



METALQUEST MINING INC.

INTERIM FINANCIAL STATEMENTS

Quarter 2

For the six months ended 31 July 2025

(Unaudited)

(An Exploration Stage Company)

(Expressed in Canadian dollars)

**MANAGEMENT'S COMMENTS ON
UNAUDITED INTERIM FINANCIAL STATEMENTS**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of MetalQuest Mining Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

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

MetalQuest Mining Inc.
(An Exploration Stage Company)
Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	As at 31 July 2025	As at 31 January 2025 (Audited)
ASSETS		\$	\$
Current assets			
Cash		133,589	73,808
Amounts receivable	4	333,820	10,237
Prepaid expenses		32,709	41,730
Short term investments	5	626,719	628,375
		1,126,836	754,150
Exploration and evaluation properties	6	174,340	144,508
Total assets		1,301,176	898,658
EQUITY AND LIABILITIES			
Current liabilities			
Trade payables and accrued liabilities	7	65,656	24,672
Due to related parties	13	323,660	241,215
Total liabilities		389,316	265,887
Equity			
Common shares	8	26,285,721	25,841,421
Reserves	8	8,921,232	8,921,232
Deficit		(34,295,092)	(34,129,882)
Total equity		911,860	632,771
Total equity and liabilities		1,301,176	898,658

Corporate Information (Note 1), Going Concern (Note 1.1), Commitments and Contingencies (Note 14)

APPROVED BY THE BOARD:

"Harry Barr"

Director

"Gordon Chunnnett"

Director

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

MetalQuest Mining Inc.
(An Exploration Stage Company)
Interim Statements of Loss and Comprehensive Loss
For the six months ended 31 July 2025 and 2024
(Unaudited)
(Expressed in Canadian dollars)

	Notes	Three months ended 31 July 2025	Three months ended 31 July 2024	Six months ended 31 July 2025	Six months ended 31 July 2024
		\$	\$	\$	\$
Administration expenses					
Accounting and audit (recovery)		-	(2,000)	-	(2,000)
Bank charges and interest		644	29	676	57
Consulting fees	14	75,190	32,878	101,882	58,680
Information technology		494	363	819	663
Management fees		30,000	30,000	60,000	60,000
Office and miscellaneous	14	4,928	5,211	12,388	8,595
Rent		1,888	1,888	4,511	4,026
Telephone and utilities		443	359	1,116	913
Transfer agent and regulatory fees		17,200	4,171	27,312	8,052
Travel, lodging and food		44	71	2,659	5,503
Net loss before other items		(130,831)	(72,970)	(211,363)	(169,446)
Other items					
Interest income		65	4	238	6
Gain on sale of short term investments		14,773	-	25,853	-
Unrealized loss on short term investments		5,311	-	20,061	-
Net income (loss) and comprehensive loss for the period		(110,682)	(72,968)	(165,211)	(169,440)
Income (loss) per share – basic and diluted	11	(0.004)	(0.003)	(0.006)	(0.006)

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

MetalQuest Mining Inc.
Interim Statements of Cash Flows
For the six months ended 31 July 2025 and 2024
(Unaudited)
(Expressed in Canadian dollars)

	Notes	Six months ended	
		31 July 2025	31 July 2024
OPERATING ACTIVITIES		\$	\$
Income (loss) for the period		(165,211)	(169,440)
Adjustments for:			
Share-based payments		-	-
Gain on sale of short-term investments	5	(26,273)	24,957
Unrealized gain/loss on short-term investments	5	(20,061)	-
Changes in operating working capital			
Decrease (increase) in amounts receivable		(323,583)	(731)
Decrease (increase) in prepaid expenses		9,021	(1,955)
Increase (decrease) in trade payables and accrued liabilities		40,983	(19,431)
Increase (decrease) in due to related parties		82,447	80,777
Cash used in operating activities		(402,677)	(85,823)
INVESTING ACTIVITIES			
Exploration and evaluation expenditures		(29,832)	-
Proceeds from sale of short-term investments		47,990	-
Cash from investing activities		18,158	-
FINANCING ACTIVITIES			
Proceeds from issuance of common shares		444,300	-
Cash from financing activities		444,300	-
Increase (decrease) in cash and cash equivalents		59,781	(85,823)
Cash and cash equivalents, beginning of period		73,808	275,998
Cash and cash equivalents, end of period		133,589	190,175

