

CMC METALS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim consolidated financial statements of the Company for the three months ended December 31, 2024 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

CMC METALS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at December 31, 2024 and September 30, 2024

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	December 31, 2024	September 30, 2024
ASSETS		
Current		
Cash	\$ 12,250	\$ 1,696
Receivables (Note 3)	257,655	269,980
Prepaid expenses (Note 12)	14,872	33,014
Marketable securities (Note 4)	644,627	604,755
	929,404	909,445
Non-current		
Equipment (Note 5)	143,000	150,526
Reclamation bond (Notes 6 and 10)	191,219	191,219
TOTAL ASSETS	\$ 1,263,623	\$ 1,251,190
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 3)	\$ 355,765	\$ 408,916
Due to related parties (Note 12)	211,159	272,867
Loan payable – current portion (Note 8)	33,960	33,960
	600,884	715,743
Non-current		
Loan payable (Note 8)	27,569	27,569
Provision for restoration and environmental obligation (Note 10)	146,070	146,070
	173,639	173,639
TOTAL LIABILITIES	774,523	889,382
EQUITY		
Share capital (Note 11)	29,186,287	29,119,973
Share-based payment reserve	1,687,809	2,014,709
Deficit	(30,384,996)	(30,772,874)
TOTAL EQUITY (DEFICIENCY)	489,100	361,808
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)	\$ 1,263,623	\$ 1,251,190

Nature and continuance of operations – (Note 1)

Commitments – (Note 8)

Subsequent events – (Notes 3, 7 and 15)

Approved and authorized for issuance on behalf of the Board of Directors:

“Kevin Brewer”

Kevin Brewer

“Jose Manuel Delgado Canedo”

Jose Manuel Delgado Canedo

CMC METALS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	For the three months ended December 31,	
	2024	2023
Expenses		
Consulting fees (Note 12)	\$ 33,471	\$ 104,725
Depreciation (Note 5)	7,526	8,760
Exploration expenditures (recovery) (Notes 7 and 12)	(381)	166,144
Filing fees and transfer agent	6,441	10,746
Insurance	3,142	2,992
Interest and bank charges (Note 8)	1,557	4,829
Marketing	3,459	21,274
Office and miscellaneous (Note 12)	4,547	6,264
Professional fees	1,355	26,948
Share-based payments (Notes 11 and 12)	41,313	19,475
Travel	-	3,520
	102,430	375,677
Loss before other items	(102,430)	(375,677)
Other items		
Bad debt (Note 3)	-	(560,082)
Gain (loss) on foreign exchange	8,080	(86)
Gain on debt settlement	74,143	-
Interest income	-	30
Recovery of flow-through share premium (Note 14)	-	6,750
Unrealized gain (loss) on marketable securities (Note 4)	39,872	(10,000)
	122,095	(563,388)
Net income (loss) and comprehensive income (loss) for the period for continuing operations	\$ 19,665	\$ (939,065)
Net income and comprehensive income for the period for discontinued operations (Note 3)	-	1,621,384
Net income and comprehensive income for the period	\$ 19,665	\$ 682,319
Basic and diluted income per share	\$ 0.00	\$ 0.01
Weighted average number of common shares outstanding	158,330,607	144,606,101

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

CMC METALS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Number of Shares	Share Capital	Share Subscription Receivable	Share-Based Payment Reserve	Deficit	Total Equity (Deficiency)
Balance, September 30, 2023	142,286,164	\$ 28,654,168	\$ (42,000)	\$ 3,107,125	\$ (32,322,837)	\$ (603,544)
Share issuances for cash	3,571,400	172,782	-	77,216	-	249,998
Share issuance costs – cash	-	(15,000)	-	-	-	(15,000)
Agent's warrants issued	-	(6,430)	-	6,430	-	-
Reallocation of flow-through premium	-	(35,714)	-	-	-	(35,714)
Shares issued for exploration and evaluation expenditures	350,000	24,500	-	-	-	24,500
Share subscriptions received	-	-	12,000	-	-	12,000
Share-based payments	-	-	-	19,475	-	19,475
Net and comprehensive income for the period	-	-	-	-	682,319	682,319
Balance, December 31, 2023	146,207,564	\$ 28,794,306	\$ (30,000)	\$ 3,210,246	\$ (31,640,518)	\$ 334,034
Balance, September 30, 2024	157,704,707	\$ 29,119,973	\$ -	\$ 2,014,709	\$ (30,772,874)	\$ 361,808
Shares issued to settle debt	2,965,712	59,314	-	-	-	59,314
Shares issued for exploration and evaluation expenditures	350,000	7,000	-	-	-	7,000
Adjustment for fair value on warrants expired	-	-	-	(368,213)	368,213	-
Share-based payments	-	-	-	41,313	-	41,313
Net and comprehensive income for the period	-	-	-	-	19,665	19,665
Balance, December 31, 2024	161,020,419	\$ 29,186,287	\$ -	\$ 1,687,809	\$ (30,384,996)	\$ 489,100

