
T2 METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
APRIL 30, 2025 AND 2024

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of T2 Metals Corp.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of T2 Metals Corp. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2025 and 2024, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards ("IFRS").

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 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 of the current period. 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.

We have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 3 – Material accounting policies and note 4 Exploration and evaluation assets</i>	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:
Management assesses at each reporting period whether there is an indication that the carrying value of exploration and evaluation assets may not be recoverable. Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the property; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any	<ul style="list-style-type: none"> Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit. Confirmed that the Company's right to explore the property had not expired. Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.

indicators of impairment.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.

- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.
-

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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, 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 purposes 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 G. Cameron Dong.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC, Canada
August 27, 2025

T2 METALS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	April 30, 2025 \$	April 30, 2024 \$
ASSETS			
Current assets			
Cash		1,177,007	385,127
GST receivable		62,905	6,194
Prepays and other		<u>38,511</u>	<u>48,319</u>
Total current assets		<u>1,278,423</u>	<u>439,640</u>
Non-current assets			
Exploration and evaluation assets	4	3,990,450	2,070,317
Property, plant and equipment	5	37,487	52,744
Bond deposits		<u>34,196</u>	<u>34,032</u>
Total non-current assets		<u>4,062,133</u>	<u>2,157,093</u>
TOTAL ASSETS		<u>5,340,556</u>	<u>2,596,733</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	<u>288,958</u>	<u>611,988</u>
Non-current liabilities			
Deferred amounts	8(a)	<u>400,000</u>	<u>-</u>
TOTAL LIABILITIES		<u>688,958</u>	<u>611,988</u>
SHAREHOLDERS' EQUITY			
Share capital	7	34,268,077	31,032,568
Share-based payments reserve		2,504,727	2,027,227
Deficit		<u>(32,121,206)</u>	<u>(31,075,050)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>4,651,598</u>	<u>1,984,745</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>5,340,556</u>	<u>2,596,733</u>

Nature of Operations - see Note 1

These consolidated financial statements were approved for issue by the Board of Directors on August 27, 2025 and are signed on its behalf by:

/s/ Mark Saxon
Mark Saxon
Director

/s/ Nick DeMare
Nick DeMare
Director

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

T2 METALS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	Year Ended April 30	
		2025 \$	2024 \$
Expenses			
Accounting and administration	8(b)(ii)	55,976	33,950
Advisory services	8(b)(iii)	22,680	-
Audit		16,000	16,100
Corporate development		96,741	63,622
Director and officer compensation	8	211,000	204,000
General exploration		100,526	25,645
Legal		23,023	4,923
Office		19,759	9,137
Professional fees		110,890	105,879
Regulatory fees		36,956	30,066
Share-based compensation	7(d)	498,300	-
Shareholder costs		16,421	12,120
Transfer agent		11,858	7,324
Travel		55,783	42,338
Website		2,850	1,790
		<u>1,278,763</u>	<u>556,894</u>
Loss before other items		<u>(1,278,763)</u>	<u>(556,894)</u>
Other items			
Interest income		84,144	45,980
Flow-through share premium recovery	6	155,650	121,782
Part XII.6 tax	6	-	(19,282)
Foreign exchange		(7,187)	2,504
		<u>232,607</u>	<u>150,984</u>
Net loss and comprehensive loss for the year		<u>(1,046,156)</u>	<u>(405,910)</u>
Basic and diluted loss per common share		<u>\$(0.03)</u>	<u>\$(0.01)</u>
Basic and diluted weighted average number of common shares outstanding		<u>39,633,098</u>	<u>28,904,019</u>

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

T2 METALS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

Year Ended April 30, 2025					
	Common Shares		Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$
	Number of Shares	Amount \$			
Balance at April 30, 2024	28,904,019	31,032,568	2,027,227	(31,075,050)	1,984,745
Common shares issued for:					
- private placements	12,980,000	3,439,400	-	-	3,439,400
- share options exercised	160,000	33,600	-	-	33,600
Share issue costs	-	(102,641)	-	-	(102,641)
Premium on flow-through shares	-	(155,650)	-	-	(155,650)
Transfer on exercise of share options	-	20,800	(20,800)	-	-
Share-based compensation	-	-	498,300	-	498,300
Net loss for the year	-	-	-	(1,046,156)	(1,046,156)
Balance at April 30, 2025	42,044,019	34,268,077	2,504,727	(32,121,206)	4,651,598