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

MetalQuest Mining Inc.
(An Exploration Stage Company)
Interim Statements of Changes in Equity
For the six months ended 31 July 2025 and 2024
(Expressed in Canadian dollars)

	Number of shares	Common shares	Stock option reserve	Warrant reserve	Deficit	Total
		\$	\$	\$	\$	\$
Balances, 1 February 2024	26,914,783	25,841,421	2,496,708	6,369,627	(33,962,242)	745,514
Share-based compensation (Note 8)	-	-	24,957	-	-	24,957
Net loss for the period	-	-	-	-	(169,440)	(169,440)
Balances, 31 July 2024	26,914,783	25,841,421	2,521,665	6,369,627	(34,131,682)	601,031
Balances, 1 February 2025	26,914,783	25,841,421	2,551,605	6,369,627	(34,129,882)	632,771
Share-based compensation (Note 8)	7,389,943	517,296	-	-	-	517,296
Net loss for the period	-	-	-	-	(165,211)	(165,211)
Balances, 31 July 2025	34,304,726	26,358,717	2,551,605	6,369,627	(34,295,092)	911,860

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

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

1. CORPORATE INFORMATION

MetalQuest Mining Inc. (the “Company”) was incorporated on 19 February 1988 under the laws of the Province of British Columbia, Canada. The Company is an exploration stage company engaged in the acquisition, exploration and development of mineral properties in Canada with the aim of developing them to a stage where they can be exploited at a profit or to arrange joint ventures whereby other companies provide funding for development and exploration. The Company is listed on the Toronto Stock Exchange Venture (“TSX-V”) under the symbol “MQM”.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that the Company will obtain the necessary financing to complete the exploration and development of mineral property interests, or that the current or future exploration and development programs of the Company will result in profitable mining operations. In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitments, including conducting minimum exploration and evaluation programs and paying for general and administrative expenses (Note 1.1).

The Company’s principal address and records office is located at 101-2148 West 38th Avenue, Vancouver, BC V6M 1R9.

1.1 GOING CONCERN

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern which assumes that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Several conditions cast significant doubt on the validity of this assumption and ultimately the appropriateness of the use of accounting principles related to a going concern. From inception to date, the Company has incurred losses from operations, earned no revenues and has experienced negative cash flows from operating activities. As at 31 July 2025, the Company had cash of \$133,589 (31 January 2025: \$73,808) and working capital of \$737,520 (31 January 2025: \$488,263). However, management cannot provide assurances that it will achieve profitable operations or raise additional equity capital.

The Company is presently exploring its property interests and has not confirmed they contain mineral reserves that are economically recoverable. The Company’s continuing operations and the underlying value and recoverability of the mineral properties are entirely dependent upon the existence of economically recoverable mineral reserves and the Company’s ability to obtain necessary financing to complete its exploration and development of its current property interests and on future production from or proceeds from the disposition of its mineral property interests.

The ability of the Company to continue as a going concern is dependent on raising additional financing, retaining or attracting joint venture partners, developing its properties and/or generating profits from operations or the disposition of properties in the future. These material uncertainties cast significant doubt upon the Company’s ability to continue as a going concern.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

The management has been successful in obtaining sufficient funding for operating, exploration and capital requirements from the inception of the Company to date. There is, however, no assurance that additional future funding will be available to the Company, or that it will be available on terms which are acceptable to the management of the Company.

If the Company is unable to raise additional capital in the immediate future, management expects that the Company will need to further curtail operations, liquidate assets, seek additional capital on less favourable terms and/or pursue other remedial measures including ceasing operations. These financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported amounts of expenses and balance sheet classifications that would be necessary if the going concern assumption was not appropriate and such adjustments could be material.

2. BASIS OF PREPARATION

2.1 Basis of presentation

The Company's financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value (Note 11).

The financial statements are presented in Canadian dollars, which is also the Company's functional currency, except where otherwise indicated and all values are rounded to the nearest dollar.

2.2 Statement of compliance

The interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the period ended 31 July 2025.

2.3 Standards, amendments and interpretations issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for decommissioning liabilities, the carrying value of exploration and evaluation properties, the valuation of all liability and equity instruments including warrants and stock options, the recoverability and measurement of deferred tax assets and liabilities and the ability to continue as a going concern. Actual results may differ from those estimates and judgments.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining the point at which a property has economically recoverable resources, in which case subsequent exploration costs and the costs incurred to develop the property are capitalized into development assets. The determination may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of loss and comprehensive loss in the year when new information becomes available.

