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Formation Metals Closes $2.33M at up to $0.50/Unit Increasing Exploration Budget to ~$5.1M, Expands Maiden Drill Program at the Advanced N2 Gold Project to Fully Funded 10,000 Metres

Highlights:

- Formation has planned a 20,000 metre multi-phase drill program at its flagship N2 Gold Project near Matagami, Quebec, host to a global historic resource of **~870,000 ounces comprised of 18 Mt grading 1.4 g/t Au (~809,000 oz Au) across four zones (A, East, RJ-East, and Central)[2,3] and 243 Kt grading 7.82 g/t Au (~61,000 oz Au) across the RJ zone[2,4]**.
- Phase 1 has been expanded to a fully funded 10,000 metre program focusing on targets in the "A" zone, a shallow, highly continuous, low-variability historic gold deposit with ~522,900 ounces of which only ~35% of strike has been drilled (>3.1 km open), and the "RJ" zone, host to high-grade intercepts from historical drill holes as high as 51 g/t Au over 0.8 metres[2], which was expanded by Agnico Eagle Mines in 2008 in the most recent drilling at the Property. Formation anticipates commencing its drill program in early August.
- Formation will also focus on N2's significant base metal potential, where it recently completed a revaluation process which revealed significant copper and zinc intercepts within historic drillholes with significant gold grades (>1 g/t Au).
- The Company has closed ~$4M across two tranches, bringing its working capital to ~C$5M with zero debt. Inclusive of provincial tax credits from the Quebec government, Formation's exploration budget for 2025-2026 is set at ~$5.1M, putting it in a very strong financial position to execute its exploration programs.
- Formation is now funded to complete the $5M work commitment required to earn-in to 100% of the N2 Gold Project within two years, four years ahead of schedule.

Vancouver, British Columbia / July 23, 2025 – Formation Metals Inc. ("**Formation**" or the "**Company**") **(CSE:FOMO) (FSE:VF1) (OTCPK:FOMTF),** a North American mineral acquisition and exploration company, is pleased to announce that it has elected to expand its maiden drill program at its N2 Gold Property ("**N2**" or the "**Property**"), located 25 km south of Matagami, Quebec, to a fully funded 10,000 metres following the successful closing of ~$4M.

The Company anticipates commencing on the program in early August, having officially filed its Annual Exploration Work Notice ("**Planification Annuelle Des Travaux d'Exploration**") with the responsible municipal authorities for its upcoming 2025 exploration activities on June 17, 2025. This filing must be completed 30-days in advance of the commencement of fieldwork and ensures compliance with regulatory requirements and reflects the Company's continued commitment to transparency, community engagement, and responsible mineral exploration practices. The work program will focus on advancing key targets across Formation's Quebec-based properties.

The 10,000 metres comprising Phase 1 is part of its planned 20,000 metre multi-phase drill program at N2, an advanced gold project with a global historic resource of **~870,000 ounces comprised of 18 Mt grading 1.4 g/t Au (~809,000 oz Au) across four zones (A, East, RJ-East, and Central)[2,3] and 243 Kt grading 7.82 g/t Au (~61,000 oz Au) across the RJ zone[2,4]**.

Deepak Varshney, CEO of Formation Metals, stated, "We are very grateful for the support Formation has received from new and past shareholders. With over five million in working capital, Formation is now positioned to commence on the most aggressive drill program our company has embarked on to date, with 10,000 metres fully funded for 2025. This financing secures Formation's future with the N2 Gold Deposit as we will be funded to complete the work requirements of our six-year option within the first two years, four years ahead of schedule."

Mr. Varshney continued: "We are very excited to commence our maiden drill program at N2. Based on our on-going review and planning for Phase 1, we feel comfortable in expanding our maiden drill program to a fully funded 10,000 metres.

Given the scale of the property, the compelling geological data, and the Abitibi Greenstone Belt's established history as a hotbed for gold mining, we are hopeful that the program will deliver our goal of delivering a near-surface multi-million-ounce deposit at N2.

We see the potential for a significant gold deposit at N2, and our maiden 10,000-metre drilling program will mark the beginning of Formation's pursuit of that goal. Our maiden program will focus on building on the successes of our predecessors. The drilling discoveries made by Agnico-Eagle and Cypress show the potential at N2. With gold at over $3,400, over 4 times the price in 2008 when Agnico last drilled the project, we believe that the timing is perfect for N2 and look forward to a very busy upcoming field season."