Year Ended April 30, 2024					
	Common Shares		Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$
	Number of Shares	Amount \$			
Balance at April 30, 2023	28,904,019	31,032,568	2,027,227	(30,669,140)	2,390,655
Net loss for the year	-	-	-	(405,910)	(405,910)
Balance at April 30, 2024	28,904,019	31,032,568	2,027,227	(31,075,050)	1,984,745

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

T2 METALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended April 30,	
	2025	2024
	\$	\$
Operating activities		
Net loss for the year	(1,046,156)	(405,910)
Adjustments for:		
Foreign exchange	(164)	(416)
Share-based compensation	498,300	-
Flow-through share premium recovery	(155,650)	(121,782)
Changes in non-cash working capital items:		
GST receivable	(56,711)	6,681
Prepays and other	9,808	(8,539)
Accounts payable and accrued liabilities	(11,252)	169,198
Net cash used in operating activities	(761,825)	(360,768)
Investing activity		
Exploration and evaluation assets expenditures, net	(1,816,654)	(717,960)
Net cash used in investing activity	(1,816,654)	(717,960)
Financing activities		
Issuance of common shares	3,473,000	-
Share issue costs	(102,641)	-
Net cash provided by financing activities	3,370,359	-
Net change in cash during the year	791,880	(1,078,728)
Cash at beginning of year	385,127	1,463,855
Cash at end of year	1,177,007	385,127

Supplemental cash flow information - See Note 11

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

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

1. Nature of Operations

T2 Metals Corp. (the “Company”) is registered under the Business Corporations Act (British Columbia). The Company’s common shares are listed and trade on the TSX Venture Exchange (“TSXV”) under the symbol “TWO”, the OTCQB under the symbol “TWOSF” and the Frankfurt Stock Exchange under the Symbol “WJ6”. The Company’s principal and executive office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7, Canada.

The Company is a junior resource company engaged in the acquisition and exploration of unproven mineral interests in North America. On the basis of information to date the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. As a mineral Company in the exploration stage the ability of the Company to complete the exploration and development of its mineral property interests will be affected primarily by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

To date the Company has not earned any revenues from its mineral interests and the Company’s operations are primarily funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. As at April 30, 2025 the Company had working capital of \$989,465. Management considers the Company has adequate resources to maintain its core operations and conduct planned exploration programs on its existing exploration and evaluation assets and discharge its obligations as they become due in the next twelve months. The Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRIC Committee (“IFRIC”)

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. The consolidated financial statements are presented in Canadian dollars unless otherwise stated.

Details of the Group

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

On November 10, 2020 the Company established a United States subsidiary, Aguila Gold Inc., (“Aguila USA”) in the state of Nevada to conduct the Company’s activities in the United States. As at April 30, 2025 Aguila USA remains the Company’s sole subsidiary.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

3. Material Accounting Policies

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- (ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- (iii) Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods. During fiscal 2025 and 2024 management determined that no impairment indicators were present and no impairment charge was required.
- (iv) Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
- (v) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Details of these can be found in Note 9.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Depreciation expense is allocated based on assumed useful life of property, plant and equipment. Should the useful life differ from the initial estimate, an adjustment would be made in the statement of operations.
- (ii) The cost estimates are updated periodically during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. As at April 30, 2025 and 2024 there were no decommissioning liabilities.
- (iii) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.
- (iv) The assessment of any impairment of exploration and evaluation assets is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. In fiscal 2025 and 2024 management concluded that there were no impairment indicators and no impairment charge was required.

Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company is not exposed to significant credit or interest rate risk although cash is held in excess of federally insured limits with a major financial institution. As at April 30, 2025 and 2024 the Company did not have any cash equivalents.

Amounts Receivable

Receivables are recognized initially at fair value and classified as amortized cost. Receivables are subsequently measured at amortized cost using the effective interest method, less expected credit losses. At each reporting date, the Company records a credit losses at an amount equal to the lifetime expected credit losses using a present value and probability-weighted model.

Accounts Payable and Accrued Liabilities

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are classified as amortized cost initially at fair value and are subsequently measured at amortized cost using the effective interest method

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and, accordingly, follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties and crediting all proceeds received against the cost of the related properties, net of government assistance. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farm-out of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an exploration expenditure is not expected to be recovered, it is charged to the results of operations.

Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Property, plant and equipment are depreciated annually on a straight-line basis over the estimated useful life of the assets, at a rate of 20% for field equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive income or loss.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

The Company compares the carrying value of property, plant and equipment to estimated net recoverable amounts, based on estimated future cash flows, to determine whether there is any indication of impairment whenever events or circumstances warrant.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

Impairment

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Decommissioning Provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at April 30, 2025 and 2024 the Company does not have any decommissioning obligations.

Financial Instruments

The Company classifies its financial assets and financial liabilities in the following measurement categories: (i) those to be measured subsequently at fair value through profit and loss ("FVTPL"); (ii) those to be measured subsequently at fair value through other comprehensive income ("FVOCI"); and (iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company adopted a residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in the private placements is determined by the closing quoted bid price on the price reservation date, if applicable, or the announcement date. The balance, if any, is allocated to the attached share purchase warrants.

Flow-through Common Shares

The Company finances certain exploration expenditures through the issuance of flow-through common shares. Pursuant to the Canadian Income Tax Act and the terms of the flow-through share agreements, the exploration expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate Canadian income tax legislation. When the flow-through common shares are issued, the difference (“premium”) between the amounts recognized for common shares and the amounts the investors pay for the flow-through common shares is recognized as a flow-through share premium liability, which is reversed into the consolidated statement of loss and comprehensive loss as other income when the eligible expenditures are incurred.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced, in accordance with the Canadian Income Tax Act flow-through regulations. When applicable, the estimated tax payable is accrued until paid.

Share-Based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Current and Deferred Income Taxes

The tax expense comprises current and deferred tax. Tax is recognized separately in the statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, 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. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Loss Per Share

Basic loss per share is computed by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings and loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted loss per share.

Foreign Currency Translation

Functional and Presentation Currency

The financial statements of the Company's subsidiary is prepared in the local currency of its home jurisdiction. Consolidation of the subsidiary includes re-measurement from the local currency to the subsidiary's functional currency. The subsidiary's functional currency, being the currency of the primary economic environment in which the subsidiary operates, is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

Exchange rates published by the Bank of Canada were used to translate subsidiary financial statements into the consolidated financial statements. Income and expenses for each statement of comprehensive loss presented are translated using the rates prevailing on the transaction dates. All resulting foreign exchange differences are recognized in comprehensive loss.

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in comprehensive loss.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

3. Material Accounting Policies (continued)

Accounting Pronouncements Not Yet Adopted

IFRS 18, *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, *Presentation of Financial Statements* aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 *Statement of Cash Flows*. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any other standards that have been issued would have no or very minimal impact on the Company's consolidated financial statements.

4. Exploration and Evaluation Assets

	April 30, 2025			April 30, 2024		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Canada						
- Sherridon Project	46,000	2,689,561	2,735,561	46,000	845,329	891,329
USA						
- Cora Copper Project	51,279	155,724	207,003	38,704	145,163	183,867
- Lida Copper Project	82,367	929,249	1,011,616	66,512	910,987	977,499
- Copper Eagle Project	3,967	32,303	36,270	2,327	15,295	17,622
	<u>183,613</u>	<u>3,806,837</u>	<u>3,990,450</u>	<u>153,543</u>	<u>1,916,774</u>	<u>2,070,317</u>

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

	Canada		USA		
	Sherridon Property \$	Cora Copper Project \$	Lida Copper Project \$	Copper Eagle Project \$	Total \$
Balance at April 30, 2023	<u>197,013</u>	<u>173,581</u>	<u>901,964</u>	<u>-</u>	<u>1,272,558</u>
Exploration costs					
Assays	42,303	-	-	1,559	43,862
Camp costs	46,697	-	-	-	46,697
Community agreement costs	73,195	-	-	-	73,195
Depreciation	7,627	-	7,628	-	15,255
Drilling	469,740	-	-	-	469,740
Fuel	32,211	-	-	-	32,211
Geological	191,139	-	4,048	9,901	205,088
Rehabilitation	-	-	49,279	-	49,279
Travel	<u>36,104</u>	<u>-</u>	<u>1,638</u>	<u>3,835</u>	<u>41,577</u>
	<u>899,016</u>	<u>-</u>	<u>62,593</u>	<u>15,295</u>	<u>976,904</u>
Government grant	<u>(212,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(212,700)</u>
Acquisition costs					
Staking costs and renewal fees	<u>8,000</u>	<u>10,286</u>	<u>12,942</u>	<u>2,327</u>	<u>33,555</u>
Balance at April 30, 2024	<u>891,329</u>	<u>183,867</u>	<u>977,499</u>	<u>17,622</u>	<u>2,070,317</u>
Exploration costs					
Assays	97,719	-	455	3,586	101,760
Camp costs	119,302	-	-	-	119,302
Community agreement costs	112,044	-	-	-	112,044
Depreciation	7,628	-	7,629	-	15,257
Drilling	1,145,364	-	-	-	1,145,364
Fuel	70,967	-	-	-	70,967
Geological	529,189	7,224	6,504	6,411	549,328
Supplies	31,838	-	-	41	31,879
Travel	<u>30,181</u>	<u>3,337</u>	<u>3,674</u>	<u>6,970</u>	<u>44,162</u>
	<u>2,144,232</u>	<u>10,561</u>	<u>18,262</u>	<u>17,008</u>	<u>2,190,063</u>
Government grant	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>
Acquisition costs					
Renewal fees	<u>-</u>	<u>12,575</u>	<u>15,855</u>	<u>1,640</u>	<u>30,070</u>
Balance at April 30, 2025	<u>2,735,561</u>	<u>207,003</u>	<u>1,011,616</u>	<u>36,270</u>	<u>3,990,450</u>

(a) *Sherridon Property, Manitoba*

On December 6, 2021 the Company entered into an option agreement (the “Sherridon Option Agreement”) with a private British Columbia company (the “Vendor”) pursuant to which the Company has been granted the option to earn up to a 90% interest of 28 mining claims and one mineral lease (the “Sherridon Property”) located in the Sherridon mining district in Manitoba, Canada.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

Pursuant to the Sherridon Option Agreement the Company paid \$15,000 and issued to the Vendor 100,000 common shares of the Company on August 4, 2022. During fiscal 2025 the Company incurred the required \$2,000,000 to earn a 90% interest in the Sherridon Property and no further expenditure commitment remains under the Sherridon Option Agreement. The Vendor may now elect to fund its pro rata share of project expenditures or convert into a 1.5% net smelter royalty that is purchasable by the Company for \$2,000,000 at any time.

On May 25, 2023 the Company entered into an exploration agreement with the Kiciwapa Cree Nation whereby the Company has agreed to make annual payments (the “KC Payments”) to fund the Kiciwapa Cree Development Fund, to a maximum of \$150,000 per calendar year, calculated on:

- (i) 5% of exploration expenditures incurred on the Sherridon Property up to \$999,999;
- (ii) 2% of exploration expenditures incurred from \$1,000,000 to \$5,000,000; and
- (iii) 1% of exploration expenditures incurred above \$5,000,000.

During fiscal 2025 the Company calculated KC Payments of \$42,847 (2024 - \$35,119), of which \$17,847 (2024 - \$25,819) was paid directly or used to cover the cost of goods and services required by the Kiciwapa Cree community and \$25,000 (2024 - \$9,300) was recorded in accounts payable and accrued liabilities at April 30, 2025.

On December 11, 2023 the Company entered into a grant agreement with the Manitoba Mineral Development Funds Corporation (“MMFD”) whereby the Company received a grant of \$212,700 in fiscal 2024 for exploration expenditures incurred by the Company on the Sherridon Property. On May 24, 2024 the Company entered into a further grant agreement with the MMFD and, during fiscal 2025, the Company received grants totalling \$300,000.

