

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Reporting Issuer

Formation Metals Inc. (the “**Company**” or “**Formation**”)
Suite 400 – 1681 Chestnut Street
Vancouver, BC V6J 4M6

Item 2: Date of Material Change

June 13, 2025 and June 16, 2025.

Item 3: News Release

A news release was issued and disseminated on June 17, 2025 and filed on SEDAR+ (www.sedarplus.ca).

Item 4: Summary of Material Changes

The Company announced that it has closed the first tranche of its non-brokered private placement (the “**Private Placement**”) raising gross proceeds of \$1,645,450.10 and has entered into investor relations agreements and advertising and investor awareness campaigns with H&N Consultants LLC (“**H&N**”) and Virtus Media Group, LLC (“**Virtus**”). See Item 5 for complete details.

Item 5: Full Description of Material Change

The Company announced that it has closed the first tranche of its Private Placement raising gross proceeds of \$1,645,450.10 through the issuance of 4,701,286 flow-through units (each a “**Unit**”) at \$0.35 per Unit. Each Unit consists of one flow-through common share (each a “**FT Share**”) of the Company, and each FT Share shall qualify as a “flow-through share” as defined in section 66(15) of the Income Tax Act (Canada), and one transferable common share purchase warrant (each a “**Warrant**”), with each Warrant entitling the holder to purchase one additional common share (a “**Warrant Share**”) at an exercise price of \$0.60 per Warrant Share for a period of two (2) years from the date of closing of the Private Placement (the “**Expiry Date**”). The Company paid finder’s fees of \$115,181.51 cash and 329,090 finder’s warrants (each a “**Finder’s Warrant**”) to arm’s length parties, in accordance with applicable securities laws and the policies of the Canadian Securities Exchange (“**CSE**”). The Finder’s Warrants are non-transferable and exercisable at \$0.60 per Share until the Expiry Date. The securities issued in connection with the Private Placement are subject to a four-month statutory hold period expiring on October 14, 2025. The securities are not subject to the Exchange Hold (as defined under CSE Policy 1 *Interpretation and General Provisions* which definition became effective May 22, 2025), required in certain circumstances in accordance with Policy 6 *Distributions and Corporate Finance* of the CSE. The Company intends to use the net proceeds from the Private Placement for exploration on its N2 Property located in Quebec. The Private Placement remains subject to approval of the CSE.

The Company also announced that it has entered into advertising and investor awareness campaigns with H&N and Virtus. H&N (address: 8329 Harrison Avenue, Munster, Indiana 46321 United States; e-mail: jhayelluc@gmail.com) will provide marketing services for a term of six months commencing for a total budget of US\$100,000. Virtus (address: 1809 Redwood Lane, Munster, IN 463215166; e-mail: jacki@neveralonerecovery.com) will provide marketing services for a term of six months commencing for a total budget of US\$75,000. Both H&N and Virtus are independent companies that will provide strategic digital media services, marketing (including awareness campaigns) and data analytical services to the company. The Company will not issue any securities as compensation for the services. As of the date hereof, to the Company’s knowledge, neither Virtus nor H&N own any securities of the Company and they both have an arm’s-length relationship with the Company.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 5.2: Disclosure for Restructuring Transactions

Not applicable.

Item 6: Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

The property information was omitted.

Item 8: Executive Officer

For further information, please contact:

Deepak Varshney, CEO

T: 778-899-1780

E: info@formationmetalsinc.com

Item 9: Date of Report

June 17, 2025.