Comprising 87 claims totaling ~4,400 ha within the Abitibi sub province of Northwestern Quebec, Formation's flagship N2 Gold Project is an advanced gold project with a global historic resource of 877,000 ounces: **18.2 Mt grading 1.48 g/t Au (~810,000 oz Au) across four zones (A, East, RJ-East, and Central)**[2,3] **and 243 Kt grading 7.82 g/t Au (~67,000 oz Au) across the RJ zone**[2,4]. There are six primary auriferous mineralized zones in total, each open for expansion along strike and at depth. Compilation and geophysical work by Balmoral Resources Ltd. (now Wallbridge Mining) from 2010 to 2018 generated numerous targets that have not yet been investigated with diamond drilling.

The drill program is designed to focus on discovery drilling at new high-potential targets along the mineralization strikes at the "A", "RJ" and "Central" zones in the northern part of the Property in order to discover new auriferous trends and unlock new zones of gold mineralization. The program will also focus on high-priority infilling and expansion targets in these zones to significantly enhance the auriferous zones identified to-date (Figure 1).

Historical highlights from the top two priority zones include:

- **A Zone:** With a historical resource of ~522,900 gold ounces (10.7 Mt @ 1.52 g/t Au), the "A" Zone is a shallow, highly continuous, low-variability historic gold deposit with ~15,000 metres of drilling across 55 drillholes, 84% of which intercepted gold mineralization. The best historical intercept includes up to 1.7 g/t over 35 metres. ~1.65

km of strike has been drilled, with 3.1+ km of strike to be tested as part of the 20,000 metre program.

- **RJ Zone:** With a historical resource of ~61,100 gold ounces (243 Kt @ 7.82 g/t Au), the "RJ" Zone is a high-grade target that was expanded upon in the last drill program in 2008 by Agnico-Eagle when gold was approximately ~$800/oz. Historically, 20,875 metres has been drilled over 82 drillholes, with best intercepts of 48 g/t over 0.5 metres and 16.5 g/t over 3.6 metres. ~900 metres of strike has been drilled, with 4.75+ km of strike to be tested as part of the 20,000 metre program.

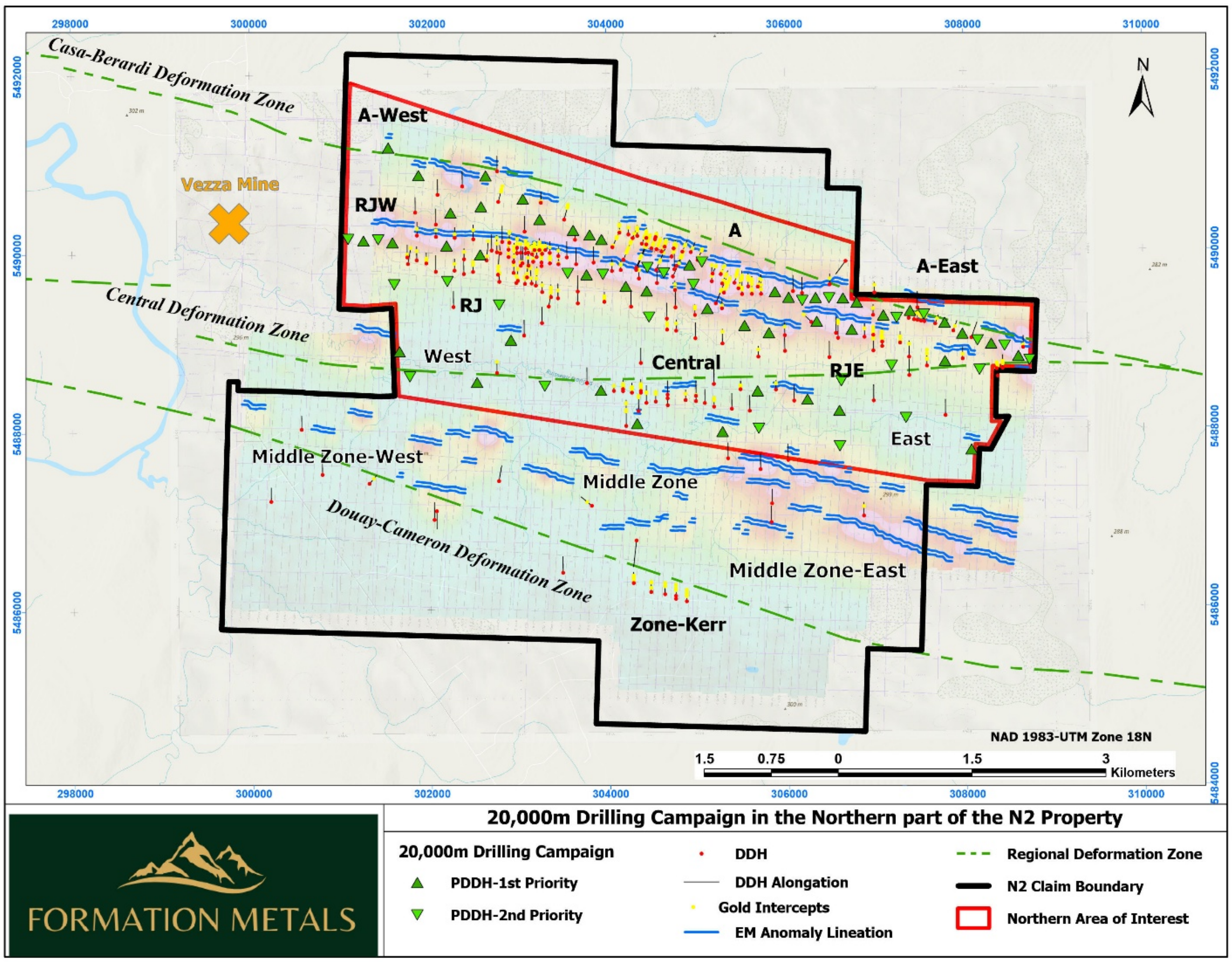

Figure 1 - PDDH design for 20,000 metre Drill Program

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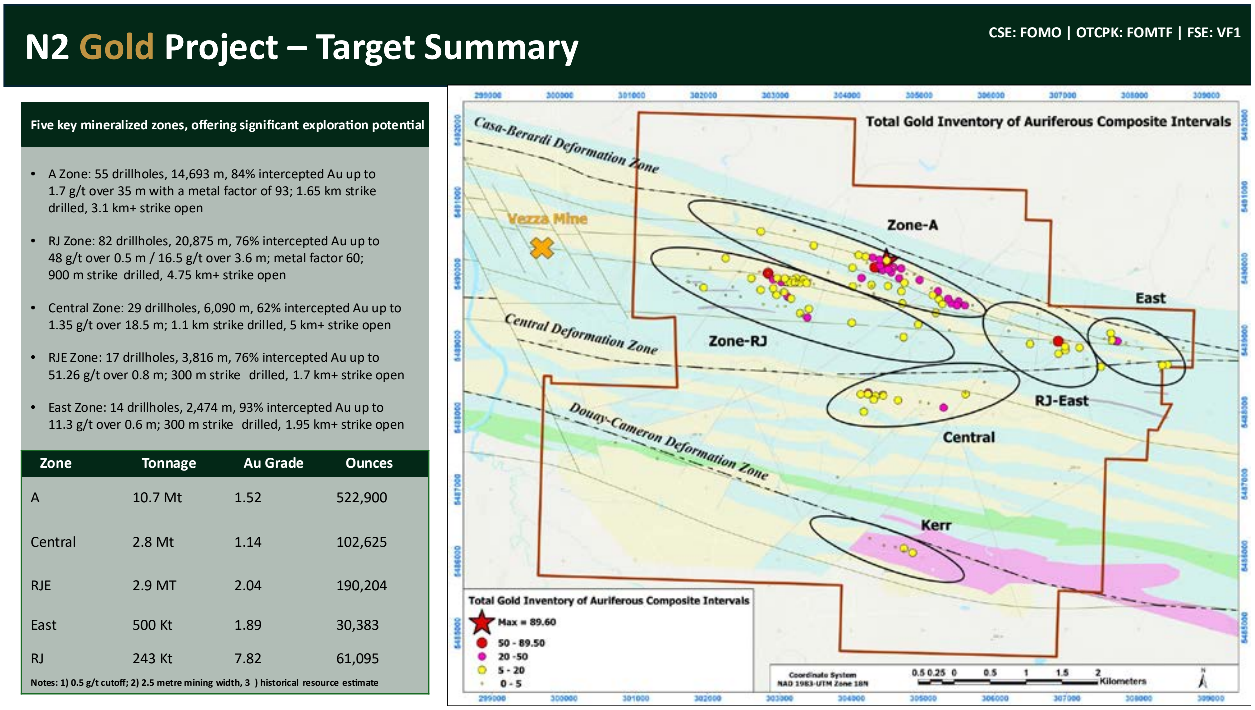

Figure 2 - Property overview summarizing historical work completed at each of the six mineralized zones and their respective historical resource.

The Company also believes that N2 has significant base metal potential, where it recently completed a revaluation process which revealed significant copper and zinc intercepts within historic drillholes known to have significant gold grades (>1 g/t Au). Assay results range from 200 to 4,750 ppm and 203 ppm to 6,700 ppm, for copper and zinc, respectively, indicating strong potential for elevated base metal (Cu-Zn) concentrations across the property, specifically at the A and RJ zones. Property wide geology at N2 features volcanic and sedimentary rocks formed in regional anticlinal and synclinal flexures. Three principal deformation structures (Figure 1), oriented along the known NW-SE to WNW-ESE structural trends typical of VMS deposits in the Matagami region, function as critical geologic controls for mineralization on the property.

For the 2025 exploration season, Formation plans to concentrate its efforts on the northern part of N2, targeting gold deposit expansion and discovery along identified zones and fault systems associated with the main deformation features (specifically WNW-ESE trend), with IP surveys and drilling planned to model mineralized zones that will hopefully contribute to an updated NI-43 101 compliant resource. Formation will also look to further review historic base metal assays from older drill core and undertake additional work in 2025 to assess the property's copper and zinc potential.

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The Company is pleased to announce that it has closed tranches of its non-brokered private placements raising total gross proceeds of $2,334,400.03 through the issuance of (i) 1,434,000 flow-through units (the "**Units**") at $0.35 per Unit (the "**FT Offering**"), (ii) 1,724,138 charity flow-through units (the "**CFT 4MH Unit**") at $0.435 per CFT 4MH Unit (the "**CFT 4MH Unit Offering**"), and (iii) 2,185,000 charity flow-through units (the "**CFT Units**") at $0.50 per Charity FT Unit (the "**LIFE Offering**").

Each Unit consists of one flow-through common share (each a "**FT Share**") of the Company, and each FT Share qualifies 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**"). In connection with the FT Offering, the Company paid finder's fees of $35,133 cash and 29,680 non-transferable 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 exercisable at $0.60 per Share until the Expiry Date. The Company closed the first tranche of the FT Offering of Units at $0.35 on June 13, 2025 issuing 4,701,286 Units for proceeds of $1,645,450.10. The FT Offering was oversubscribed by 421,001 Units. The securities issued in connection with the Unit Offering are subject to a statutory hold period of four months following the date of issuance in accordance with applicable Canadian securities laws.

Each CFT 4MH Unit consists of one Share (a "**CFT 4MH Share**") and one common share purchase warrant (a "**CFT 4MH Warrant**"), with each CFT 4MH Warrant exercisable to acquire one Warrant Share at an exercise price of $0.60 until the Expiry Date. Each CFT 4MH Share qualifies as a "flow-through share" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada). In connection with the CFT 4MH Unit Offering, the Company paid finder's fees of $17,723.97 cash and 56,700 non-transferable Finder's Warrants to arm's length parties, in accordance with applicable securities laws and the policies of the CSE. The Finder's Warrants are exercisable at $0.60 per Share until the Expiry Date. The securities issued in connection with the CFT 4MH FT Offering are subject to a statutory hold period of four months following the date of issuance in accordance with applicable Canadian securities laws.

In addition, the Company announces that it has increased its CFT 4MH Unit Offering by an additional 2,298,850 per CFT 4MH Unit at $0.435 per CFT 4MH Unit for additional gross proceeds of up to $1,000,000 to be raised pursuant to a second tranche. The Company expects the second tranche of the CFT 4MH Unit Offering to close on or about July 28, 2025.

Each CFT Unit consists of one Share (a "**LIFE CFT Share**") and one common share purchase warrant (a "**LIFE Warrant**") with each LIFE Warrant exercisable to acquire one additional Share of the Company at an exercise price of $0.60 until the Expiry Date. Each LIFE CFT Share qualifies as a "flow-through share" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada). The LIFE Offering was conducted under the listed issuer financing exemption as per Part 5A of National Instrument 45-106 – *Prospectus Exemptions* to qualified investors in Canada. As a result, the securities issued in the LIFE Offering are not subject to a hold period under the prevailing

Canadian securities laws. In connection with the LIFE Offering, the Company filed an Offering Document (the "**Offering Document**") dated July 6, 2025, as amended on July 10, 2025, which is available on the Company's SEDAR+ profile at www.sedarplus.ca and on www.formationmetalsinc.com.

None of the securities issued in connection with the FT Offering, the CFT 4MH Unit Offering and the LIFE Offering are 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 of the Offerings for fieldwork at the Company's exploration projects and, in the case of the net proceeds from the LIFE Offering, as more particularly set out in the Offering Document.

Qualified person

The technical content of this news release has been reviewed and approved by Mr. Babak Vakili Azar, P.Geo., an independent contractor and a qualified person as defined by National Instrument 43-101. Historical reports provided by the optionor were reviewed by the qualified person. The information provided has not been verified and is being treated as historic.

About Formation Metals Inc.

Formation Metals Inc. is a North American mineral acquisition and exploration company focused on the development of quality properties that are drill-ready with high-upside and expansion potential. Formation's flagship asset is the N2 Gold Project, an advanced gold project with a global historic resource of ~870,000 ounces (**18 Mt grading 1.4 g/t Au (~809,000 oz Au) across four zones (A, East, RJ-East, and Central)**[2,3] **and 243 Kt grading 7.82 g/t Au (~61,000 oz Au) across the RJ zone**[2,4]) and six mineralized zones, each open for expansion along strike and at depth including the "A" zone, of which only ~35% of strike has been drilled (>3.1 km open), and the "RJ" zone, host to historical high-grade intercepts as high as 51 g/t Au over 0.8 metres.

FORMATION METALS INC.

Deepak Varshney, CEO and Director

For more information, please call 778-899-1780, email info@formationmetalsinc.com or visit www.formationmetalsinc.com.

Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

Notes and References:

1. Readers are cautioned that the geology of nearby properties is not necessarily indicative of the geology of the Property.
2. The above referenced resource estimates do not have a category, are considered historical in nature, and are based on prior data prepared by a previous property owner, and do not conform to current CIM categories.

   While the Company considers the estimates to be reliable, a qualified person has not done sufficient work to classify the historical estimates as current resources in accordance with current CIM categories and the

Company is not treating the historical estimates as a current resource. A 0.5 g/t Au cut-off was used in the preparation of the historical estimates with a minimum 2.5 metre mining width.

Significant data compilation, re-drilling, re-sampling and data verification may be required by a qualified person before the historical estimates can be classified as current resources. There can be no assurance that any of the historical mineral resources, in whole or in part, will ever become economically viable. In addition, mineral resources are not mineral reserves and do not have demonstrated economic viability. The Company is not aware of any more recent estimates prepared for the N2 Property.

3. Needham, B. (1994), 1993 Diamond Drill Report, Northway Joint Venture, Northway Property; Cypress Canada Inc.; 492 pages.

4. Guy K. (1991), Exploration Summary May 1, 1990 to May 1, 1991 Vezza Joint Venture Northway Property; Total Energold; 227 pages.

Forward-looking statements:

This news release includes "forward-looking statements" under applicable Canadian securities legislation, including statements respecting: the Company's plans for the Property and the expected timing and scope of the 2025 drilling program at the Property; the Company's goal of delivering a near-surface multi-million-ounce deposit the Property; the Company's anticipated timeline with respect to the Application for Autorisation de Travaux d'exploration à Impacts (ATI) to the Ministère des Ressources naturelles et des Forets (MERN); the Company's view that the Property has the potential for over three million ounces of gold; the 10,000-metre drilling program marking the beginning of the Company's pursuit of that goal; and statements respecting the Offerings and the expected use of proceeds therefrom. Such forward-looking information reflects management's current beliefs and is based on a number of estimates and/or assumptions made by and information currently available to the Company that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Readers are cautioned that such forward-looking statements are neither promises nor guarantees and are subject to known and unknown risks and uncertainties including, but not limited to, general business, economic, competitive, political and social uncertainties, uncertain and volatile equity and capital markets, lack of available capital, actual results of exploration activities, environmental risks, future prices of base and other metals, operating risks, accidents, labour issues, delays in obtaining governmental approvals and permits, and other risks in the mining industry.

The Company is presently an exploration stage company. Exploration is highly speculative in nature, involves many risks, requires substantial expenditures, and may not result in the discovery of mineral deposits that can be mined profitably. Furthermore, the Company currently has no reserves on any of its properties. As a result, there can be no assurance that such forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

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This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory *authority of any state or other jurisdiction in the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons, as such term is defined in Regulation S under the Securities Act ("Regulation S"), except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act.*

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