

Forsys Metals Corp.

Condensed Interim Consolidated Financial Statements

March 31, 2025

(expressed in Canadian dollars)

(unaudited)

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

These unaudited condensed interim consolidated financial statements of Forsys Metals Corp. (the "Company") have been prepared by management and approved by the Board of Directors of the Company.

These unaudited condensed interim consolidated financial statements have not been reviewed by the Company's external auditors.

Forsys Metals Corp.

Consolidated Statement of Financial Position

(expressed in Canadian dollars)
(unaudited)

	Notes	March 31, 2025 \$	December 31, 2024 \$
Assets			
Current			
Cash and cash equivalents	4	6,791,713	3,329,334
Receivables		149,041	136,369
Prepaid expenses and other assets	5	319,267	203,727
		7,260,021	3,669,430
Non-current			
Exploration and evaluation	5	19,291,466	17,955,477
Total assets		26,551,487	21,624,907
Liabilities			
Current			
Accounts payable and accrued liabilities		308,017	342,733
Shareholders' equity			
Share capital	6	180,286,308	176,207,588
Warrants	8	1,136,000	-
Contributed surplus		49,973,814	50,183,534
Equity reserve		33,364	33,364
Accumulated loss		(185,287,248)	(184,749,819)
Accumulated other comprehensive loss		(19,898,768)	(20,392,493)
Total shareholders' equity		26,243,470	21,282,174
Total liabilities and shareholders' equity		26,551,487	21,624,907

Subsequent event 13

On behalf of the Board:

Martin Rowley
Director

Mark Frewin
Director

Forsys Metals Corp.

Consolidated Statement of Net Loss and Comprehensive Loss

(expressed in Canadian dollars)
(unaudited)

		3 months ended March 31,	
	Notes	2025	2024
		\$	\$
Expenses			
Professional fees		12,540	67,327
Directors' fees	11	162,368	151,939
Consulting fees	11	154,482	201,814
Stock-based compensation	11	-	343,378
Advisory fees		34,000	20,000
Public company costs		72,707	115,845
General and administrative		129,938	76,016
Foreign exchange loss		22	75
Other income		(10,735)	(3,697)
Interest income		(17,893)	(106,723)
		<u>537,429</u>	<u>865,974</u>
Net loss		(537,429)	(865,974)
Other comprehensive income (loss), net of taxes			
Item that may be reclassified subsequently to loss			
Foreign currency translation		493,725	(131,204)
Comprehensive loss		<u>(43,704)</u>	<u>(997,178)</u>
Net loss per Class A common share - basic and diluted		-	-
Weighted average number of Class A common shares outstanding		204,588,689	195,169,467

Forsys Metals Corp.

Consolidated Statement of Changes in Equity

(expressed in Canadian dollars)
(unaudited)

		3 months ended March 31,	
	Notes	2025	2024
		\$	\$
Share capital			
Balance, beginning of period		176,207,588	174,210,964
Private placement of units	6	5,005,000	-
Fair value of warrants issued	6	(1,136,000)	-
Fair value of PSUs exercised	7	209,720	-
Balance, end of period		180,286,308	174,210,964
Warrants			
Balance, beginning of period		-	-
Fair value of warrants issued	6	1,136,000	-
Balance, end of period		1,136,000	-
Contributed surplus			
Balance, beginning of period		50,183,534	51,207,780
Stock-based compensation		-	343,378
Fair value of PSUs exercised	7	(209,720)	-
Balance, end of period		49,973,814	51,551,158
Equity reserve			
Balance, beginning and end of period		33,364	33,364
Accumulated loss			
Balance, beginning of period		(184,749,819)	(182,089,125)
Net loss		(537,429)	(865,974)
Balance, end of period		(185,287,248)	(182,955,099)
Accumulated other comprehensive loss			
Balance, beginning of period		(20,392,493)	(21,123,999)
Currency translation differences on foreign operations		493,725	(131,204)
Balance, end of period		(19,898,768)	(21,255,203)

The above consolidated statement should be read in conjunction with the accompanying notes.

Forsys Metals Corp.

Consolidated Statement of Cash Flows

(expressed in Canadian dollars)
(unaudited)

		3 months ended March 31,	
	Notes	2025	2024
		\$	\$
Cash from (used in)			
Operating activities			
Net loss		(537,429)	(865,974)
Interest income		(17,893)	(106,723)
Item not affecting cash			
Stock-based compensation		-	343,378
Changes in non-cash operating working capital			
Receivables		(12,672)	151,404
Prepaid expenses and other assets		(115,540)	13,249
Accounts payable and accrued liabilities		(34,716)	443,645
Income taxes payable		-	(970,389)
Total cash outflow from operating activities		(718,250)	(991,410)
Financing activities			
Private placement of units	6	5,005,000	-
Investing activities			
Interest income		17,893	106,723
Exploration and evaluation	5	(863,095)	(1,166,943)
Total cash outflow from investing activities		(845,202)	(1,060,221)
Net increase (decrease) in cash		3,441,548	(2,051,631)
Cash and cash equivalents, beginning of period		3,329,334	12,405,165
Effect of exchange rate changes on cash		20,831	(54,243)
Cash and cash equivalents, end of period	4	6,791,713	10,299,291

The above consolidated statement should be read in conjunction with the accompanying notes.

Forsys Metals Corp.

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2025

(expressed in Canadian dollars)
(unaudited)

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 (“Valencia”) 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 mineral properties, exploration and evaluation costs 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. Going concern

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.

3. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board.

The accounting policies used in these condensed interim consolidated financial statements are consistent with those disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2024.

These condensed interim consolidated financial statements do not include certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2024.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on May 14, 2025.

4. Cash and cash equivalents

	March 31, 2025	December 31, 2024
	\$	\$
Cash at bank	792,188	1,793,384
Cash on deposit	5,999,525	1,535,950
	<hr/> 6,791,713	<hr/> 3,329,334

5. Exploration and evaluation

	\$
Norasa	
Balance, December 31, 2024	17,955,477
Additions to exploration and evaluation	863,095
Foreign exchange movement	472,894
Balance, March 31, 2025	19,291,466

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

Through its wholly owned subsidiary Valencia Uranium (Proprietary) Limited, the Company holds Mining Licence 149 for the Valencia Uranium Project ("ML149"). ML149 was granted effective June 23, 2008 for a period of 25 years until June 22, 2033.

Namibplaas Uranium Project

Through its wholly owned subsidiary Valencia Uranium (Proprietary) Limited, the Company holds Exclusive Prospecting Licence 3638 for Namibplaas ("EPL 3638"). On February 1, 2024, the Ministry of Mines and Energy of the Republic of Namibia renewed EPL 3638 until February 1, 2026.

Land lease with an option to purchase

See note 13, *Subsequent event, Land lease with an option to purchase.*

Impairment

At December 31, 2024 and March 31, 2025, 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.

6. 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, 2024	200,319,467	176,207,588
Private placement of units	10,010,000	5,005,000
Fair value of warrants issued	–	(1,136,000)
Exercise of PSUs	350,000	209,720
Balance, March 31, 2025	210,679,467	180,286,308

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.

7. Incentive plan

The Company has an Amended and Restated Omnibus Incentive Plan (the "Plan") that permits the Board to make awards of stock options, restricted share units, performance share units and deferred stock 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 March 31, 2025, the maximum number of Class A common shares for issuance under the Plan is 21,067,946.

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 Class A 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 continuity of the activity in the Company's stock options is presented below:

	Weighted- average exercise price \$	Number of stock options outstanding and exercisable
Balance, December 31, 2024	0.74	9,350,000
Cancelled	0.76	(1,650,000)
Balance, March 31, 2025	0.73	7,700,000

A summary of the Company's stock options outstanding and exercisable as at March 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

Performance share units, restricted share units and deferred stock units

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

	Vested	Unvested	Total
Balance, December 31, 2024	2,350,000	650,000	3,000,000
Exercised	(350,000)	—	(350,000)
Balance, March 31, 2025	2,000,000	650,000	2,650,000

A summary of the number of the Company's performance share units outstanding at March 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	1,750,000
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
			2,650,000

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.

Restricted share units and deferred stock units

At March 31, 2025, the Company has not issued any restricted share units or deferred stock units.

8. Warrants

	Weighted-average exercise price \$	Number of warrants outstanding and exercisable
Balance, December 31, 2024	—	—
Issued (note, 6, <i>Share capital, Private placement of units</i>)	0.75	10,010,000
Balance, March 31, 2025	0.75	10,010,000

9. 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.

At March 31, 2025, the Company had working capital of \$6,952,004, calculated as follows:

	\$
Current assets	7,260,021
Current liabilities	308,017
	<hr/> 6,952,004

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 March 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 March 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.

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 March 31, 2025, the Company had cash and cash equivalents of US\$14,806.

Namibian dollars

At March 31, 2025, the Company had cash and cash equivalents of N\$7,763,033 (Canadian dollar equivalent - \$607,613), receivables of N\$1,754,650 (Canadian dollar equivalent - \$137,336) and accounts payable and accrued liabilities of N\$2,828,748 (Canadian dollar equivalent - \$221,406). If the foreign exchange rate related to the Company's Namibian dollar balances increased or decreased by 1%, with all other variables held constant, the currency translation adjustment would have increased or decreased by \$5,200.

10. 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.

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 March 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.

11. Related party transactions

Compensation of key management personnel

Key management personnel as defined under IFRS 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, Investor Relations and members of the Company's Board of Directors.

Compensation awarded to key management personnel is as follows:

	3 months ended March 31,	
	2025	2024
	\$	\$
Director fees	162,368	151,939
Consulting fees	154,482	124,544
Stock-based compensation	–	151,070
	316,850	427,553

12. Segment 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 and gold 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:

	March 31,	December 31,
	2025	2024
	\$	\$
Namibia	19,291,466	17,955,477

13. Events occurring after the reporting period

At the date of this report, except as outlined below, there are no other matters or circumstances which have arisen since March 31, 2025 that have significantly affected or may significantly affect operations, results of operations or the state of affairs of the Company.

Land lease with an option to purchase

On May 15, 2025, the Company's wholly owned subsidiary, Valencia Uranium (Pty) Ltd ("Valencia") entered into a lease agreement with an option to purchase Portion-1 of Farm Namibplaas No. 93 ("Farm"), which covers approximately 6,700 hectares, including 1,179 hectares that is covered by EPL 3638.

Under the terms of the lease agreement, Valencia will have immediate right of occupation of the Farm and will pay N\$24,000,000 (Canadian dollar equivalent - \$1,835,000), with an initial payment of N\$7,000,000 (Canadian dollar equivalent - \$535,000) and the remaining N\$17,000,000 (Canadian dollar equivalent - \$1,300,000) will be payable in monthly installments over 10 years.