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

CMC METALS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	For the three months ended	
	December 31, 2024	
	2024	2023
Operating Activities		
Net income (loss) for the period	\$ 19,665	\$ (939,065)
Items not affecting cash:		
Bad debts	-	560,082
Depreciation	7,526	8,760
Foreign exchange loss	18,172	-
Interest expense	-	3,807
Recovery of flow-through share premium	-	(6,750)
Share-based payments	41,313	19,475
Shares issued for properties	7,000	24,500
Gain on debt settlement	(74,143)	-
Fair value gain on marketable securities	(39,872)	10,000
Changes in non-cash working capital items related to operations:		
Receivables	(5,847)	40,224
Prepays expenses	18,142	32,994
Accounts payables and accrued liabilities	80,305	135,898
Due to related parties	(61,708)	6,500
Cash flows provided by (used in) operating activities from continuing operations	10,554	(103,579)
Cash flows used in operating activities from discontinued operations	-	(130,690)
Cash flows provided by (used in) operating activities	10,554	(234,269)
Investing Activities		
Purchase of equipment	-	(20,741)
Proceeds from the sale of marketable securities	-	-
Proceeds from the sale of assets	-	20,552
Cash flows used in investing activities from continuing operations	-	(189)
Cash flows used in investing activities from discontinued operations	-	(921)
Cash flows used in investing activities	-	(1,110)
Financing Activities		
Proceeds from issuance of units	-	249,998
Share subscriptions received	-	12,000
Share issuance costs	-	(15,000)
Cash flows provided by financing activities from continuing operations	-	246,998
Cash flows provided by financing activities from discontinued operations	-	-
Cash flows provided by financing activities	-	246,998
Change in cash during the period	10,554	11,619
Cash, beginning of period	1,696	165,953
Cash, end of the period	\$ 12,250	\$ 177,572
Supplemental Disclosure of Cash Flow Information:		
Interest received	\$ -	\$ -
Income taxes	-	-
Non-cash financing and investing transactions:		
Shares issued to settle debt	\$ 59,314	\$ -
Fair value of agent's warrants	\$ -	\$ 6,430

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

1. NATURE AND CONTINUANCE OF OPERATIONS

CMC Metals Ltd. (the “Company”) is incorporated in the Province of British Columbia and its principal activity is the acquisition and exploration of mineral properties in Canada and the United States of America. The Company is listed on the TSX Venture Exchange (“TSX-V”).

The head office and principal address of the Company are located at Suite 1000 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2 and its records office is located at Suite 1120 – 625 Howe Street, Vancouver British Columbia, Canada, V6C 2T6.

These consolidated financial statements have been prepared on the assumption that the Company and its subsidiaries will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As of December 31, 2024, the Company had an accumulated deficit of \$30,384,996. As of December 31, 2024, the Company had not advanced its properties to commercial production. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These uncertainties indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next 12 months with loans from directors, by continuing to pursue additional sources of financing through equity offerings, seeking joint venture partners to fund exploration, monitoring exploration activity, and reducing overhead costs. While the Company has been successful in obtaining financing in the past, there is no assurance that such financing will continue to be available or be available on favorable terms in the future. An inability to raise additional financing may impact the future assessment of the Company as a going concern.

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

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION**Statement of compliance**

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements follow the same accounting policies and methods of application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company’s most recent annual financial statements, which were prepared in accordance with IFRS as issued by the IASB.

Basis of preparation

These condensed interim consolidated financial statements have been prepared on the historical cost basis as modified by any revaluation of financial assets measured at fair value. The condensed interim consolidated financial statements are presented in Canadian dollars (“CDN”), which is also the Company’s functional currency. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Material accounting policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited consolidated financial statements as at September 30, 2024. 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 September 30, 2024.

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION – (cont'd)**Significant estimates and assumptions**

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include provisions for restoration and environmental obligations. See Note 10.

Significant judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, apart from those requiring estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

- The assessment of the Company's ability to continue as a going concern requires management to take into account all available information about the future, which at least but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern. See Note 1 for additional details.
- Although the Company has taken steps to identify any decommissioning liabilities related to mineral properties in which it has an interest, there may be unidentified decommission liabilities present.
- Management monitors the credit risk of the counterparty associated with its receivable (Note 3) and the environment in which the Company and the counterparty operates to make estimates regarding the likelihood that the balance will be collected by the Company. Credit risk is assessed and an allowance is recorded for estimated loss, if required.
- Discontinued operations are reported when a component of the Company, representing a separate major line of business or geographical area of operations with clearly distinguishable cash flows, has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. Discontinued operations are reported as a separate element on the consolidated statement of income (loss) and comprehensive income (loss) for both the current and comparative periods. The Bishop Mill operations in the United States have been classified and reported as a discontinued operation.

3. SALE OF SUBSIDIARY

On November 30, 2023, pursuant to the sale agreement dated September 15, 2023, the Company completed the sale of its wholly-owned subsidiary, 0877887 B.C. Ltd., and all of the assets, rights and responsibilities of the Bishop Mill located in California, United States, with 1436132 B.C. Ltd. ("Purchaser"), a private Canadian company. As consideration, the Company expected to receive an aggregate of US\$270,000 in cash and \$600,000 in common shares of the Purchaser on or before September 4, 2025. As at September 30, 2024, the Company had received \$27,295 (US\$20,000) in cash from the Purchaser.

The following table provides additional information with respect to the gain on the sale of subsidiary:

Fair value of consideration:		
Cash	\$	326,183
Common shares of Purchaser		560,082
	\$	886,265
Less net assets (liabilities) of the subsidiary:		
Cash	\$	921
Prepaid expenses		328
Reclamation bond		262,933
Preferred shares		(500,000)
Provision for restoration and environmental obligation		(425,116)
		(660,934)
Gain on sale of subsidiary	\$	1,547,199

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3. SALE OF SUBSIDIARY – (cont'd)

As a result of the timing of the payments the Company discounted the cash to \$326,183 and the common shares to \$560,082 using a discounting factor of 16%. As at November 30, 2023, the Company had determined that the \$560,082 receivable in common shares of the Purchaser was impaired, and the Company recorded a provision for the same amount.

On April 1, 2024, the Purchaser entered into a binding Letter of Intent (“LOI”) with North Bay Resources Inc. (“NBRI”), a public company listed on the OTC-US market, to acquire 55.5% of 0877887 B.C. Ltd. and all the assets, rights, and responsibilities of the Bishop Mill from the Purchaser. NBRI assumed certain obligations of the sale agreement between the Company and the Purchaser which consisted of US\$100,000 and the issuance of \$400,000 in common shares of NBRI. The remaining obligations from the original agreement remained the responsibility of the Purchaser. As at September 30, 2024, the Company has collected \$68,263 (US\$50,000) in cash and received \$400,000 in shares from NBRI. Subsequent to September 30, 2024, the Company collected another \$34,276 (US\$25,000) from NBRI.

NBRI has the right to buy back the shares as follows:

- within 90 days of issuance, at a cost US\$0.0002 per share
- thereafter and for a period of three years at US\$0.0004 per share.

The following table provides additional information with respect to the gain on the sale of subsidiary, based on the amended terms of the consideration receivable, as of April 1, 2024:

Fair value of consideration:		
Cash	\$	347,875
Common shares of NBRI		400,000
	\$	747,875
Less net assets (liabilities) of the subsidiary:		
Cash	\$	921
Prepaid expenses		328
Reclamation bond		262,933
Preferred shares		(500,000)
Provision for restoration and environmental obligation		(425,116)
		(660,934)
Gain on sale of subsidiary	\$	1,408,809

As a result of the amended agreement, the Company will be receiving the common shares of NBRI in lieu of the shares of the Purchaser. Accordingly, the Company reversed the bad debt provision of \$560,082 previously recorded and recognized a loss on modification of consideration receivable of \$138,390.

The Company discounted the cash consideration receivable to \$347,875 using a discounting factor of 16%.

On January 20, 2025, the Company, NBRI, and the Purchaser entered into a final acquisition agreement whereby NBRI will assume the remaining cash payments of US\$175,000 and will issue an additional \$200,000 common shares of NBRI to the Company on or before September 25, 2025. Any late payments will result in a 10% per month penalty. On January 24, 2025, NBRI issued the common shares and on February 5, 2025, the Company collected \$17,195 (US\$12,500)

As at December 31, 2024, \$251,808 (US\$175,000) was outstanding as consideration receivable. The terms of the outstanding receivables were as follows:

Receivable from	Cash (US\$)	Due Date
NBRI	25,000	July 11, 2024
Purchaser	50,000	January 7, 2025
Purchaser	50,000	July 6, 2025
Purchaser	50,000	September 4, 2025
	\$ 175,000	

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3. SALE OF SUBSIDIARY – (cont'd)

The loss from discontinued operations during the three months ended December 31, 2024 and 2023 is as follows:

	2024	2023
Bank charges and interest	\$ -	\$ (75)
Exploration expenditures	-	(5,333)
Foreign exchange (loss)	-	(2,672)
Write-off of accounts payable	-	82,265
Gain on disposal of subsidiary	-	1,547,199
Net income from discontinued operations	\$ -	\$ 1,621,384

4. MARKETABLE SECURITIES

Marketable securities are remeasured to fair value at the end of each reporting period. The fair values of the common shares of the publicly traded companies have been directly referenced to published price quotations in an active market.

Marketable securities consisted of the following as of December 31, 2024 and September 30, 2024:

Investment in marketable securities	Number of shares held at December 31, 2024	Investment cost at December 31, 2024	Fair value at December 31, 2024	Number of shares held at September 30, 2024	Investment cost at September 30, 2024	Fair value at September 30, 2024
	#	\$	\$	#	\$	\$
Public Companies						
North Bay Resources Inc.	1,120,000,000	400,000	644,627	1,120,000,000	400,000	604,755

During the year ended September 30, 2024, the Company received 1,120,000,000 common shares of NBRI, pursuant to the binding letter of intent with NBRI (Note 3). NBRI are subject to a hold period in accordance with United States Securities and Exchange Commission rules. NBRI has the right to buy back the shares within 90 days of issuance, at a cost of US\$ 0.0002 per share thereafter and for a period of three years at US\$0.0004 per share accordingly the Company has recorded the NBRI shares at the buyback price of \$604,755 (US\$448,000) at a year-end exchange rate of \$1.3499. The market price of NBRI common shares at September 30, 2024 was US\$0.0013 per share with a market value of \$1,965,454 (US\$1,456,000). As at December 31, 2024, the market price of NBRI common shares was US\$0.0008 per share with a market value of \$1,289,254 (US\$896,000) at a period end exchange rate of \$1.4389. Subsequent to December 31, 2024, the Company received another 155,555,556 common shares of NBRI.

Pursuant to the property option agreement with Highbank Resources Ltd. ("Highbank") (Note 7), the Company received a total of 1,500,000 common shares and during the year ended September 30, 2024, sold the Highbank shares for total proceeds of \$16,457, and recorded a realized loss of \$31,043.

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5. EQUIPMENT

	Total
<u>Cost</u>	
Balance at September 30, 2023	\$ 187,500
Additions	20,741
Balance at September 30, 2024 and December 31, 2024	208,241
<u>Accumulated Depreciation</u>	
Balance at September 30, 2023	\$ 22,675
Depreciation	35,040
Balance at September 30, 2024	57,715
Depreciation	7,526
Balance at December 31, 2024	\$ 65,241
<u>Net Book Value</u>	
At September 30, 2024	\$ 150,526
At December 31, 2024	\$ 143,000

6. RECLAMATION BOND

As at September 30, 2024, the Company had an additional security deposit for site restoration on the Silver Hart property of \$9,589. This is in addition to the \$146,070 letter of credit that was provided to the Government of the Yukon Territory (Note 10). The letter of credit is secured by the Company's Guaranteed Investment Certificate ("GIC") of \$155,530 that is included in reclamation bond. On October 21, 2024, the financial institution terminated its service of providing letter of credits and returned the GIC to the Company. Subsequent to December 31, 2024, the GIC was deposited into the Company's operating bank account awaiting instructions from the Government of the Yukon Territory. As at December 31, 2024, this amount remains in Reclamation Bond.

As at September 30, 2024, the Government of the Yukon Territory is holding a security deposit for site restoration on the Amy and Silverknife property of \$26,100.

As of September 30, 2024, following the sale of its former subsidiary 0877887 B.C. Ltd., the Company no longer maintains a reclamation bond previously held in trust by the Bureau of Land Management for the indemnification of site restoration related to the Company's Bishop Mill Property (Notes 3 and 10).

7. EXPLORATION AND EVALUATION EXPENDITURES

	Silver Hart	Amy and Silverknife	Total
Costs incurred during the year:			
Acquisition costs	\$ -	\$ 7,000	\$ 7,000
Accommodation/camp site	-	6,847	6,847
Claim maintenance	-	400	400
Contractors	48,009	27,780	75,789
Field office and miscellaneous	8,471	-	8,471
Surveying	1,112	-	1,112
Option payment received	-	(100,000)	(100,000)
For the three months ended December 31, 2024	\$ 57,592	\$ (57,973)	\$ (381)

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7. EXPLORATION AND EVALUATION EXPENDITURES – (cont'd)

	Silver Hart	Bishop Mill	Bridal Veil	Amy and Silverknife	Blue Heaven	Total
Costs incurred during the period:						
Acquisition costs	\$ -	\$ -	\$ 24,500	\$ -	\$ -	\$ 24,500
Accommodation	-	-	-	10,000	-	10,000
Contractors	-	-	-	38,668	-	38,668
Clean up costs	-	5,333	-	-	-	5,333
Drilling	301	-	-	74,061	-	74,362
Field office	403	-	-	4,434	3,750	8,587
Travel expenses	-	-	-	10,027	-	10,027
For the three months ended December 31, 2023	\$ 704	\$ 5,333	\$ 24,500	\$ 137,190	\$ 3,750	\$ 171,477

During the three months ended December 31, 2024, the Company incurred \$5,333 from discontinued operations and \$166,144 from continued operations.

Silver Hart Property

On February 21, 2005, the Company acquired a 100% interest in certain claims comprising the Silver Hart Property located in the Watson Lake Mining District, Yukon Territories from an individual who subsequently became a director and officer of the Company for a total of \$995,000. The Company's remaining and additional obligation for the consideration was settled by the issuance of a loan.

During the year ended September 30, 2020, the Company entered into a Yukon Mineral Exploration Transfer Payment Program Agreement with the Yukon Geological Survey ("YG") for a one-time financial assistance to assist with the costs of an exploration program related to the Silver Hart Property. The YG agreed to contribute up to a maximum of \$40,000 (the "Government Credit") towards eligible exploration expenditures which are, in the opinion of YG, reasonable and directly attributable to the Silver Hart.

During the year ended September 30, 2020, the Company incurred the eligible exploration expenditures and, therefore, recorded the \$40,000 Government Credit in receivables and as a reduction to the cumulative costs incurred on the Silver Hart Property. During the year ended September 30, 2021, the Government Credit was received in full.

The Government Credit was made available on certain terms and conditions, and in reliance on attestations made by the Company in the agreement. Non-compliance with the terms and conditions may result in termination, withholding by the YG of some or all of the Government Credit or repayment of all or part of the Government Credit. The amount demanded for repayment shall bear interest beginning on the due date and ending on the day before the day on which payment is received by YG. To September 30, 2023 and subsequently, the Company has not received notification of non-compliance.

The Company was subject to a claim made by the Government of the Yukon Territory related to the remediation of the Silver Hart Property. Accordingly, the Company has recognized its obligation to remediate the claim and have provided reclamation deposits on a progressive basis (Notes 6 and 10).

Blue Heaven Property

On June 1, 2020, the Company entered into a Property Option Agreement with Strategic Metals Ltd. ("Strategic") to acquire up to a 100% interest in certain claims comprising the Blue Heaven Property located in the Rancheria Silver District, Yukon Territories.

The Company has the option to acquire an 80% interest (the "First Option") for the following consideration payments:

- \$7,500 upon execution of the Agreement (paid);
- An additional \$30,000 on or before June 1, 2021 (paid);
- An additional \$62,500 on or before June 1, 2022 (paid);
- An additional \$125,000 on or before June 1, 2023 (*paid) ; and
- An additional \$175,000 on or before June 1, 2024. (**paid)

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7. EXPLORATION AND EVALUATION EXPENDITURES – (cont'd)**Blue Heaven Property – (cont'd)**

*In lieu of the payment, the Company paid \$62,500 in cash and issued 600,000 common shares at a fair value of \$84,000 (Note 11).

**In lieu of the payment, pursuant to June 18, 2024 agreement, the Company issued 5,000,000 common shares at a fair value of \$175,000 (Note 11).

Upon completion of the First Option payments, the Company and Strategic will enter into a joint venture to pursue the exploration, development, construction and mining of the Blue Heaven Property. The Company will be the initial operator of the joint venture and remain for as long as its interest is equal to or exceeds 50%.

The Company has the option to acquire a further 20% interest (the “Second Option”) by payment of \$500,000 on or before November 28, 2024. Upon completion of the Second Option payment, the Company will be deemed to have acquired a 100% interest in the Blue Heaven Property. As at November 28, 2024, the Company decided not to exercise the option. On January 22, 2025, the Company entered into a second amending agreement with Strategic to acquire the remaining 20% for a cash payment of \$10 and the Company waiving its buy-back right on the NSR on or before January 31, 2025.

The Blue Heaven Property is subject to a 2% net smelter royalty (“NSR”) with no buy-back provisions.

Bishop Mill Property

On March 19, 2010, and as completed on April 15, 2010, the Company entered into a sale and purchase agreement and acquired a 100% interest in certain claims, buildings, water rights and machinery, comprising the Bishop Mill Property located near Bishop, California. Subsequent to the purchase of the Bishop Mill Property, the Company continued to incur additional costs in order to bring the mill and equipment to use. As at September 30, 2023, the Bishop Mill was not capable of operating in a manner intended by management. As of November 30, 2023, following the sale of the Company’s subsidiary 0877887 B.C. Ltd., the Company no longer owns the Bishop Mill Property (Note 3).

Bridal Veil Property

On October 22, 2020, the Company entered into a mineral property option agreement to acquire a 100% working interest in the Bridal Veil Property located in the Gander Subzone in Central Newfoundland, for consideration comprised of cash and the issuance of common shares of the Company, subject to TSX-V approval, which was received on December 11, 2020. The Company paid \$16,000 cash and issued 120,000 common shares at a fair value of \$14,400 to the optionors on December 15, 2020.

Pursuant to this agreement, the Company is required to make the following additional payments:

- \$24,000 plus issue 100,000 common shares or pay \$10,000 in cash (paid) and issue 200,000 common shares on or before October 22, 2021 (issued); and
- \$20,000 plus 100,000 common shares or \$10,000 (paid) and 200,000 common shares on or before October 22, 2022 (issued); and
- \$20,000 plus 100,000 common shares or \$10,000 (*paid) and 200,000 common shares on or before October 22, 2023 (issued)

*In lieu of the cash payment, the Company issued 150,000 common shares at a fair value of \$10,500.

There is a 2.5% NSR of which 1.5% can be purchased at any time by the Company from the optionors for \$1,000,000 per 1%.

Amy and Silverknife Property

On February 10, 2021 and amended on February 1, 2024, the Company entered into a mineral property option agreement to acquire up to a 100% working interest in the Silverknife and Amy mineral properties in the Liard Mining Division in the Province of British Columbia, for consideration comprised of cash and the issuance of common shares of the Company, subject to TSX-V approval, which was received on February 25, 2021, and the Company paid \$15,000 cash on February 4, 2021 and issued 100,000 common shares at a fair value of \$19,500 to the optionors on March 4, 2021.

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

7. EXPLORATION AND EVALUATION EXPENDITURES – (cont'd)**Amy and Silverknife Property – (cont'd)**

Pursuant to this agreement, the Company is required to make the following additional payments:

- \$15,000 plus issue 200,000 common shares on or before February 10, 2022 (issued and paid);
- \$20,000 plus issue 400,000 common shares on or before February 10, 2023 (issued and paid); and
- issue 2,000,000 common shares on or before February 10, 2024 (issued);

The Company is committed to incurring exploration expenditures on the Amy and Silverknife Property totaling \$60,000 as follows:

- \$10,000 on or before February 10, 2022 (incurred);
- an additional \$20,000 on or before February 10, 2023 (incurred); and
- an additional \$30,000 on or before February 10, 2024 (incurred).

There is a 2% NSR of which 1% can be purchased at any time by the Company from the optionors for \$1,000,000.

On November 21, 2024, the Company entered into a land purchase and sale contract to acquire one tenure claim located at the Amy Property located within the emerging Rancheria Silver District situated in north-central British Columbia. As consideration, on December 14, 2024 the Company issued 350,000 common shares fair valued at \$7,000 with no smelter rights.

On November 20, 2024, the Company entered into an option agreement with Coeur Silvertip Holdings Ltd. ("Coeur") a subsidiary of Coeur Mining Inc, whereby Coeur has the option to earn a 75% interest in the Silverknife property for total consideration of \$500,000 and a commitment to incur \$3,550,000 in exploration expenditures by December 31, 2028 as follows:

Cash to be received as follows:

- \$100,000 within 10 business days of the effective date (received);
- \$100,000 on or before March 31, 2025;
- \$100,000 on or before March 31, 2026;
- \$100,000 on or before March 31, 2027; and
- \$100,000 on or before March 31, 2028.

Exploration expenditures to be incurred by Couer as follows:

- Incur \$150,000 on or before December 31, 2024 (the Company is currently negotiating and extension);
- Incur \$550,000 on or before December 31, 2025;
- Incur \$800,000 on or before December 31, 2026;
- Incur \$950,000 on or before December 31, 2027; and
- Incur \$1,100,000 on or before December 31, 2028.

Coeur has an option to acquire the remaining 25% interest within 60 days of earning its 75% interest for a cash payment of \$2,250,000, pursuant to a buyout option in the agreement. If the buyout option is not exercised by Coeur, the Company and Coeur will use reasonable commercial efforts to deliver a formal joint venture agreement.

Coeur will have the right to increase its interest in the joint venture, earning an additional 0.5% interest for every \$100,000 spent on expenditures up to a maximum of 90% of the optionor's joint venture interest, provided these additional expenditures occur before December 31, 2030. The Company will retain its right to purchase an existing 1% Net Smelter Return on the property for \$1,000,000.

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

7. EXPLORATION AND EVALUATION EXPENDITURES – (cont'd)**Terra Nova Property**

On October 22, 2020, the Company entered into a mineral property option agreement to earn up to a 100% working interest in the Terra Nova Property located in the Terra Nova District in Central Newfoundland, for consideration of cash only, \$5,000 (paid) which was due on signing, and subsequent payments as follows:

- \$10,000 on or before October 22, 2021 (paid);
- \$20,000 on or before October 22, 2022 (paid); and
- \$30,000 on or before October 22, 2023.

On the fifth anniversary date, an advance royalty is to be paid of \$5,000 per year to the optionors and a NSR of 2% of which 1.0% can be purchased at any time by the Company for \$1,000,000.

On July 4, 2022, the Company entered into a property option agreement with Highbank whereby Highbank has the option to acquire an 80% interest in and to the claims of the Terra Nova property subject to a 2% Net Smelter Return royalty pursuant to an underlying agreement. As consideration Highbank will pay an aggregate of \$10,000 in cash within 30 days of signing the agreement (received) and subsequent payments as follows:

- \$20,000 on or before October 21, 2022 (received);
- \$30,000 on or before October 21, 2023;
- issue 500,000 common shares on the effective date (received);
- issue 500,000 common shares within six months of the effective date (received); and,
- issue 500,000 common shares of Highbank within one year of the effective date.