Determining whether to test for impairment of exploration and evaluation properties requires management's judgment regarding the following factors, among others: the period for which the entity has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amounts of the exploration assets are unlikely to be recovered in full from successful development or by sale.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

Decommissioning and restoration costs

Management is not aware of any material restoration, rehabilitation and environmental provisions as at 31 July 2025. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value and these estimates are updated annually. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the exploration and evaluation property. Such estimates are subject to change based on changes in laws, regulations and negotiations with regulatory authorities.

Impairment of financial assets

At each reporting date the Company assesses financial assets not carried at fair value through profit or loss to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that one or more events occurred during the period that negatively affected the estimated future cash flows of the financial asset.

Objective evidence that financial assets are impaired can include significant financial difficulty of the issuer or debtor, default or the disappearance of an active market for a security. If the Company determines that a financial asset is impaired, judgment is required in assessing the available information in regards to the amount of impairment; however the final outcome may be materially different than the amount recorded as a financial asset.

Share based payments

Management assesses the fair value of stock options granted in accordance with the accounting policy stated in Note 3.5. The fair value of stock options is measured using the Black-Scholes Option Valuation Model. The fair value of stock options granted using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

The Company allocates values to share capital and to warrants according to their fair value using the proportional method when two are issued together as a unit. The Company uses Black-Scholes valuation model to determine the fair value of warrants issued.

Deferred income taxes

Judgement is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that the cash flows and taxable income differ significantly from estimates, the ability of the Company to realized the net deferred tax assets recorded at the statement of financial position date, if any, could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

Going concern

These financial statements have been prepared on a basis which assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. In assessing whether this assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company's own resources and external market conditions (Note 1.1).

3.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short term money market instruments with an original maturity of three months or less, which are readily convertible into a known amount of cash.

3.3 Foreign currencies

The Company's presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which they operate.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of loss and comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3.4 Exploration and evaluation properties

Following the acquisition of a legal right to explore a property, all direct costs related to the acquisition of the property are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. Mineral property acquisition costs include cash consideration and the fair market value of common shares issued for mineral property interests based on the trading price of the shares.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

On an ongoing basis, the Company evaluates each property based on results to date to determine the nature of exploration work that is warranted in the future. Indications of impairment may occur in the carrying value of mineral interests when one of the following conditions exists:

- i) The Company's work program on a property has significantly changed, so that previously identified resource targets or work programs are no longer being pursued;
- ii) Exploration results are not promising and no more work is being planned in the foreseeable future; or
- iii) The remaining lease terms are insufficient to conduct necessary studies or exploration work.

If there is an indication of impairment, the recoverable amount, which is the higher of the asset's fair value less costs to sell and value in use, of the asset is determined. When the carrying value of the property exceeds its recoverable amount the asset is written down accordingly. As a result, an impairment loss is recognized in the statement of loss and comprehensive loss.

The Company may occasionally enter into property option agreements, whereby the Company will transfer part of a mineral interest, as consideration for the incurring of certain exploration and evaluation expenditures by the optionee which would otherwise have been undertaken by the Company. The Company does not record any expenditures made by the optionee on its behalf. Any cash consideration received from the agreement is credited against the costs previously capitalized to the property, with any excess cash accounted for as recovery of exploration and evaluation properties.

Proceeds received from the sale of any interest in a property are first credited against the carrying value of the property, with any excess included in the statement of loss and comprehensive loss for the period.

3.5 Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of loss and comprehensive loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted.

Where the terms and conditions of options are modified before they vest, any increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of loss and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of loss and comprehensive loss, unless they are related to the issuance of shares, in which case they are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes Option Pricing Model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, the shares are issued from treasury and the amount reflected in reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

3.6 Taxation

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in the statement of loss and comprehensive loss except to the extent that they relate to items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax is recognized on loss carry-forwards and tax credits, and on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and law that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company records provisions for uncertain tax provisions if it is probable that the Company will make a payment on tax positions as a result of examinations by the tax authorities. These provisions are measured at the Company's best estimate of the amount expected to be paid. Provisions are reversed to income in the period in which management assesses that they are no longer required or determined by statute.

3.7 Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition.

The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Cash, trade payables and due to related parties are recognized at amortized cost.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit and loss in the period in which they arise. Short term investments are recognized as FVTPL. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

Financial assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the credit risk of the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit and loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition of assets are recognized in profit and loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized at the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss.

