' warrants granted is based on the historical share prices of comparable companies.

Broker Warrants and Compensation Warrants transactions and the number of warrants outstanding are summarized below:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, May 31, 2023	966,098	0.30
Granted	338,869	0.75
Exercised	(47,299)	0.15
Balance, May 31, 2024	1,257,668	0.31
Expired	(918,799)	0.15
Issued	249,550	0.20
Balance, February 28, 2025	588,419	0.52

The number of Broker and Compensation warrants outstanding are as follow:

Expiry Date	Exercise Price (\$)	Issued and Exercisable
June 22, 2026	0.75	324,869
October 20, 2026	0.75	14,000
September 9, 2026	0.20	249,550
Balance, February 28, 2025		588,419

The weighted average remaining life of the brokers' warrants as of February 28, 2025 is 1.41 (May 31, 2024 – 0.73) years.

10. RELATED PARTY BALANCES AND TRANSACTIONS

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

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Nine months ended	February 28, 2025	February 29, 2024
	\$	\$
Exploration and evaluation assets	-	20,000
Management fees	212,500	195,000
Office and accounting	4,571	29,985
Share-based payments	90,194	257,498

The Company entered into a month-to-month office sublease agreement on February 1, 2022 with a director and officer of the Company with a rate of \$762 per month, which is recognized in office and accounting expense. As of January 1, 2025, this lease arrangement has been terminated.

As at February 28, 2025, \$8,500 (February 29, 2024 - \$26,743) of management fees remained in accounts payable and accrued liabilities.

11. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of resource properties. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

Fair value

As at February 28, 2025, the Company's financial instruments consist of cash, accounts receivable and accounts payable.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value:

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (continued)

- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

The fair value of cash is based on Level 1 inputs. There are no Level 2 or Level 3 financial instruments.

The Company's financial instruments include cash, accounts receivable and accounts payable. Cash is measured at fair value and accounts receivable and account payable are measured at amortized cost.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The financial instrument that potentially subjects the Company to concentrations of credit risk consists principally of cash. To minimize the credit risk, the Company places its cash with high quality financial institutions.

Liquidity risk

The Company manages liquidity risk through the management of its capital structure, as outlined in Note 11. The Company monitors its ability to meet its short-term exploration and administrative expenditure requirements by raising additional funds through share issuances when required and when available (Note 1).

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows will fluctuate due to changes in foreign exchange rates.

The Company operates in Canada and Finland and is exposed to foreign exchange risk related to changes in the Canadian dollar to Euros exchange rate. The Company is exposed to currency risk related to changes in rates of exchange between foreign denominated balances and the functional currencies of the Company's principal operations. The Company's operating expenditures on its Capella Property and BB Gold Property are primarily denominated in Euros. A significant change in the currency exchange rates between Canadian dollars and Euros could have a material effect on the Company's cost of exploration activities in Finland.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk.