

Forsys Metals Corp.

Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

Management's Responsibility for Financial Reporting

The consolidated financial statements of Forsys Metals Corp. and the information contained in Management's Discussion and Analysis have been prepared by and are the responsibility of the Company's management. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards as issued by the International Accounting Standards Board and, where appropriate, reflect management's best estimates and judgments based on currently available information.

Management has developed and maintains a system of internal controls to obtain reasonable assurance that transactions are authorized, the financial information reported is accurate and reliable in all material respects and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Company's independent auditors, RSM Canada LLP, who are appointed by the Directors, conduct an audit in accordance with Canadian generally accepted auditing standards. Their report outlines the scope of their audit and expresses their opinion on the consolidated financial statements.

The Audit Committee and the Board of Directors meet periodically with management and the independent auditors to review the scope and results of the annual audit, and to review the consolidated financial statements and related financial reporting matters prior to approval of the consolidated financial statements by the Board of Directors.



Mark Frewin
Chief Executive Officer



Miles Nagamatsu
Chief Financial Officer

March 30, 2026

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Forsys Metals Corp.

Opinion

We have audited the consolidated financial statements of Forsys Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025, and the consolidated statements of net loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of Impairment Indicators of Exploration and Evaluation Asset

Refer to consolidated financial statement Note 3 – Material accounting policies and future accounting changes and Note 6 – Exploration and evaluation.

The carrying value of the Company's exploration and evaluation asset is \$26,005,105 as at December 31, 2025. At each reporting period, management assesses whether there is an indication that the exploration and evaluation asset is impaired. If such indicators exist, the asset's recoverable amount is estimated. Impairment indicators include internal and external factors, such as (i) evidence indicating that the Company's right to explore the area has expired or will expire in the near future, (ii) management does not have any plans to continue exploration expenditures, (iii) lack of evidence to support technical feasibility or commercial viability, and (iv) facts and circumstances that suggest that the carrying amount exceeds recoverable amount. No impairment indicators were identified by management as at December 31, 2025 related to the exploration and evaluation asset.

We considered this a key audit matter due to the significance of the exploration and evaluation asset in the consolidated financial statements and the level of auditor judgement required in applying and evaluating the results of audit procedures to assess the factors considered by management in its assessment of impairment indicators.



How our audit addressed the Key Audit Matter

Our audit procedures included the following, among others:

- We obtained, by reference to government registries, evidence to support the right to explore the area and license expiration dates;
- Inspected the Namibplaas No. 93 lease agreement and assessed whether the Company complied with the terms and conditions and remains in good standing with the lessor;
- Evaluated management's assumptions related to continued and planned expenditures, which included evaluating the results of current year work programs and inspecting board meeting minutes and budget approvals to evidence continued and planned exploration expenditures;
- Assessed the Company's market capitalization relative to net assets at December 31, 2025 and the change in uranium pricing from December 31, 2024 to December 31, 2025; and
- Assessed whether there are facts and circumstances that could indicate that the carrying values of the exploration and evaluation asset may not be recoverable, based on evidence obtained in other areas of the audit.

Recognition and Measurement of the Deferred Payment Obligation

Refer to consolidated financial statement Note 3 – Material accounting policies and future accounting changes and Note 6 – Exploration and evaluation.

During the year ended December 31, 2025, the Company entered into series of transactions related to the lease of land to be used for exploration and evaluation purposes. These transactions included a lease agreement, a loan facility and a surety commitment to guarantee the mortgage of the lessor. Management has concluded that the series of transactions represents a financing of a mineral property right and has recorded a liability for the deferred payment obligation.

We considered this a key audit matter because it required highly subjective judgment to determine whether the Company's irrevocable surety commitment created a primary liability for an exploration asset rather than a contingent guarantee, while simultaneously concluding that substantive legal barriers under the Namibian Agricultural Land Reform Act prevented this significant financial involvement from resulting in control.

How our audit addressed the Key Audit Matter

Our audit procedures included the following, among others:

- We inspected the lease agreement, the loan facility and the surety commitment to understand the economic substance of the series of transactions;
- Evaluated management's analysis on the economic substance of the transactions, by assessing whether the arrangement represents a primary obligation for a strategic investment in the exploration and evaluation asset rather than a contingent credit enhancement under IFRS 9;
- Evaluated management's assessment of control of the lessor under IFRS 10; and
- Reperformed the calculation of the deferred payment obligation.

Other Matter

The consolidated financial statements of Company for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on March 26, 2025.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Discussion and Analysis report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Stephen McCourt.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
March 30, 2026
Toronto, Ontario

Forsys Metals Corp.

Consolidated Statements of Financial Position

(expressed in Canadian dollars)

		As at December 31,	
		2025	2024
	Notes	\$	\$
Assets			
Current			
Cash and cash equivalents	5	18,706,711	3,329,334
Receivables		179,827	136,369
Prepaid expenses and other assets		276,654	203,727
		19,163,192	3,669,430
Non-current			
Exploration and evaluation	6	26,005,105	17,955,477
Total assets		45,168,297	21,624,907
Liabilities			
Current			
Accounts payable and accrued liabilities		278,955	342,733
Current portion of deferred payment obligation	6	85,527	-
		364,482	342,733
Non-current			
Deferred payment obligation	6	1,283,877	-
		1,648,359	342,733
Shareholders' equity			
Share capital	7	195,100,505	176,207,588
Warrants	8	3,756,000	-
Contributed surplus	9	49,822,289	50,183,534
Equity reserve		33,364	33,364
Accumulated loss		(186,736,364)	(184,749,819)
Accumulated other comprehensive loss		(18,455,856)	(20,392,493)
Total shareholders' equity		43,519,938	21,282,174
Total liabilities and shareholders' equity		45,168,297	21,624,907
Commitments and contingencies	13		

On behalf of the Board:

Martin Rowley
Director

Mark Frewin
Director

Forsys Metals Corp.

Consolidated Statements of Net Loss and Comprehensive Loss

(expressed in Canadian dollars)

	Notes	Years ended December 31,	
		2025	2024
		\$	\$
Expenses			
Professional fees		152,568	357,963
Directors' fees	14	628,838	565,369
Consulting fees	14	602,109	850,674
Stock-based compensation	14	-	343,378
Advisory fees		141,958	130,000
Public company costs		190,832	260,237
General and administrative		409,285	416,631
Foreign exchange loss		2,597	5,139
Other income		(24,594)	(17,612)
Interest income		(117,048)	(301,283)
		<u>1,986,545</u>	<u>2,610,496</u>
Net loss before income taxes		(1,986,545)	(2,610,496)
Income taxes		-	50,198
Net loss		<u>(1,986,545)</u>	<u>(2,660,694)</u>
Other comprehensive income, net of taxes			
Item that may be reclassified subsequently to loss			
Foreign currency translation adjustment		1,936,637	731,506
Comprehensive loss		<u>(49,908)</u>	<u>(1,929,188)</u>
Net loss per Class A common share - basic and diluted		<u>(0.01)</u>	<u>(0.01)</u>
Weighted average number of Class A common shares outstanding		<u>216,298,168</u>	<u>196,255,123</u>

Forsys Metals Corp.

Consolidated Statements of Changes in Equity

(expressed in Canadian dollars)

	Notes	Years ended December 31,	
		2025	2024
		\$	\$
Share capital			
Balance, beginning of year		176,207,588	174,210,964
Private placement of units	7	5,005,000	-
Bought deal financing	7	18,925,760	-
Fair value of warrants issued	7 and 8	(3,437,000)	-
Fair value of broker warrants issued	7 and 8	(319,000)	-
Share issue costs		(1,643,088)	-
Exercise of stock options		-	629,000
Fair value of stock options exercised		-	496,074
Fair value of PSUs exercised	7 and 9	361,245	871,550
Balance, end of year		195,100,505	176,207,588
Warrants			
Balance, beginning of year		-	-
Fair value of warrants issued	7 and 8	3,437,000	-
Fair value of broker warrants issued	7 and 8	319,000	-
Balance, end of year		3,756,000	-
Contributed surplus			
Balance, beginning of year		50,183,534	51,207,780
Stock-based compensation		-	343,378
Fair value of stock options exercised		-	(496,074)
Fair value of PSUs exercised	7 and 9	(361,245)	(871,550)
Balance, end of year		49,822,289	50,183,534
Equity reserve			
Balance, beginning and end of year		33,364	33,364
Accumulated loss			
Balance, beginning of year		(184,749,819)	(182,089,125)
Net loss		(1,986,545)	(2,660,694)
Balance, end of year		(186,736,364)	(184,749,819)
Accumulated other comprehensive loss			
Balance, beginning of year		(20,392,493)	(21,123,999)
Foreign currency translation adjustment		1,936,637	731,506
Balance, end of year		(18,455,856)	(20,392,493)

Forsys Metals Corp.

Consolidated Statements of Cash Flows

(expressed in Canadian dollars)

	Notes	Years ended December 31,	
		2025	2024
		\$	\$
Cash from (used in)			
Operating activities			
Net loss		(1,986,545)	(2,660,694)
Interest income		(117,048)	(301,283)
Item not affecting cash			
Stock-based compensation		-	343,378
Changes in non-cash operating working capital			
Receivables		(31,989)	216,016
Prepaid expenses and other assets		(70,016)	(50,889)
Accounts payable and accrued liabilities		(54,443)	267,487
Income taxes payable		-	(2,001,444)
Total cash outflow used in operating activities		(2,260,041)	(4,187,429)
Financing activities			
Private placement of units	7	5,005,000	-
Bought deal financing	7	18,925,760	-
Share issue costs	7	(1,643,088)	-
Exercise of stock options		-	629,000
Total cash inflow from financing activities		22,287,672	629,000
Investing activities			
Exploration and evaluation	6	(4,340,378)	(5,861,815)
Payment of Ascend payment obligation	6	(582,207)	-
Interest income		117,048	301,283
Total cash outflow used in investing activities		(4,805,537)	(5,560,532)
Net increase (decrease) in cash and cash equivalents		15,222,094	(9,118,961)
Cash and cash equivalents, beginning of year		3,329,334	12,405,165
Effect of exchange rate changes on cash		155,283	43,130
Cash and cash equivalents, end of year	5	18,706,711	3,329,334

Forsys Metals Corp.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

1. Nature of operations

Forsys Metals Corp. and its subsidiary companies (collectively the “Company”) are engaged in the acquisition, exploration and development of mineral properties located in Namibia, Africa. The Company’s principal focus is on bringing its wholly owned Norasa Uranium Project (“Norasa”) into production. Norasa is the consolidation of the Valencia uranium project and Namibplaas uranium project (“Namibplaas”).

As an exploration stage company, the Company’s income is limited to interest income and other incidental income. The recoverability of the amount shown for exploration and evaluation is dependent upon, but not limited to: the existence and economic recovery of mineral reserves in the future; the ability to obtain necessary permits and financing to complete the exploration and development of these properties; government policies and regulations; and attaining profitable production or proceeds from the disposition of properties. The Company may be adversely affected by governmental amendments or changes to mining laws, regulations and requirements in Namibia.

The Company is incorporated under the Business Corporations Act (Ontario) and the primary listing of its common shares is on the Toronto Stock Exchange, with secondary listings on the Namibian Stock Exchange and Frankfurt Stock Exchange. The Company’s registered office is at 20 Adelaide Street East, Suite 200, Toronto, Ontario, Canada, M5C 2T6.

2. Basis of presentation

These consolidated financial statements have been prepared in compliance with IFRS Accounting Standards and International Accounting Standards as issued by the International Accounting Standards Board (collectively, “IFRS”).

These consolidated financial statements are prepared on the going concern basis which assumes the continuity of normal business activity and the realization of assets and settlement of liabilities in the normal course of business.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of estimates and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Although these estimates are based on management’s best knowledge of the amounts, events or action, actual results ultimately may differ from those estimates. Areas where estimates and judgments are significant to these financial statements are disclosed in note 4.

The policies applied in these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

These consolidated financial statements were approved and authorized for issuance by the Company’s Board of Directors on March 30, 2026.

3. Material accounting policy information and future accounting changes

The material accounting policies used in the preparation of these consolidated financial statements are described below.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention.

Principles of consolidation

These financial statements incorporate the accounts of the Company and its subsidiaries. All intercompany balances, transactions, income and expenses and profits or losses have been eliminated on consolidation.

Subsidiaries are consolidated where the Company possesses power over the subsidiary, has exposure of rights variable to returns from its involvement with the subsidiary and has the ability to use its power over the subsidiary to affect its returns. For non-wholly owned subsidiaries, the net assets attributable to outside equity shareholders are presented as “non-controlling interest” in the equity section of the consolidated statement of financial position. Profit for the year that is attributable to non-controlling interests is calculated based on the ownership of the minority shareholders in the subsidiary. Entities are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

Forsys Metals Corp.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries:

Subsidiary	Principal place of business/ Country of incorporation	Ownership interest	
		2025 %	2024 %
Namibian Metals Ltd.	British Virgin Islands	100	100
Valencia Uranium (Proprietary) Limited ("Valencia")	Namibia	100	100
Dunefield Mining Company (Proprietary) Limited	Namibia	100	100
Namibian Westport Ltd.	Canada	100	100
Westport Resources Namibia (Proprietary) Ltd.	Namibia	100	100

The acquisition of subsidiaries is accounted for using the acquisition method of accounting whereby the purchase consideration is allocated to the identifiable assets and liabilities and contingent liabilities assumed at the date of acquisition. Provisional fair values allocated at a reporting date are finalized within twelve months of the acquisition date with retroactive restatement to the acquisition date as required. Incremental costs related to the acquisition costs are expensed as incurred.

If the transaction does not meet the definition of a business combination the transaction is recorded as an acquisition of an asset.

Financial instruments

Financial assets are required to be initially measured at fair value and subsequently classified at amortized cost or fair value on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets include cash and cash equivalents and receivables. Cash and cash equivalents are classified at amortized cost because the Company's business model is to hold these financial instruments to maturity to collect contractual cash flows consisting solely of payments of principal and interest on the principal amount outstanding. Receivables are classified at amortized cost.

Financial liabilities include accounts payable and accrued liabilities and deferred payment obligation which are initially measured at fair value and subsequently classified at amortized cost.

Foreign currency translation

The presentation currency of the Company is the Canadian dollar, which is also the functional currency of Forsys Metals Corp., the parent entity. The functional currency for each subsidiary is the currency of the primary economic environment in which the subsidiary operates. Primary and secondary indicators are used to determine the functional currency (primary indicators have priority over secondary indicators). The functional currency for the Company's subsidiaries which carry out exploration and development activities located in Namibia is the Namibian dollar.

Transactions in foreign currencies are initially recorded in the functional currency of the entity at the exchange rate in effect at the transaction date. Foreign currency transactions are translated into the functional currency of the entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized within general and administrative expenses in the consolidated statement of loss and comprehensive loss. Non-monetary items, which are measured using historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

On consolidation, the foreign exploration and development operation is translated from the functional currency of Namibian dollars into Canadian dollars, the presentation currency of the Company. Income and expense items are translated using weighted average exchange rates that reasonably approximate the exchange rate at the transaction date. Assets and liabilities in the consolidated statement of financial position are translated at the closing spot exchange rate. Exchange differences on the translation of the net assets of entities with functional currencies other than the Canadian dollar are recognized as a separate component of equity through other comprehensive income (loss).

Forsys Metals Corp.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

Exploration and evaluation

Exploration expenditures typically include costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of (i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve; (ii) determining the optimal method of extraction and determining metallurgical and treatment processes; (iii) completing studies related to surveying, transportation and infrastructure requirements; (iv) permitting activities; and (v) preparing economic evaluations to determine whether the development of the mineralized material is commercially justified, including scoping, pre-feasibility and final feasibility studies. Administrative expenditures, not directly related to property maintenance, are charged to operations as incurred. Exploration and evaluation costs capitalized represent property acquisition, exploration and evaluation costs and are deferred costs to be charged against operations in the future and do not necessarily reflect the present or future values of the particular projects.

The technical feasibility and commercial viability of extracting a mineral resource from a property is considered to be determinable when proved and/or probable reserves are determined to exist and the necessary permits have been received to commence production. A review of the technical feasibility and commercial viability of each property is carried out at least annually. Upon determination of technical feasibility and commercial viability, exploration and evaluation is first tested for impairment and then reclassified to property, plant and equipment and/or intangibles or expensed to the consolidated statement of loss and comprehensive loss to the extent of any impairment. As at December 31, 2025 and 2024, the Company had no property, plant and equipment.

The aggregate costs related to abandoned mineral claims are charged as an expense within the consolidated statement of loss and comprehensive loss at the time of any abandonment or when it has been determined that there is evidence of an impairment.

The recoverability of amounts shown for exploration and evaluation is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its mineral resource properties. The amounts shown for exploration and evaluation do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for exploration and evaluation.

Asset Impairment/Non-financial assets

Exploration and evaluation is assessed for impairment when facts and circumstances suggest that the carrying amount of the asset may exceed the recoverable amount.

An impairment loss is recognized in the statement of net loss and comprehensive loss if the carrying amount of a property exceeds its estimated recoverable amount. Impairment indicators include internal and external factors, such as (i) evidence that the Company's right to explore the area has expired or will expire in the near future; (ii) management does not have any plans to continue exploration expenditures; (iii) lack of evidence to support technical feasibility or commercial viability; and (iv) facts and circumstances that suggest that the carrying amount exceeds recoverable amount. The recoverable amount of property used in the assessment of impairment of exploration and evaluation is the greater of its value in use ("VIU") and its fair value less costs of disposal ("FVLCD"). VIU is determined by estimating the present value of the future net cash flows at a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the property. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For a property that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the property belongs. Impairment losses previously recognized are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount only to the extent that the property's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

The Company identified no impairment indicators for Norasa and recognized no impairment loss for the years ended December 31, 2025 and 2024 (see note 6, *Exploration and evaluation*).

Forsys Metals Corp.

Notes to Consolidated Financial Statements

December 31, 2025 and 2024

(expressed in Canadian dollars)

Provisions

Provisions are recognized in other liabilities when: the Company has a present legal or constructive obligation as a result of a past event; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the end of the reporting year. Any increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning liabilities

The Company's activities may give rise to dismantling, decommissioning and site disturbance remediation activities. Provision is made for the estimated cost of site restoration. Decommissioning obligations are measured at the present value of management's best estimate of expenditures required to settle the present obligation at the date of the statement of financial position. The fair value of the estimated obligation is recorded as a liability with a corresponding increase in the carrying amount of the related asset. The obligation is subsequently adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as accretion costs whereas increases or decreases due to changes in the estimated future cash flows or changes in the discount rate are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision was established. At December 31, 2025 and 2024, the Company had no decommissioning liabilities.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held.

Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise outstanding stock options, restricted share units and warrants. For the years ended December 31, 2025 and 2024, outstanding stock options, performance share units and warrants are anti-dilutive.

Income taxes

Income tax expense is comprised of current and deferred taxes. Income tax is recognized in the income (loss) statement except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case the income tax is also recognized directly in other comprehensive income or equity, respectively.

Current income tax for each taxable entity is the expected tax payable on the local taxable income for the year, using local tax rates enacted or substantively enacted at the reporting date, and includes any adjustment to tax payable or recoverable in respect of previous years.

Deferred income tax is recognized on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income, and is accounted for using the liability method. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable taxable income will be available against which those deductible temporary differences can be utilized. Such 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 which affects neither taxable income nor the accounting income. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable income will be available to allow all or part of the asset to be recovered. To the extent that an asset not previously recognized fulfills the criteria for recognition, a deferred tax asset is recorded.

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Deferred tax assets and liabilities are measured on an undiscounted basis at the rates that are expected to apply in the years when the deferred tax asset is realized or the liability is settled, based on tax rates which have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflect the tax consequences that would flow from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are presented as non-current.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Unit placements

For placements of units consisting of Class A shares and warrants, the Company uses the Black-Scholes option pricing model in determining the fair value of warrants. The proceeds from the issuance of units are first allocated to the warrants and the residual amount, being the difference between the proceeds from issuance and the fair value of the warrants, is allocated to the Class A shares.

Stock-based compensation

The Company has an omnibus incentive plan to permit the Company to award stock options, performance share units, restricted share units and deferred share units to its directors, officers, employees and consultants.

The fair value of stock options granted is measured at the grant date and each tranche is recognized on a graded-vesting basis over the applicable vesting period as an increase in stock-based compensation cost and contributed surplus. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. When such stock options are exercised, the proceeds received by the Company, together with the respective amount from contributed surplus, are credited to share capital. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options which are expected to vest. For expired and cancelled options that have vested, compensation expense is not reversed and the related credit remains in contributed surplus.

The fair value of performance share units expected to vest is measured at the grant date and accrued on a straight-line basis over the vesting period with a corresponding increase in contributed surplus. The fair value of a performance share unit, with a vesting condition of the Company's share price achieving a specified price, is determined using the up-and-in trinomial option pricing model. The fair value of a performance share unit with vesting conditions, other than market conditions, is determined using the Company's share price at the grant date.

Value added tax (VAT)

Expenses and assets are recognized net of the amount of associated VAT, unless the VAT incurred is not recoverable from the taxation authority. In this case it is recognized as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the taxation authority is included in trade and other receivables on the consolidated statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as changes in non-cash operating working capital.

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Standards, amendments and interpretations adopted by the Company

The Company adopted the following amendments during the year:

Amendments to IAS 21 — The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

The amendments clarify how an entity assesses whether a currency is exchangeable and how to determine the spot exchange rate when exchangeability is lacking, including related disclosure requirements. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

Impact: There was no impact on the Company's consolidated financial statements.

New accounting standards not yet adopted

The International Accounting Standards Board (IASB) has issued new standards and amendments to standards that are not yet effective for the Company's annual reporting period ended December 31, 2025 and have not been early adopted by the Company. The Company is in the process of evaluating the impact of these standards and amendments on its consolidated financial statements:

Amendments to IFRS 9 and IFRS 7 — Classification and Measurement of Financial Instruments

The amendments clarify certain aspects of the classification and measurement of financial instruments and introduce additional disclosure requirements. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with early adoption permitted.

Expected impact: Given the Company's simple capital structure and limited financial instruments, management does not expect the amendments to have a material impact on the recognition or measurement of financial instruments. Any impact is expected to be limited to incremental disclosure enhancements.

IFRS 18 — Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 and introduces new requirements to improve the presentation and disclosure of information in financial statements, including defined subtotals and enhanced guidance on aggregation and disaggregation in the statement of profit or loss. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted.

Expected impact: Management expects IFRS 18 to primarily affect the presentation and classification of information in the consolidated financial statements and not the underlying recognition or measurement of transactions. The Company does not expect adoption to require significant changes to its accounting policies, systems, or internal controls.

IFRS 19 — Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits eligible subsidiaries without public accountability to apply reduced disclosure requirements while applying recognition and measurement requirements of other IFRS Accounting Standards. IFRS 19 is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted.

Expected impact: The Company will assess the applicability of IFRS 19 to its subsidiaries. If applicable, adoption may result in reduced disclosure requirements for eligible subsidiaries, with no impact on recognition or measurement.

4. Critical accounting estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgments and/or estimates. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances having regard to prior experience and expectations about future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future year affected. Further details of the nature of these estimates and assumptions may be found in the relevant notes to the consolidated financial statements.

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Accounting estimates

Impairment of exploration and evaluation

Expenditures on exploration and evaluation are initially capitalized with the intent of establishing commercially viable reserves. The Company is required to make significant judgments in assessing whether there are any indicators of impairment relating to exploration and evaluation property. If any such indicator exists, then an impairment test is performed by management. Indicators of impairment may include (i) the period for which the entity has the right to explore in the specific area has expired during the year or will expire; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) sufficient data exists to support that extracting the resources will not be technically feasible or commercially viable; and (iv) development or sale of a specific area is unlikely to recover existing exploration and evaluation property costs. If any of these indicators are present, management would need to assess whether the exploration and evaluation property should be impaired. See note 6, *Exploration and evaluation*.

Stock-based compensation and fair value of warrants

The Company uses the Black-Scholes option pricing model in determining stock-based compensation and the fair value of warrants, which requires a number of assumptions to be made, including the risk-free interest rate, expected life, forfeiture rate and expected share price volatility. Consequently, the actual stock-based compensation may vary from the amount estimated. See note 7, *Share capital*, note 8, *Warrants* and note 9, *Incentive plan*.

With respect to performance share units, the Company applied judgment to recognize no stock-based compensation as of December 31, 2025 for PSU 3, as the Company has assessed the probability of achieving the vesting condition as not probable of being achieved within the required timeframe and no stock-based compensation has been recognized for this tranche. See note 9, *Incentive plan, Performance share units*. See note 9, *Incentive plan, Performance share units*.

Deferred taxes

Deferred income tax assets are recorded to the extent that it is probable that the deductible temporary differences will be recoverable in future periods. The recoverability assessment involves a significant amount of estimation including an evaluation of when the temporary differences will reverse, an analysis of the amount of future taxable earnings, the availability of taxable profits to offset the tax assets when the reversal occurs and the application of tax laws. There are some transactions for which the ultimate tax determination is uncertain. To the extent that assumptions used in the recoverability assessment change, there may be a significant impact on the consolidated financial statements of future periods. See note 10, *Income taxes*.

Accounting judgments

Areas of significant judgment that have the most significant impact on the financial statements are as follows:

Control over lessor

Management exercised judgment in determining that Valencia has no current ability to direct the relevant activities of the Lessor (note 6, *Exploration and evaluation, Lease with an option to purchase*), and accordingly, that Valencia does not have power over the Lessor. In coming to its conclusion, management reviewed guidance to IFRS 10, *Consolidated Financial Statements*, the lease and loan agreements and the *Agricultural (Commercial) Land Reform Act, 1995*.

Accounting for Lease

Management has applied judgment in determining that the Lease (note 6, *Exploration and evaluation, Lease with an option to purchase*) is out of scope for IFRS 16, *Leases* but gives rise to financial liability under IFRS 9, *Financial Instruments*, as the fixed payments are unavoidable to maintain the Company's rights to the mineral property. The Company also exercised judgment in selecting the discount rate used to measure exploration and evaluation and corresponding deferred payment obligation.

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5. Cash and cash equivalents

	2025	2024
	\$	\$
Cash at bank	543,676	1,793,384
Cash on deposit in money market funds	18,163,035	1,535,950
	<u>18,706,711</u>	<u>3,329,334</u>

6. Exploration and evaluation

	2025	2024
	\$	\$
Norasa		
Balance, beginning of year	17,955,477	11,363,621
Deferred payment obligation payments (see below, <i>Lease with an option to purchase</i>)		
Fixed payments, present value	1,877,800	–
Variable payments	114,837	–
Exploration and evaluation	4,225,541	5,861,815
Foreign exchange movement	1,831,450	730,041
Balance, end of year	<u>26,005,105</u>	<u>17,955,477</u>

Norasa Uranium Project

The Norasa Uranium Project is the consolidation of the Valencia Uranium Project and the Namibplaas Uranium Project in Namibia.

Valencia Uranium Project

Valencia holds Mining Licence 149 for the Valencia Uranium Project (“ML149”). Effective June 23, 2008, ML149 was granted for 25 years until June 22, 2033.

Namibplaas Uranium Project

Valencia also holds Exclusive Prospecting Licence 3638 (“EPL 3638”) for Namibplaas which covers 1,266 hectares. On February 1, 2024, EPL 3638 was renewed for 2 years until February 1, 2026. On November 3, 2025, the Company submitted a renewal application for EPL 3638. The *Minerals (Prospecting and Mining) Act 33 of 1992* provides that if an EPL holder applies for a renewal before the expiry date, the EPL continues in force until the renewal application is approved or refused.

Lease with an option to purchase

On May 15, 2025, Valencia entered into a Lease with the purchaser (“Lessor”) of the shares of a company that owns Portion-1 of Farm Namibplaas No. 93 (“Property”), which covers approximately 6,700 hectares, including 1,179 hectares that is covered by EPL 3638. The Lessor agreed to pay N\$24,000,000 to the vendor and Valencia guaranteed the obligations of the Lessor to the vendor.

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Under the terms of the Lease, Valencia will have the right of occupation of the Property and an option to purchase the Property or shares of the Lessor ("Option") under the following terms:

Commencement Date	July 25, 2025, the date upon which the Lessor completed the acquisition of the Property.
Term	Earliest of the termination by Valencia, exercise of the purchase option and 10 years from the Commencement Date.
Loan	The Lease provides for Valencia to advance a loan to the Lessor:
Advances	N\$7,000,000 which was advanced on May 15, 2025, and thereafter, a further N\$17,000,000 in 17 monthly advances of N\$1,000,000 commencing on the Commencement Date. The Company and the Lessor have agreed to amend the terms of the Loan to provide that the further advances of N\$17,000,000 will be advanced in 120 monthly advances. Since the Commencement Date, the Company has made, and the Lessor has accepted, monthly advances in accordance with the amendment.
Interest rate	None.
Repayment	To be negotiated, however, upon exercise the Purchase option, the loan will be offset against the purchase price of the property or shares of the company holding the title deed.
Payment of costs	Valencia will pay all operating, administrative, interest and tax costs incurred by the Lessor in respect of the Property.
Purchase option	Valencia will have the option to purchase the Property or the outstanding shares of the Lessor for par value of N\$1 per share.

Accounting for the Lease

The Company has determined that the Lease represents a right to explore and exploit natural resources and is therefore outside the scope of IFRS 16, *Leases*. Notwithstanding this scope exclusion, upon initial recognition, the Company recognized the fair value of the exploration and evaluation asset and a corresponding deferred payment obligation, calculated as the present value of future fixed payments discounted at the market rate of 12.5%.

This treatment reflects the substance of the arrangement as a financing of a mineral property right, consistent with IFRS 6 *Exploration for and Evaluation of Mineral Resources*. The obligation to make fixed payments consisting of loan advances, under the Lease is classified as deferred payment obligation, a financial liability measured at fair value in accordance with IFRS 9, *Financial Instruments* because the Lease gives rise to a contractual obligation to make fixed payments which are unavoidable to retain access to the property and the liability meets the definition of a financial liability under IFRS 9. After initial recognition, the deferred payment obligation is measured at amortized cost using the effective interest method. Variable payments are excluded from initial measurement of the exploration and evaluation asset and the deferred payment liability and are capitalized as exploration and evaluation as incurred.

Deferred payment obligation

	\$
Balance, December 31, 2023 and 2024	–
Present value of fixed payments	1,877,800
Payments	(582,207)
Foreign exchange movement	73,811
Balance, December 31, 2025	1,369,404
Current portion	85,527
Non-current portion	1,283,877
	1,369,404

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Future payment commitments

The Company is committed to the following fixed payments under the Lease:

Period	N\$	C\$
Within 1 year	2,957,444	246,949
1-2 years	2,957,444	246,949
2-5 years	8,872,332	740,846
Beyond 5 years	13,313,551	1,111,270
Total undiscounted payments	28,100,771	2,346,014

Impairment

At December 31, 2025 and December 31, 2024, the Board reviewed the carrying value of the capitalized exploration and evaluation of Norasa. The Board considered the impairment indicators contained within IFRS 6 and concluded that no impairment indicators have been identified.

7. Share capital

Authorized

An unlimited number of Class A common shares without par value

An unlimited number of redeemable, voting non-participating Class B shares

An unlimited number of Class C shares with rights and privileges to be determined by the Company's Board of Directors

Issued

	Number of Class A common shares	Amount \$
Balance, December 31, 2023	195,169,467	174,210,964
Exercise of stock options	3,700,000	629,000
Fair value of stock options exercised (note 9)	–	496,074
Exercise of PSUs (note 9)	1,450,000	871,550
Balance, December 31, 2024	200,319,467	176,207,588
Private placement of units	10,010,000	5,005,000
Bought deal private placement of units	33,796,000	18,925,760
Fair value of unit warrants issued	–	(3,437,000)
Fair value of broker warrants issued	–	(319,000)
Share issue costs	–	(1,643,088)
Exercise of PSUs (note 9)	600,000	361,245
Balance, December 31, 2025	244,725,467	195,100,505

Bought deal private placement of units

On October 16, 2025, the Company completed a bought deal private placement of 33,796,000 units at a price of \$0.56 per unit for gross proceeds of \$18,925,760. Each unit consisted of one Class A common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one Class A common share for \$0.80 until October 16, 2028.

In connection with the bought deal private placement, the Company paid cash fees of \$1,135,545 and issued 2,027,760 broker warrants entitling the holder to purchase one class A common share for \$0.66 until October 16, 2028.

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The fair value of the unit warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

	Unit warrants	Broker warrants
Issue date	October 16, 2025	October 16, 2025
Expiry date	October 16, 2028	October 16, 2028
Warrants issued	16,898,000	2,027,760
Exercise price	\$0.80	\$0.66
Share price	\$0.43	\$0.43
Risk-free interest rate	2.39%	2.39%
Expected volatility based on historical volatility	50%	50%
Expected life of warrants	3 years	3 years
Expected dividend yield	0%	0%
Fair value	\$2,301,000	\$319,000
Fair value per warrant	\$0.14	\$0.16

Private placement of units

On February 21, 2025, the Company completed a private placement of 10,010,000 units at a price of \$0.50 per unit for gross proceeds of \$5,005,000. Each unit consisted of one Class A common share and one warrant entitling the holder to purchase one Class A common share for \$0.75 until February 21, 2027. Directors and officers of the Company subscribed for the entirety of the private placement.

The fair value of the unit warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Issue date	February 21, 2025
Expiry date	February 21, 2027
Warrants issued	10,010,000
Exercise price	\$0.75
Share price	\$0.44
Risk-free interest rate	2.73%
Expected volatility based on historical volatility	54%
Expected life of warrants	2 years
Expected dividend yield	0%
Fair value	\$1,136,000
Fair value per warrant	\$0.11

The Company has not issued any Class B or Class C shares.

8. Warrants

	Weighted- average exercise price \$	Number of warrants outstanding and exercisable
Balance, December 31, 2023 and 2024	—	—
Issued	0.77	28,935,760
Balance, December 31, 2025	0.77	28,935,760

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A summary of the Company's warrants outstanding as at December 31, 2025 is presented below:

Exercise price	Expiry date	Number of warrants outstanding
\$0.75	February 21, 2027	10,010,000
\$0.66	October 16, 2028	2,027,760
\$0.80	October 16, 2028	16,898,000
		28,935,760

9. Incentive plan

The shareholders of the Company approved an Amended and Restated Omnibus Incentive Plan (the "Plan") at an annual and special meeting held on June 30, 2022 and on July 15, 2022, the Toronto Stock Exchange approved the Plan. With the implementation of the Plan, all previously issued stock options which were granted pursuant to the Company's stock option plan are now governed by the Plan. The Plan permits the Board to make awards of stock options, restricted share units, performance share units and deferred share units. The maximum number of Class A common shares for issuance under the Plan will not exceed 10% of the Company's then issued and outstanding shares. At December 31, 2025, the maximum number of Class A common shares for issuance under the Plan is 24,472,546, leaving 14,372,546 stock options, restricted share units, performance share units and deferred share units available to be issued.

Stock options

All stock options granted under the Plan have an exercise price determined and approved by the Board at the time of grant, which shall not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the date of the granting of the option. Subject to any vesting conditions set forth in a participant's grant agreement, options vest in equal portions in successive annual periods over a period of three years after they are granted. Options are exercisable during a period established by the Board which shall not be more than 10 years from the grant of the option.

A summary of the Company's stock options outstanding and exercisable as at December 31, 2024 is presented below:

	Weighted-average exercise price \$	Number of stock options outstanding and exercisable
Balance, December 31, 2023	0.57	12,900,000
Granted	0.79	150,000
Exercised	0.17	(3,700,000)
Balance, December 31, 2024	0.74	9,350,000
Cancelled	0.76	(1,650,000)
Balance, December 31, 2025	0.73	7,700,000

A summary of the Company's stock options outstanding and exercisable as at December 31, 2025 is presented below:

Exercise price	Expiry date	Number of stock options outstanding and exercisable
\$0.93	May 20, 2026	3,250,000
\$0.59	September 20, 2028	4,450,000
		7,700,000

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Grant of stock options

On January 9, 2024, the Company granted 150,000 stock options to a consultant. Each stock option entitles the holder to purchase one Class A common share for \$0.79 until January 9, 2029.

A summary of the stock options granted and the assumptions for the calculation of the fair value of those stock options using the Black-Scholes option pricing model is presented below:

Date of grant	January 9, 2024
Expiry date	January 9, 2029
Stock options granted	150,000
Exercise price	\$0.79
Share price	\$0.79
Risk-free interest rate	3.32%
Expected volatility based on historical volatility	79%
Expected life of stock options	5 years
Expected dividend yield	0%
Forfeiture rate	0%
Vesting	On date of grant
Fair value	\$84,000
Fair value per stock option	\$0.56

Performance share units

A continuity of the number of the Company's performance share units outstanding at December 31, 2025 is presented below:

	Vested	Unvested	Total
Balance, December 31, 2023	–	4,450,000	4,450,000
Vested	3,800,000	(3,800,000)	–
Exercised	(1,450,000)	–	(1,450,000)
Balance, December 31, 2024	2,350,000	650,000	3,000,000
Exercised	(600,000)	–	(600,000)
Balance, December 31, 2025	1,750,000	650,000	2,400,000

A summary of the number of the Company's performance share units outstanding at December 31, 2025 is presented below:

	Vesting condition	Status	Number of PSUs outstanding
PSU 1	Vest in full upon the Company's share price reaching \$0.80	Vested	1,500,000
PSU 2	Vest in full upon granting of an EPL for Namibplaas	Vested	250,000
PSU 3	Vest in full upon the granting of a Mining Licence for Namibplaas	Unvested	650,000
PSU 4	Vest in full when upon the achievement of certain milestones related to the accounting and administration of the Company's Namibian subsidiaries	Vested	–
			2,400,000

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PSU 1

As the Company's share price exceeded \$0.80 since January 8, 2024, 2,950,000 PSUs vested effective January 8, 2024. A summary of the assumptions for the calculation of the fair value of those PSUs using the Up-and-in trinomial option pricing model is presented below:

Valuation date	September 20, 2023
Commencement of performance period	September 20, 2023
End of performance period	December 30, 2026
Performance period	3.25 years
PSUs granted	2,950,000
Share price	\$0.63
Risk-free interest rate	4.68%
Expected volatility based on historical volatility	89%
Expected life of PSUs	3 years
Expected dividend yield	0%
Fair value	\$1,788,000
Fair value per PSU	\$0.61

The fair value of the PSUs of \$1,788,000 was recorded as stock-based compensation over the vesting period from the grant date of September 20, 2023 to the estimated vesting date of January 8, 2024, with \$1,657,964 recorded in the year ended December 31, 2023 and the remaining \$130,036 recorded in the year ended December 31, 2024.

PSU 2

As an EPL for Namibplaas was granted on February 1, 2024, 650,000 PSUs vested effective February 1, 2024. The fair value of the PSUs of \$383,500, based on the share price of \$0.59 on the date of grant, was recorded as stock-based compensation over the vesting period from the grant date of September 20, 2023 to the estimated vesting date of February 1, 2024, with \$291,918 recorded in the year ended December 31, 2023 and the remaining \$91,582 recorded in the year ended December 31, 2024.

PSU 3

The achievement of the vesting condition of granting of a Mining Licence for Namibplaas is dependent on a number of variables being satisfied. As a result, as at the reporting date, given the uncertainty, the Company has assessed the probability of achieving this vesting condition as not probable of being achieved within the required timeframe and no stock-based compensation has been recognized for this tranche.

PSU 4

As certain milestones related to the accounting and administration of the Company's Namibian subsidiaries were achieved on February 17, 2024, 200,000 PSUs vested effective February 17, 2024. The fair value of the PSUs of \$118,000, based on the share price of \$0.59 on the date of grant, was recorded as stock-based compensation over the vesting period from the grant date of September 20, 2023 to the estimated vesting date of February 17, 2024, with \$80,240 recorded in the year ended December 31, 2023 and the remaining \$37,760 recorded in the year ended December 31, 2024.

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10. Income taxes

The difference between the Company's income tax provision calculated using the statutory rate and the reported amount is as follows:

	2025		2024	
	\$	%	\$	%
Loss before income taxes	(1,986,545)		(2,610,496)	
Income tax expense (recovery) at statutory rates	(526,434)	26.5	(689,926)	26.5
Difference between Canadian and foreign statutory rates	48,887	(2.5)	159,500	(6.1)
Stock-based compensation	–	–	90,995	(3.5)
Share issue costs	161,105	(8.1)	73,470	(2.8)
Tax effects of tax losses for which no deferred tax asset was recognized	316,442	(15.9)	416,159	(16.0)
Income tax expense (recovery)	–	–	50,198	(1.9)

The tax rate used for the 2025 and 2024 reconciliations above is 26.5% which is the corporate tax rate applicable to the Company in Canada.

Canadian operations

The following are the temporary differences that give rise to a deferred tax asset which the Company has not recognized because it does not meet the recognition criteria under IAS 12, *Income Taxes*:

	2025	2024
	\$	\$
Temporary differences		
Resource deductions	(143,452)	45,340
Property, plant and equipment	3,450	13,840
Investments	–	106,000
Share issue costs	348,335	146,495
Non-capital losses carried forward expiring from 2026 to 2045	6,494,159	6,134,175
Capital losses from cancellation of Angus Mining Inc. shares and warrants carried forward (no expiry date)	238,410	178,610
	6,940,902	6,624,460

11. Financial risk management

The Company's activities expose it to a variety of risks arising from financial instruments. These risks, and management's objectives, policies and procedures for managing these risks, are discussed below.

i) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment objectives. The Company's credit risk primarily relates to cash and cash equivalents.

The Company manages its credit risk over cash and cash equivalents by purchasing short-term investment grade securities, such as banker's acceptances and bank deposit notes issued by Canadian banks. Under the Company's risk management policy, allowable counterparty exposure limits are determined by the level of the rating unless exceptional circumstances apply. A rating of "A"- grade or equivalent is the minimum allowable rating required as assessed by international credit rating agencies.

ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial liabilities as they come due. The Company's approach to managing its liquidity risk is to prepare company-wide rolling cash forecasts to determine the funding required to support the Company's normal operating activities on an ongoing basis.

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At December 31, 2025, the Company had working capital of \$18,798,710 (2024 - \$3,326,696), calculated as follows:

	2025 \$	2024 \$
Current assets	19,163,192	3,669,430
Current liabilities	364,482	342,734
	18,798,710	3,326,696

The following table summarizes the contractual maturities of the Company's financial liabilities:

	<1 year	1-3 years	3-5 years	>5 years
Accounts payable and accrued liabilities	278,955	–	–	–
Deferred payment obligation	85,527	195,561	249,543	838,773
	364,482	195,561	249,543	838,773

iii) Market risk

Market risk is the risk that changes in market price, foreign exchange rates and interest rates will affect the Company's future cash flows and earnings. The impact of each of these components is discussed below.

Price risk - The Company is not exposed to equity securities price risk.

Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At December 31, 2025, the Company's exposure to the risk of changes in market interest rates relates primarily to the Company's cash and cash equivalents held in bank accounts that earn variable interest rates. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values at December 31, 2025. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Future fluctuations in interest rates will impact the Company's cost of capital which it will require in order to develop its mineral properties. The Company's deferred payment obligation incurs interest at rates linked to the Namibian prime lending rate.

Foreign currency risk - The Company's foreign currency exposures currently related to the currency in which expenses for exploration and development occur. Future profitability may be materially impacted by fluctuations between the Namibian dollar in which production costs will be incurred and the US dollar in which most sales of uranium occur. Expenses are incurred in Canadian dollars, United States dollars, Namibian dollars, Australian dollars, Euros and British Pounds. The Company is subject to gains and losses due to fluctuations in these currencies.

US dollars

At December 31, 2025, the Company had cash and cash equivalents of \$18,706,711 which included cash of US\$8,562.

Namibian dollars

At December 31, 2025, the Company had cash and cash equivalents of \$18,706,711 which included cash of N\$4,008,686 (Canadian dollar equivalent - \$331,518), receivables of N\$1,848,046 (Canadian dollar equivalent - \$152,833), and accounts payable and accrued liabilities of N\$653,231 (Canadian dollar equivalent - \$54,022) and current and non-current deferred payment obligation of N\$16,558,700 (Canadian dollar equivalent - \$1,283,877). If the foreign exchange rate related to the Company's Namibian dollar balances increased or decreased by 10%, with all other variables held constant, the currency translation adjustment would have increased or decreased by \$180,000.

12. Capital management

The Company's objective when managing capital resources is to ensure it has sufficient capital to support its ongoing operations including a sufficient level of funds to support continued exploration and development in Namibia and to provide returns for shareholders and benefits for other stakeholders.

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(expressed in Canadian dollars)

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets. The Board of Directors of the Company has not yet made a formal decision to commence the development of Norasa, which decision, remains subject to, amongst other factors, suitable financing arrangements and prevailing market and economic conditions. Management will consider the issue of senior debt, convertible investments, other financial instruments and the introduction of strategic partners as a means to finance development of Norasa while minimizing equity dilution.

As of December 31, 2025, the Company is not subject to any externally imposed capital requirements and there has been no change during the year with respect to the overall capital risk management strategy.

13. Commitments and contingencies

See note 6, *Exploration and evaluation, Lease with an option to purchase.*

14. Related party transactions

Compensation of key management personnel

Key management personnel as defined under IFRS Accounting Standards are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's Chief Executive Officer, Chief Financial Officer and members of the Company's Board of Directors.

Compensation awarded to key management personnel is as follows:

	2025	2024
	\$	\$
Director fees	628,838	565,369
Consulting fees	602,109	549,220
Stock-based compensation	–	151,170
	1,230,947	1,265,759

15. Segmented information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are reviewed regularly by the Company's chief operating decision maker, the Chief Executive Officer and for which discrete financial information is available. The Company has determined that it has one operating segment, the acquisition, exploration and development of uranium mineral properties, all of which are currently located in Namibia. The Company's corporate head office earns nominal interest income which is considered incidental to the activities of the Company and therefore does not meet the definition of an operating segment.

Non-current assets excluding financial assets by geographic area are as follows:

	2025	2024
	\$	\$
Namibia	26,005,105	17,955,477