3.8 Flow-through shares

The Company, from time to time, issues flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through shares into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the liability and recognizes a premium reversal recorded in other income or a reduction to deferred tax expense. The Company also recognizes a deferred tax liability and the related deferred tax is recognized as a tax provision.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

Proceeds received from the issuance of flow-through shares are restricted to be used only for qualifying Canadian resource property exploration expenditures, within the prescribed period. The portion of proceeds received but not yet expended at the end of the period is disclosed separately within restricted cash.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada income tax regulations. When applicable, this tax is accrued as an other expense until paid.

3.9 Decommissioning liabilities

An obligation to incur decommissioning costs arises when environmental disturbance is caused by the exploration or development of mineral property interest. These costs are discounted to their net present value and are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability, as soon as the obligation to incur such cost arises. The timing of the actual expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the Company operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through depreciation. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss.

Estimated costs for decommissioning costs are adjusted as changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capital costs of the related assets, in which case the capitalized cost is reduced to zero and the difference is recognized in profit or loss. As at 31 July 2025 and 2024, the Company has \$Nil decommissioning liabilities.

3.10 Related party 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. Parties are also considered to be related if they are subject to common control, 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.

3.11 Loss per share

Basic loss per share is computed by dividing the net income applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per common share is computed by dividing the net income applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. In the event of a loss, diluted loss per share is equal to basic loss per share as the additional

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

equity instruments are anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

4. AMOUNTS RECEIVABLE

The Company's amounts receivable arises from subscription of shares on private placement that will be completed through DAP upon closing and Goods and Services Tax ("GST") receivable due from the government taxation authorities:

	31 July 2025	31 January 2025
	\$	\$
Subscription receivable	325,300	-
GST receivable	8,520	10,237
Total amounts receivable	333,820	10,237

5. SHORT TERM INVESTMENTS

	31 July 2025		31 January 2025	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
Puma Exploration Inc. 300,000 shares (2024: 300,000 shares)	43,357	21,000	43,357	24,000
Canadian Copper Inc. 1,919,500 shares (31 January 2025: 2,175,000 shares)	163,158	316,718	184,875	315,375
2,500,000 warrants (31 January 2025: 2,500,000 warrants)	-	289,000	-	289,000
Total short term investments	206,515	626,718	228,232	628,375

Puma Exploration Inc.

The Company received shares and warrants from Puma Exploration Inc. ("Puma") as option payments pursuant to the Murray Brook Asset Purchase Agreement dated 15 May 2017. On 31 October 2020, the Company received 1,100,000 shares and 500,000 warrants from Puma.

Canadian Copper Inc.

As at 31 July 2025, the fair value of the warrants was determined to be \$289,000 using the Black Scholes Option Pricing Model based on the following assumptions: share price - \$0.145; exercise price - \$0.125; expected life - 4 years, volatility - 120% and risk-free rate of 2.67%. The Company recorded an unrealized gain of \$94,000 related to the change in fair value of the warrants.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

During the period ended 31 July 2025, the Company sold 255,500 shares of CCI for proceeds of \$46,970, resulting in a gain of \$26,273.

On 31 January 2024, the Company received 2,500,000 common shares of the Canadian Copper Inc., ("CCI") as part of the consideration for the sale of Murray Brook Project (Note 6) with a fair value of \$212,500. On 31 January 2024, the Company also received 2,500,000 warrants.

The Company recorded an unrealized gain of \$20,061 related to the change in fair value of the CCI shares.

6. EXPLORATION AND EVALUATION PROPERTIES

Murray Brook Project

On 11 September 2023, the Company and CCI entered a binding Letter of Intent for the option to purchase all of the Company's 28.2% interest in and to the Murray Brook Mining Lease 252 and Claim Block 4925 situated in Restigouche and Northumberland counties, New Brunswick (collectively, the "Mining Asset").

On 31 January 2024, the Company entered into an Asset Purchase and Sale Agreement (the "Murray Brook Agreement") with CCI, to sell 28.2% interest in and to the Murray Brook Project.