(b) *Cora Copper Project, Arizona*

The Cora Copper Project comprises staked mining claims located in Pinal County, Arizona.

(c) *Lida Copper Project, Nevada*

The Lida Copper Project comprises staked mining claims located in Esmeralda County, Nevada.

(d) *Copper Eagle Project, Nevada*

The Copper Eagle Project comprises staked mining claims located in Douglas County, Nevada.

5. Property, Plant and Equipment

	Field Equipment \$
Balance at April 30, 2023	67,999
Depreciation	<u>(15,255)</u>
Balance at April 30, 2024	52,744
Depreciation	<u>(15,257)</u>
Balance at April 30, 2025	<u>37,487</u>

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

6. Flow-through Share Premium Liability

	\$
Balance at April 30, 2023	121,782
Settlement of flow-through share liability on incurred expenditures	<u>(121,782)</u>
Balance at April 30, 2024	-
Flow-through share premium liability incurred	155,650
Settlement of flow-through share liability on incurred expenditures	<u>(155,650)</u>
Balance at April 30, 2025	<u>-</u>

Canadian tax rules require the Company to spend flow-through financing funds on qualified exploration expenses by the end of the calendar year following the year in which they were issued.

During fiscal 2023 the Company completed a flow-through financing of which the Company had recorded a flow-through share liability balance of \$121,782 as at April 30, 2023. During fiscal 2024 the Company expended the requisite exploration expenditure amount to settle the remaining \$121,782 liability amount. In addition, the Company also paid \$19,282 for interest ("Part XII.6 Tax") on flow-through proceeds renounced under the look-back rules in respect of prior years in accordance with regulations in the Income Tax Act (Canada).

During fiscal 2025 the Company completed flow-through financings for total gross proceeds of \$1,039,400, as described in Notes 8(b)(i) and 8(b)(iii). The Company expended all of the flow-through financing on exploration expenditure in fiscal 2025 and settled the \$155,650 flow-through share liability. No Part XII.6 Tax was paid or is payable.

7. Share Capital

(a) ***Authorized Share Capital***

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) ***Equity Financings***

Fiscal 2025

During fiscal 2025 the Company completed non-brokered private placements totalling 12,980,000 units as follows:

- (i) in June 2024 the Company issued 1,830,000 units (the "1st FT units") in the flow-through portion of a financing (the "1st FT Financing") at \$0.28 per 1st FT unit, for gross proceeds of \$512,400. Each 1st FT unit comprised one flow-through common share and one-half a non-flow-through common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.40 per share expiring June 25, 2027;
- (ii) in June 2024 the Company issued 9,600,000 units (the "NFT units") in the non-flow-through portion of the financing at \$0.25 per unit, for gross proceeds of \$2,400,000. Each NFT unit comprised one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.40 per share of which 2,489,000 will expire June 7, 2027 and 2,311,000 will expire June 25, 2027; and
- (iii) in November 2024 the Company issued 1,550,000 units (the "2nd FT units") in a flow-through financing (the "2nd FT Financing") at \$0.34 per 2nd FT unit, for gross proceeds of \$527,000. Each 2nd FT unit comprised one flow-through common share and one-half a non-flow-through common share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.50 per share expiring November 19, 2026.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

7. Share Capital (continued)

The Company paid \$50,294 for a finders' fee and \$52,347 for legal and other costs associated with these private placements.

Certain directors of the Company, a private company controlled by a director of the Company and a close family member of a director of the Company purchased 202,850 1st FT units, 654,000 NFT units and 64,700 2nd FT units.

Fiscal 2024

During fiscal 2024 the Company did not conduct any equity financings.