When the option is exercised, Highbank and the Company shall enter into and be bound by the terms of a joint venture agreement, which agreement shall be completed in a timely manner at any time following the exercise by Highbank of the option. The joint venture agreement shall contain the following provisions:

- Highbank shall be the operator of the joint venture, provided that Highbank has exercised the option in full;
- Highbank and the Company shall participate on a pro-rata basis in all financing programs relating to the exploration, development and production of minerals extracted from the claims; and
- Dilution of interests in and to the claims in the event of partial or non-participation.

On October 12, 2023, Highbank terminated the property option agreement with the Company and in conjunction the Company terminated the mineral property option agreement.

Rodney Pond Property

On January 6, 2022, the Company acquired an option to earn up to a 100% working interest in the Rodney Pond Property in the highly prospective Gander Subzone in central Newfoundland, subject to an option agreement with Nancy, Stephen and Larry Rogers (the prospectors) of Hare Bay, Nfld. Pursuant to the terms of the agreement the Company will make the following to the prospectors:

- \$10,000 cash payment and issuance of 50,000 common shares on execution of the agreement (issued and paid);
- First anniversary date, January 6, 2023: \$10,000 cash and 50,000 common shares (issued and paid);
- Second anniversary date, January 6, 2024: \$15,000 cash and 75,000 common shares; and
- Third anniversary date, January 6, 2025: \$25,000 cash and 125,000 common shares.

In addition, the agreement provides for a conventional royalty of 2%, of which 1% can be purchased at any time by the Company from the prospectors for \$1,000,000.

During the year ended September 30, 2024, the Company terminated the mineral property option agreement.

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

8. LOANS***Regional Relief and Recovery Fund Loan***

During the year ended September 30, 2020, the Company received a \$40,000 loan from Her Majesty the Queen in Right of Canada as represented by the Minister responsible for Western Economic Diversification Canada (the “Minister”), pursuant to the Regional Relief and Recovery Fund (“RRRF”) program (the “RRRF Loan”). The RRRF Loan was made available on certain terms and conditions, and in reliance on attestations made by the Company in the loan agreement.

During the year ended September 30, 2022, the Company received an additional \$20,000 in RRRF to the maximum of \$60,000.

The RRRF Loan is an interest-free loan until March 28, 2024. If the Company repaid \$40,000 by March 28, 2024, a balance of \$20,000 would be forgiven. If on March 28, 2024, the Company had not repaid the \$40,000, it could exercise the option for a 3-year term extension and, accordingly, a 5% interest rate would have been applied during this extension period on any balance remaining.

The Company did not repay the \$40,000 by March 28, 2024, and therefore, the Company is required to repay the full amount of \$60,000 by December 31, 2026, accordingly, the Company recorded a forfeiture of government grant of \$20,000 to the consolidated statement of income (loss) and comprehensive income (loss) for the year ended September 30, 2024.

On initial recognition, the Company recorded the RRRF Loan at a fair value based on a prevailing market rate of 17%. The Company recorded the result of the benefit received from the interest-free RRRF Loan as a government grant during the year ended September 30, 2020. The portion of the forgivable RRRF Loan was also treated as a government grant, given reasonable assurance that the Company would meet the terms for forgiveness of the loan.

RRRF Loan	December 31, 2024	September 30, 2024
Balance, opening	\$ 38,448	\$ 38,448
Accretion	1,552	1,552
Interest	1,529	1,529
Forfeiture of grant	20,000	20,000
Balance, ending	\$ 61,529	\$ 61,529
Current portion	33,960	33,960
Non-current portion	27,569	27,569
Balance, ending	\$ 61,529	\$ 61,529

During the year ended September 30, 2024, the Company has arranged a payment plan with Pacific Economic Development Canada, with monthly payments of \$1,818 for the next 33 months.

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

9. PREFERRED SHARES

The Company's subsidiary (0877887 B.C. Ltd.) issued 5,000 Class A non-voting preferred shares (the "Class A preferred shares") at a price of \$100 per share, for total proceeds of \$500,000. Attached to these preferred shares is an annual non-cumulative preferred cash dividend of 4.5% of the total, payable annually on March 31 of each year. To September 30, 2023, no dividends had been declared.

After April 9, 2015, redemption may be affected in whole or any number of the Class A preferred shares, if the Company is not insolvent at such time and that the redemption would not render the Company insolvent, as follows:

- Company: Upon giving no less than 10-day notice to the holders. If notice to redemption is given by the Company and holders of the Class A preferred shares fail to present and surrender the share certificates representing the shares called for redemption, the Company may deposit an amount sufficient to redeem the shares with any trust company or chartered bank of Canada and the holder will have no rights against the Company in respect of such shares except upon the surrender of certificates for such shares to receive payment; and
- Holder: Upon giving notice to the Company, the Company shall pay the holder within 30 days a redemption amount, in respect of each of the shares specified in the notice.

As of September 30, 2023, the preferred shares were treated as a liability. As of September 30, 2024, pursuant to the sale of the subsidiary, the Company no longer holds these preferred shares (Note 3).

10. RESTORATION AND ENVIRONMENTAL OBLIGATIONS

As at September 30, 2024, the Company measured the best estimated of the future remediation costs for reclamation that arose as a result of past exploration activities to be \$146,070 for the Silver Hart Property (Notes 6 and 7). The fair value of the liability was determined to be equal to the estimated remediation costs. The timing of the cash flow related to the reclamation activities is beyond one year with not fixed timeline at this time.

The Company was subject to a claim made by the Government of the Yukon Territory related to the remediation of the Silver Hart mineral property pursuant to its exploration program. The Company's provision for future site closure and reclamation costs is based on the level of known disturbance at the reporting date and known legal requirements. It is not currently possible to estimate the impact on operating results, if any, of future legislative or regulatory developments. The Company has accrued a provision of \$146,070 by way of estimating its obligation to remediate the claim. This liability is secured by a letter of credit secured by a GIC for the same amount which bore interest at 2.05% per annum and cashable at maturity and is included in reclamation bond at September 30, 2024. On October 21, 2024, the financial institution terminated the letter of credit and the Company is currently in negotiation with the Yukon Government to rectify this situation.