Pursuant to the Murray Brook Agreement:

- \$100,000 deposit to be paid by CCI upon signing of LOI (received).
- \$200,000 instalment to be paid by CCI on closing of the Murray Brook Agreement (received).
- Issuance by CCI, on closing, of 2,500,000 units (received) (Note 4), each unit consisting of one common share of CCI and one non-transferable warrant of CCI, with each warrant exercisable for five years from the date of issuance at an exercise price of \$0.125 (received) (Note 4).
- A 0.33% net smelter return ("NSR") royalty on the Murray Brook Project. CCI will have the right to purchase half of the 0.33% NSR for \$1 million.
- Final instalment of \$1,000,000 to be paid by CCI to the Company within 31 days of commercial production.

At 31 January 2024, the carrying value of the Murray Brook Project was \$20,066, resulting in a gain of \$687,434 on disposition. The final instalment of \$1,000,000 was excluded due to uncertainties.

Lac Otelnuk Iron Ore Project

On 17 January 2023, the Company entered a property option and purchase agreement, amended, with 743584 Ontario Inc. to acquire 100% interest in 306 mining claims located in Nunavik, Quebec in exchange for \$44,355 in cash payment that went towards the government assessment for the mining claims. All 306 claims are subject to a 2.5% royalty with an original option to buy down over a specific period of time. During the year ended 31 January 2023, the Company made the required \$44,355 in

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

cash payment towards the government assessment for the mining claims, and has obtained 100% interest in the 306 mining claims.

During the year ended 31 January 2024, the Company entered into an Exploration and Pre-Development Agreement (the “Agreement”) with Naskapi Nation of Kawawachikamach (“NNK”).

The Company has agreed to pay NNK’s reasonable costs for the negotiation and drafting of the attached Agreement within 30 days of receipt of NNK’s expense report to a maximum amount of \$9,500; an annual amount of \$20,000 throughout the term of the Agreement due on each anniversary of execution of the Agreement for certain NNK representatives on the Property, which amount shall be revisable at the end of every three year period; and in recognition of the impacts of exploration activities will generate, MQM shall contribute to NNK for the duration of the Agreement on an annual basis, the following:

- 3% of the first \$1,000,000 spent in the applicable year on exploration activities;
- 2% on monies spent above \$1,000,000 up to \$2,000,000 in the applicable year on exploration activities; and
- 1.5% on all monies spent above \$2,000,000 in the applicable year on exploration activities.

During the year ended 31 January 2025, the Company paid \$20,000 (2024: \$29,500) to NNK.

7. TRADE PAYABLES AND ACCRUED LIABILITIES

The Company’s trade payables and accrued liabilities are principally comprised of amounts outstanding for trade purchases relating to exploration and evaluation activities and amounts payable for general operations. These are broken down as follows:

	31 July 2025	31 January 2025
Trade payables	\$ 63,656	\$ 5,672
Accrued liabilities	2,000	19,000
Total	65,656	24,672

8. SHARE CAPITAL

8.1 Authorized share capital

The Company has authorized an unlimited number of common and preferred shares with no par value. As at 31 July 2025, the Company had 34,304,726 common shares outstanding (31 January 2025: 26,914,783) and no preferred shares outstanding.

During the year ended 31 January 2023, the Company completed a 2.5:1 share consolidation for its outstanding common shares. All figures in the financial statements reflect the number of shares post-consolidation.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

8.2 Shares issuances

On 31 July 2025, the Company issued 7,389,943 units at a price of \$0.07 per unit for cash proceeds of \$517,296. Each unit is comprised of one common share and one share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.10 per share for a period of three years from closing.

8.3 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants for the period ended 31 July 2025 and 31 January 2025:

As at	31 July 2025		31 January 2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	-	-	-	-
Granted	7,389,943	\$0.10	-	-
Expired	-	-	-	-
Outstanding, end of period	7,389,943	\$0.10	-	-
Exercisable, end of period	-	\$0.10	-	-

8.4 Stock options

The Company has in place a 20% fixed stock option plan (the "Plan") whereby, the Company may grant up to a maximum of 4,788,226 stock options. The exercise price of any options granted under the plan will be determined by the Board of Directors (the "Board"), at its sole discretion, but shall not be less than the last closing price of the Company's common shares on the day before the date on which the Board grants such options, less the maximum discount permitted under the policies of the TSXV.