(c) Warrants

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at April 30, 2025 and 2024 and the changes for the years ended on those dates is as follows:

	2025		2024	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of year	4,422,250	0.38	10,376,028	0.42
Issued	6,490,000	0.41	-	-
Expired	<u>(1,875,000)</u>	0.30	<u>(5,953,778)</u>	0.45
Balance, end of year	<u>9,037,250</u>	0.42	<u>4,422,250</u>	0.38

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at April 30, 2025:

Number	Exercise Price \$	Expiry Date
1,666,700	0.45	December 22, 2025
153,978	0.45	December 28, 2025
91,672	0.29	December 28, 2025
125,000	0.45	January 20, 2026
509,900	0.45	January 23, 2026
775,000	0.50	November 19, 2026
2,489,000	0.40	June 7, 2027
<u>3,226,000</u>	0.40	June 25, 2027
<u>9,037,250</u>		

As at April 30, 2025 the weighted average remaining life of warrants is 1.67 years (2024 - 1.16 years)

(d) Share Option Plan

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During fiscal 2025 the Company granted share options to purchase 2,265,000 common shares and recorded compensation expense of \$498,300. No share options were granted during fiscal 2024.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

7. Share Capital (continued)

The fair value of share options granted during 2025 was estimated using the Black-Scholes Option Pricing Model using the following assumptions: a risk-free interest rate of 2.87%; expected volatility of 90%; an expected life of 3 years; a dividend yield of 0%; and an expected forfeiture rate of 0%. The weighted average measurement date fair value of all share options granted during fiscal 2025, using the Black-Scholes Option Pricing Model, was \$0.22 per option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at April 30, 2025 and 2024 and the changes for the years ended on those dates, is as follows:

	2025		2024	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of year	1,070,000	0.23	2,549,000	0.30
Granted	2,265,000	0.38	-	-
Exercised	(160,000)	0.21	-	-
Expired	<u>(490,000)</u>	0.23	<u>(1,479,000)</u>	0.33
Balance, end of year	<u>2,685,000</u>	0.36	<u>1,070,000</u>	0.23

The following table summarizes information about the share options outstanding and exercisable at April 30, 2025:

Number	Exercise Price \$	Expiry Date
420,000	0.25	October 14, 2025
<u>2,265,000</u>	0.38	October 17, 2027
<u>2,685,000</u>		

As at April 30, 2025 the weighted average remaining life of share options is 2.15 years (2024 - 0.86 years)

8. Related Party Transactions and Balances

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) Transactions with Key Management Personnel

The Company has determined that key management personnel consists of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company. During fiscal 2025 the Company incurred \$180,000 (2024 - \$180,000) executive compensation with respect to the Company's key management personnel. During fiscal 2025 the CEO and CFO of the Company agreed to defer payment of \$400,000 of past accrued executive compensation until the earlier of the Company completing a financing of at least \$2,500,000 or May 31, 2027.

As at April 30, 2025 the Company had recorded \$48,480 (2024 - \$403,480) in accounts payable and accrued liabilities and \$400,000 (2024 - \$nil) in deferred amounts.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

8. Related Party Transactions and Balances (continued)

During fiscal 2025 the Company also recorded \$137,500 (2024 - \$nil) share-based compensation for share options granted to key management personnel.

(b) *Transactions with Other Related Parties*

(i) During fiscal 2025 the Company incurred \$53,680 (2024 - \$24,000) for compensation to non-executive directors of the Company. As at April 30, 2025 \$46,963 (2024 - \$54,963) remained unpaid and has been included in accounts payable and accrued liabilities.

During fiscal 2025 the Company also recorded \$125,400 (2024 - \$nil) share-based compensation for share options granted to non-executive directors.

(ii) During fiscal 2025 the Company incurred \$55,976 (2024 - \$33,950) for accounting and administration services provided by Chase Management Ltd. ("Chase"), a private company owned by the CFO of the Company. As at April 30, 2025 \$1,200 (2024 - \$5,750) remained unpaid and has been included in accounts payable and accrued liabilities.

(iii) During fiscal 2025 the Company paid \$22,680 (2024 - \$nil) for marketing advisory services provided by White Tower Solutions, a private company owned by a director of the Company.

(iv) See also Note 7(b).