The movement of the restoration and environmental obligations are as follows:

	Silver Hart	Bishop Mill	Total
Balance at September 30, 2023	\$ 146,070	\$ 423,176	\$ 569,246
Foreign exchange	-	1,941	1,941
Sale of subsidiary	-	(425,117)	(425,117)
Balance at September 30, 2024 and December 31, 2024	\$ 146,070	\$ -	\$ 146,070

As at September 30, 2024, after the sale of the subsidiary, the Company does not have assets, rights, liabilities and responsibilities of the Bishop Mill property except for the assumption of certain liabilities. (Note 3)

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

11. SHARE CAPITAL**Authorized**

Unlimited common shares, without par value

Unlimited Class A preferred share, non-voting, without par value

Issued common shares

As at December 31, 2024 –161,020,419 (September 30, 2024 – 157,704,707) common shares are issued and outstanding.

For the three months ended December 31, 2024:

On December 13, 2024, the Company issued 2,965,712 common shares to settle \$133,457 in debts with directors and consultants of the Company, resulting in a gain on debt settlement of \$74,143.

On December 19, 2024, the Company issued 350,000 common shares at a fair value of \$7,000 pursuant to Land purchase and sale contract agreement.

For the year ended September 30, 2024

On October 23, 2023, the Company issued 350,000 common shares at a fair value of \$24,500 pursuant to the Bridal Veil property option agreement. (Note 7)

On November 8, 2023, the Company issued 3,571,400 flow-through (“FT”) units at a price of \$0.07 per FT unit for aggregate gross proceeds of \$249,998. Each FT unit consists of one FT common share of the Company and one non-flow-through (“NFT”) transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.10 per common share on or before November 8, 2025. The Company used the pro rata method with respect to the measurement of common shares and share purchase warrants issued and a fair value of \$77,216 was allocated to the 3,571,400 share purchase warrants. In connection to the financing, the Company paid a finders’ fees of \$15,000 and issued 214,284, non-transferable finders’ warrants exercisable at \$0.07 per share expiring on November 8, 2025. The Company fair valued the finders’ warrants at \$6,430 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate - 4.17%; annual dividends - nil; expected life - 24 months; expected stock price volatility - 114%. The Company recognized a flow-through premium of \$35,714 on the private placement.

On February 1, 2024, the Company issued 2,000,000 common shares at a fair value of \$80,000 pursuant to the Amy and Silverknife property option agreement. (Note 7)

On June 26, 2024, the Company issued 5,000,000 common shares at a fair value of \$175,000 pursuant to the Blue Heaven property option agreement. (Note 7)

On June 26, 2024, the Company completed the first tranche of financing and issued an aggregate of 2,782,143 NFT units at a unit price of \$0.035 and 1,000,000 FT units at a unit price of \$0.04 for aggregate gross proceeds of \$137,375. Each NFT unit consists of one common share of the Company and one transferable NFT share purchase warrant. Each FT unit consists of one FT common share of the Company and one NFT transferable share purchase warrant. Each whole share purchase warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.07 per common share on or before June 25, 2026. The Company used the pro rata method with respect to the measurement of common shares and share purchase warrants issued and a fair value of \$47,941 was allocated to the 3,282,143 share purchase warrants. In connection to the financing, the Company paid a cash finders’ fee of \$158 and issued 4,500 non-transferable finders’ warrants exercisable at \$0.07 per common share expiring on June 25, 2026. The Company fair valued the finders’ warrants at \$134 using the Black-Scholes option pricing model with the following assumptions: risk free interest rate - 4.04%; annual dividends - Nil; expected life - 24 months; expected stock price volatility - 159%. The Company recognized a flow-through premium of \$5,000 on the private placement.

On July 4, 2024, the Company completed the second tranche of financing and issued an aggregate of 715,000 NFT units at a unit price of \$0.035 for gross proceeds of \$25,025. Each NFT unit consists of one common share of the Company and one transferable NFT share purchase warrant. Each whole share purchase warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.07 per share on or before July 4, 2026. The Company used the pro rata method with respect to the measurement of shares and warrants issued and a fair value of \$8,500 was allocated to the 715,000 share purchase warrants.

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

11. SHARE CAPITAL – (cont'd)**Stock options**

The Company follows the policies of the TSX-V under which it would be authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the policies, the exercise price of each option equals the market price or a discounted price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of five years. The Company calculated the fair value of all stock-based compensation awards as determined using the Black-Scholes option pricing model.

On November 6, 2024, the Company granted 2,100,000 stock options to directors and consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at a price of \$0.025 per share expiring on November 6, 2029 and vested on the date of grant. The fair value of the stock options of \$35,700 was determined using the Black-Scholes option pricing model with the following assumptions – Share price on grant date of \$0.02; Risk-free interest rate of 3.09%; Dividend yield of nil; Expected volatility of 130%; Expected life of five years. During the period ended December 31, 2024, the Company recorded \$35,700 in share-based payments.

On December 4, 2023, the Company granted 2,100,000 stock options to directors and consultants of the Company. The stock options entitle the holders thereof the right to purchase one common share for each option at a price of \$0.07 per share expiring on December 5, 2028. The stock options vest at 25% every three months with the first vesting on March 4, 2024. The fair value of the stock options of \$126,420 was determined using the Black-Scholes option pricing model with the following assumptions – Share price on grant date of \$0.07; Risk-free interest rate of 3.18%; Dividend yield of nil; Expected volatility of 128%; Expected life of five years. During the period ended December 31, 2024, the Company recorded \$5,613 (December 31, 2023 – \$19,475) in share-based payments.