The following is a summary of the changes in the Company's stock option plan for period ended 31 July 2025 and year ended 31 January 2025:

As at	31 July 2025		31 January 2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	4,425,000	\$0.161	3,175,000	\$0.161
Granted	-	-	1,250,000	\$0.100
Cancelled	(400,000)	\$0.100	-	-
Outstanding, end of period	4,025,000	\$0.144	4,425,000	\$0.144
Exercisable, end of period	3,600,000	\$0.154	3,587,500	\$0.154

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

The following table summarizes information regarding stock options outstanding and exercisable as at 31 July 2025:

Grant date	Expiry date	Options outstanding (#)	Exercise Price (\$)	Weighted Average Life (years)	Options exercisable (#)
4 August 2020	4 August 2025	500,000	0.20	0.01	500,000
6 June 2022	6 June 2027	180,000	0.20	1.85	180,000
12 May 2023	12 May 2028	2,495,000	0.15	2.78	2,495,000
27 November 2024	27 November 2029	850,000	0.10	4.33	425,000
		4,025,000	0.15	2.24	3,600,000

The fair value of the 1,250,000 (2024: 2,495,000) stock options granted during the year ended 31 January 2025 was estimated at \$81,886 (2024: \$306,904). The fair value of the stock options granted during the year ended 31 January 2025 were estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	2025	2024
Risk free interest rate	3.07%	3.07%
Expected life	5 years	5 years
Expected volatility	169.56%	169.56%
Expected dividend per share	-	-
Expected forfeiture	-	-

8.5 Share-based payments

Share-based payments for the following options granted by the Company was amortized over the vesting period.

Grant date	Fair value	Amount vested 31 July 2025	Amount vested 31 January 2025
	\$	\$	\$
6 June 2022	17,271	-	-
12 May 2023	306,904	-	24,957
27 November 2024	155,392	-	29,940
Total		-	54,897

Total resource-related deduction, no expiry	914,562
--	----------------

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

9. LOSS PER SHARE

The calculation of basic and diluted loss per share is based on the following data:

	Three months ended 31 July 2025	Three months ended 31 July 2024	Six months ended 31 July 2025	Six months ended 31 July 2024
Net loss for the period	\$ (110,682)	\$ (72,968)	\$ (165,211)	\$ (169,440)
Weighted average number of shares – basic and diluted	26,914,783	26,914,783	26,914,783	26,914,783
Loss per share, basic and diluted	\$ (0.004)	\$ (0.003)	\$ (0.006)	\$ (0.006)

The basic income per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted income per share reflects the potential dilution of common share equivalents, such as outstanding stock options, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options were anti-dilutive for the periods ended 31 July 2025 and 2024.

10. CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements and continue the exploration of its mineral properties.

The Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for general administration costs, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company is not subject to any externally imposed capital requirements. There were no significant changes in the Company's approach or the Company's objectives and policies for managing its capital.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS

11.1 Categories of financial instruments

	As at 31 July 2025	As at 31 January 2025
FINANCIAL ASSETS	\$	\$
Amortized cost		
Cash	133,589	73,808
FVTPL		
Short term investments	626,718	628,375
Total financial assets	760,307	702,183
FINANCIAL LIABILITIES		
Amortized cost		
Trade payables	63,656	5,672
Due to related parties	323,660	241,215
Total financial liabilities	387,316	246,887

11.2 Fair value

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short-term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

As at 31 July 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value				
Short term investments	377,718	289,000	-	626,718
Total financial assets at fair value	377,718	289,000	-	626,718

As at 31 January 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets at fair value				
Short term investments	339,375	289,000	-	628,375
Total financial assets at fair value	339,375	289,000	-	628,375

There were no transfers between Level 1, 2 and 3 during the period 31 July 2025 and year ended 31 January 2025.

11.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk, currency risk and commodity price risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern.

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies. As a result, the Company is not subject to a significant credit risk. The Company does not consider any of its financial assets to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they become due (Note 1.1). The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered. The Company has no source of revenue and has obligations to meet its administrative overheads, maintain its mineral investments and to settle amounts payable to its creditors. As at 31 July 2025, the Company had a cash balance of \$133,589 (31 January 2025: \$73,808) and receivables of \$333,820 (31 January 2025: \$10,237) to settle current liabilities due in twelve months or less of \$389,316 (31 January 2025: \$265,887) and carry out its planned exploration program in the coming year. Management seeks additional financing through the issuance of equity instruments and liquidation of its marketable securities, either partial

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

or in full, to continue its operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Currency risk

For the period ended 31 July 2025, the Company's operations were solely in Canada. The Company considers its currency risk to be insignificant.