9. Income Taxes

Deferred income tax assets and liabilities of the Company as at April 30, 2025 and 2024, are as follows:

	2025 \$	2024 \$
Deferred income tax assets (liabilities)		
Losses carried forward	1,947,000	1,764,000
Mineral resource interests	(420,000)	(163,000)
Other	32,000	14,000
	1,559,000	1,615,000
Valuation allowance	(1,559,000)	(1,615,000)
Net deferred income tax asset	-	-

The recovery of income taxes shown in the statements of income (loss) and comprehensive income (loss) and deficit differs from the amounts obtained by applying statutory rates to the income (loss) before provision for income taxes due to the following:

	2025 \$	2024 \$
Income tax rate reconciliation		
Combined federal and provincial income tax rate	27.0%	27.0%
Expected income tax expense (recovery)	(282,000)	(109,000)
Flow-through expenditures incurred	281,000	169,000
Share issue costs	(28,000)	-
Permanent differences	93,000	(28,000)
Foreign income tax rate difference	(19,000)	(8,000)
Unrecognized benefit of income tax losses	(45,000)	(24,000)
Actual income tax expense (recovery)	-	-

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

9. Income Taxes (continued)

As at April 30, 2025 the Company has accumulated non-capital losses of approximately \$6,695,000 (2024 - \$6,027,000) and accumulated tax pools of approximately \$1,436,000 (2024 - \$551,000) carried forward for Canadian income tax purposes which are available to reduce taxable income of future years. The non-capital losses expire commencing in 2030 through 2045.

The Company's subsidiary has incurred losses of approximately \$664,000 (2024 - \$652,000) for tax purposes. The losses may be carried forward indefinitely.

10. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVOCI"); and amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	April 30, 2025 \$	April 30, 2024 \$
Cash	Amortized cost	1,177,007	385,127
Bonds	Amortized cost	34,196	34,032
Accounts payable and accrued liabilities	Amortized cost	(688,958)	(611,988)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for cash and bonds approximate their fair value.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

Contractual Maturity Analysis at April 31, 2025					
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	1,177,007	-	-	-	1,177,007
Bonds	-	-	34,196	-	34,196
Accounts payable and accrued liabilities	(288,958)	-	(400,000)	-	(688,958)
Contractual Maturity Analysis at April 30, 2024					
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	385,127	-	-	-	385,127
Bonds	-	-	34,032	-	34,032
Accounts payable and accrued liabilities	(611,988)	-	-	-	(611,988)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and cash equivalents and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains a US Dollar currency bank accounts to support the cash needs of its foreign operation. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At April 30, 2025, 1 Canadian Dollar was equal to 0.72 US Dollar.

Balances are as follows:

	US Dollars	CDN \$ Equivalent
Cash	89,987	124,982
Bonds	24,758	34,196
Accounts payable and accrued liabilities	<u>(20,500)</u>	<u>(28,472)</u>
	<u>94,245</u>	<u>130,706</u>

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

Based on the net exposures as of April 30, 2025 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's comprehensive loss being approximately \$12,500 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties or evaluate business opportunities which may become available. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash equivalents. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. Supplemental Cash Flow Information

During fiscal 2025 and 2024 non-cash activities were conducted by the Company as follows:

	2025 \$	2024 \$
Operating activities		
Depreciation	15,257	15,255
Accounts payable and accrued liabilities related to exploration and evaluation assets	137,501	64,544
	<u>152,758</u>	<u>79,799</u>
Investing activity		
Change in exploration and evaluation assets	<u>(152,758)</u>	<u>(79,799)</u>

12. Segmented Information

The Company operates in one reportable segment, being the exploration and evaluation of unproven exploration and evaluation assets. The Company's exploration and evaluation assets are located in Canada and the United States and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

	April 30, 2025		
	Canada \$	USA \$	Total \$
Current assets	1,267,361	11,062	1,278,423
Exploration and evaluation assets	2,735,561	1,254,889	3,990,450
Property, plant and equipment	18,743	18,744	37,487
Bonds	-	34,196	34,196
	<u>4,021,665</u>	<u>1,318,891</u>	<u>5,340,556</u>

T2 METALS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2025 AND 2024
(Expressed in Canadian Dollars)

12. Segmented Information (continued)

	April 30, 2024		
	Canada	USA	Total
	\$	\$	\$
Current assets	432,039	7,601	439,640
Exploration and evaluation assets	891,329	1,178,988	2,070,317
Property, plant and equipment	26,372	26,372	52,744
Bonds	-	34,032	34,032
	<u>1,349,740</u>	<u>1,246,993</u>	<u>2,596,733</u>