Volatility was determined based on the Company's historical data.

The following table summarizes the continuity of the Company's stock options:

	Number of Stock Options	Weighted Average Exercise Price
Balance, September 30, 2023	7,125,000	\$0.15
Granted	2,100,000	0.07
Forfeited	(1,765,000)	0.16
Balance, September 30, 2024	7,460,000	\$0.13
Granted	2,100,000	0.025
Balance, December 31, 2024	9,560,000	\$0.10

As at December 31, 2024, the Company had stock options outstanding enabling holders to acquire the following:

Number of Options	Vested	Weighted Average Remaining Life	Exercise Price per Option	Expiry Date
1,020,000	1,020,000		\$0.20	January 13, 2026
475,000	475,000		\$0.13	July 2, 2026
1,975,000	1,975,000		\$0.12	December 31, 2026
300,000	300,000		\$0.21	April 29, 2027
1,590,000	1,590,000		\$0.15	February 15, 2028
2,100,000	2,100,000		\$0.07	December 4, 2028
2,100,000	2,100,000		\$0.025	November 6, 2029
9,560,000	9,560,000	3.14 years		

Share-based payment reserve:

The share-based payment reserve records items recognized as share-based payments, expenses, and other share-based payments until such time that the stocks options or warrants are exercised at which time the corresponding amount will be transferred to share capital.

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

11. SHARE CAPITAL – (cont'd)**Share Purchase Warrants**

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2023	23,814,540	\$0.19
Issued	7,787,327	0.08
Expired	(14,690,038)	0.18
Balance, September 30, 2024	16,902,469	0.15
Expired	(3,298,405)	0.24
Balance, December 31, 2024	13,604,064	\$0.13

As at December 31, 2024, the Company had share purchase warrants outstanding enabling holders to acquire the following:

Number of Share Purchase Warrants	Weighted Average Remaining Life	Exercise Price per Share	Expiry Date
2,161,557		\$0.20	September 27, 2025
1,942,013		\$0.20	October 13, 2025
990,000		\$0.15	August 25, 2025
24,000		\$0.15	August 25, 2025
699,167		\$0.15	September 29, 2025
214,284		\$0.07	November 8, 2025
3,571,400		\$0.10	November 8, 2025
3,286,643		\$0.07	June 25, 2026
715,000		\$0.07	July 3, 2026
13,604,064	1 year		

On October 2, 2024, the Company received exchange approval for the extension of the expiry dates for the 2,161,557 warrants from September 27, 2024 to September 27, 2025 and for the 1,942,013 warrants from October 13, 2024 to October 13, 2025.

12. RELATED PARTY TRANSACTIONS*Key management compensation*

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 members of the Company's Board of Directors and corporate officers.

The Company entered the following transactions with related parties during the period ended December 31, 2024:

- incurred exploration expenditures of \$39,599 (December 31, 2023 - \$31,825) with a director or a company controlled by a director and officer of the Company.
- incurred share-based payments of \$30,990 (December 31, 2023 - \$18,084) with current and former directors and officers of the Company.
- incurred consulting fees of \$16,971 (December 31, 2023 - \$92,725) with directors and officers of the Company or with companies controlled by a director and or current/former officer of the Company.
- Incurred management fees of \$600 with a company controlled by the CEO as financing fees.

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

12. RELATED PARTY TRANSACTIONS – (cont'd)

On December 31, 2024, a total of \$211,159 (September 30, 2024 - \$275,367) was owing to directors and a company controlled by a director of the Company, unsecured, non-interest bearing, no specific terms of repayment.

On June 26, 2024, the Company completed a non-brokered FT private placement with the CEO of the Company for 1,000,000 FT units at a unit price of \$0.04 for total proceeds of 40,000. Each FT unit consists of one FT share of the Company and one NFT transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.07 per share on or before June 25, 2026.

13. FINANCIAL RISK AND CAPITAL MANAGEMENT

The fair value of the Company's financial assets and liabilities approximates their carrying amount.

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's only financial instrument measured at fair value are its marketable securities, for which the fair value is determined using closing prices at the reporting date with any unrealized gain or loss recognized in profit or loss. The marketable securities are classified as Level 1.

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 documented investment policies, 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:

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 majority of cash is deposited in bank accounts held with one major bank in Canada. As most of the Company's cash is held in one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to risk is on its receivables and reclamation bond. This risk is minimal as receivables consist primarily of refundable government goods and services taxes and the reclamation bond are held with the financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The Company has a working capital of \$328,518 as at December 31, 2024 (September 30, 2024 – \$193,702 working capital). Liquidity risk is assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not hedge its exposure to fluctuations in foreign exchange rates. Foreign exchange risk is assessed as low.

CMC METALS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

13. FINANCIAL RISK AND CAPITAL MANAGEMENT – (cont'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. Interest earned on cash is at nominal interest rates and therefore, the Company does not consider interest rate risk to be significant.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

14. FLOW THROUGH SHARE COMMITMENT

Under the IFRS framework, the increase to share capital when flow-through shares are issued is measured based on the current market price or concurrent non-flow-through share price of common shares. The incremental proceeds, or “premium”, are recorded as deferred income.

Flow-through common shares require the Company to spend an amount equivalent to the proceeds of the issued flow-through common shares on Canadian qualifying exploration expenditures. The Company may be required to indemnify the holders of such shares for any tax and other costs payable by them in the event the Company has not made the required exploration expenditures.

During the year ended September 30, 2024, the Company received \$289,998 from the issue of flow-through shares. A flow through premium liability of \$40,714 was initially recognized and as at September 30, 2024 recorded as other income as the Company has fully incurred the \$289,998 in exploration expenditures.

15. SUBSEQUENT EVENT

On January 15, 2025, the Company issued 3,400,000 common shares to settle a total of \$85,000 in debt.

16. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the presentation adopted in the current period.