Other market risks

The Company is not subject to any other market risks, including interest rate risk and commodity price risk.

12. RELATED PARTY TRANSACTIONS

For the period ended 31 July 2025 and 2024, the Company had related party transactions with the following companies related by way of directors, management or shareholders in common:

- New Age Metals Inc., a company with management and certain directors in common with the Company. The Company pays shared office costs to New Age Metals Inc. on a month-to-month basis.
- 3846717 Canada Inc., a company owned by the CEO of the Company. 3846717 Canada Inc. provides management services on a five year term effective 1 June 2018 (Note 14).
- 873285 B.C. Ltd., a company owned by the Corporate Secretary of the Company. 873285 B.C. Ltd. provides consulting services on a month-to-month basis.

12.1 Related party expenses

The Company's related party expenses paid and/or accrued during the periods ended 31 July 2025 and 2024 are as follows:

31 July	2025	2024
	\$	\$
Consulting fees	7,843	6,803
Shared office costs	10,677	10,127
Total related party expenses to New Age Metals Inc.	18,520	16,930
Consulting fees paid/accrued to CEO	60,000	60,000
Consulting fees paid to CFO	22,200	22,200
Consulting fees paid to Corporate Secretary	13,800	13,800
Total related party expenses	96,000	96,000

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

12.2 Due to related parties

The assets and liabilities of the Company include the following amounts due to/from related parties:

	31 July 2025	31 January 2025
	\$	\$
New Age Metals Inc.	82,162	62,715
Due to CEO	241,500	178,500
Total amount due to related parties	323,662	241,215

The amounts due to/from related parties are non-interest bearing, unsecured and due on demand.

12.3 Key management personnel compensation

The remuneration of directors and other members of key management were as follows:

	31 July 2025	31 July 2024
	\$	\$
Short-term benefits – management and consulting fees	96,000	96,000
Total key management personnel compensation	96,000	96,000

13. COMMITMENTS AND CONTINGENCIES

As at 31 July 2025, the Company had the following commitments and contingent liabilities:

- a) During the period ended 31 July 2025, the Company did not obtain a director's and officer's insurance policy. The Company currently self-insures and has established no reserves for insurance-related contingencies. Rather, the Company assesses each contingency, if any, as it arises to determine estimates of the degree of probability and range of possible settlement. Those contingencies which are deemed to be probable and where the amount of such settlement is reasonably estimable, are then accrued in the Company's financial statements. If only a range of loss can be determined, the best estimate within that range is accrued.

The assessment of contingencies is a highly subjective process that requires judgments regarding future events. Insurance contingencies are reviewed at least annually to determine the adequacy of the accruals and whether related financial statement disclosure is required. The ultimate settlement of insurance contingencies may differ materially from amounts accrued in the financial statements.

MetalQuest Mining Inc.

(An Exploration Stage Company)

Notes to the Interim Financial Statements

For the six months ended 31 July 2025

(Unaudited)

(Expressed in Canadian dollars)

The Company has indemnified the subscribers of flow-through shares of the Company issued in prior years against any tax related amounts that may be payable as a result of the Company not making eligible expenditures.

- b) The Company regularly assesses its income tax and related non income tax amounts and obligations and the related filing obligations in Canada. It is management's position that adequate provisions have been made in the financial statements related to such obligations. However, there exists uncertainty due to the fact that the Company could be assessed differently by tax and/or other regulatory authorities in a manner that is not consistent with management's expectation. This situation would result in management being required to adjust its provision for income taxes and related non income tax amounts in the period that such a situation occurs and such adjustments could be material.
- c) The Company's exploration and evaluation activities are subject to various Canadian federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.
- d) Effective 1 November 2016, the Company and New Age Metals Inc. entered into a consulting agreement with a company controlled by the corporate secretary for \$4,000 per month collectively. The Company's portion of the consulting fees was \$2,200 per month. Effective 1 February 2022, the monthly consulting fees was amended to \$4,700 per month collectively. The Company's portion of the consulting fees is \$2,200 per month.
- e) Effective 1 June 2018, the Company entered into a management agreement with 3846717 Canada Inc., a company owned by the CEO for \$10,000 per month to provide consulting and management services (Note 13).

14. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Company for the period ended 31 July 2025 were approved and authorized by the Board of Directors on 11 September 2025.

15. SUBSEQUENT EVENT

On 5 August 2025, \$325,300 was received for the payment of the DAP shares subscription receivable.