

TORR METALS INC.

Interim Financial Statements

For the three months ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

To the shareholders of Torr Metals Inc:

The interim financial statements of Torr Metals Inc. (the “Company”) for the three months ended July 31, 2025 and 2024 have been compiled by management.

No audit or review of this information has been performed by the Company’s auditors.

TORR METALS INC.

Statements of Financial Position

(Expressed in Canadian Dollars)

(unaudited)

As at	July 31, 2025	April 30, 2025
ASSETS		
Current		
Cash	\$ 828,138	\$ 202,235
Goods and services tax receivable	9,371	10,165
Prepays and deposits	90,167	31,962
Total current assets	927,676	244,362
Non-current		
Reclamation bond	42,000	-
Exploration and evaluation properties (note 3)	1,721,838	1,524,275
TOTAL ASSETS	\$ 2,691,514	\$ 1,768,637
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 213,116	\$ 228,548
TOTAL LIABILITIES	213,116	228,548
SHAREHOLDER'S EQUITY		
Share capital (note 4)	10,959,753	9,689,713
Shares to be issued (note 4)	-	252,590
Option and warrant reserve (note 4)	667,346	629,398
Accumulated deficit	(9,148,701)	(9,031,612)
TOTAL EQUITY	2,478,398	1,540,089
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,691,514	\$ 1,768,637

Nature of operations and going concern (note 1)

Approved by the Board of Directors on September 29, 2025

Director (signed by) "Malcolm Dorsey"

Director (signed by) "John Williamson"

The accompanying notes form an integral part of these interim financial statements.

TORR METALS INC.

Statements of Net Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(unaudited)

For the three months ended

**July 31,
2025**

**July 31,
2024**

Expenses

Advertising and promotion (note 7)

\$ 53,259 \$ 86,130

Care and maintenance

6,656 -

Management fees (note 7)

22,000 19,000

Office and administration (note 7)

21,240 19,246

Professional fees

20,402 17,122

Regulatory and filing fees

2,187 3,425

Total expenses

125,744 (144,923)

Other income (expenses)

Interest income

5,988 4,866

Settlement of flow-through liability (note 5)

2,667 -

Net loss and comprehensive loss for the period

\$ (117,089) \$ (140,057)

Basic and diluted loss per share

\$ (0.00) \$ (0.00)

Basic and diluted weighted average

number of common shares outstanding

48,498,972 35,931,294

The accompanying notes form an integral part of these interim financial statements.

TORR METALS INC.
Statements of Changes in Shareholders' Equity
For the three months ended July 31, 2025 and 2024
(Expressed in Canadian Dollars)

(unaudited)

	Number of shares	Share capital	Shares to be issued	Option and warrant reserve	Accumulated deficit	Total shareholder's equity
Balance at April 30, 2024	35,931,294	\$ 9,164,091	\$ -	\$ 539,700	\$(1,071,415)	\$ 8,632,376
Net loss	-	-	-	-	(140,057)	(140,057)
Balance at July 31, 2024	35,931,294	\$ 9,164,091	\$ -	\$ 539,700	\$(1,211,472)	\$ 8,492,319
Shares issued in private placement (note 4a)	6,153,419	630,560	-	-	-	630,560
Cancellation of shares issued (note 4a)	(300,000)	(30,000)	-	-	-	(30,000)
Shares to be issued (note 4a)	-	-	252,590	-	-	252,590
Shares issuance costs – Cash (note 4a)	-	(35,615)	-	-	-	(35,615)
Shares issuance costs – Non Cash (note 4b)	-	(12,691)	-	12,691	-	-
Share based compensation (note 4c)	-	-	-	116,000	-	116,000
Cancellation of expired options (note 4c)	-	-	-	(38,993)	38,993	-
Flow through share premium liability (note 5)	-	(26,632)	-	-	-	(26,632)
Net loss	-	-	-	-	(7,859,133)	(7,859,133)
Balance at April 30, 2025	41,784,713	\$ 9,689,713	\$ 252,590	\$ 629,398	\$(9,031,612)	\$ 1,540,089
Shares issued in private placement (note 4a)	10,372,460	1,375,420	(252,590)	-	-	1,122,830
Shares issued for property (note 4a)	100,000	16,500	-	-	-	16,500
Shares issuance costs – Cash (note 4a)	-	(81,265)	-	-	-	(81,265)
Shares issuance costs – Non Cash (note 4b)	-	(37,948)	-	37,948	-	-
Flow through share premium liability (note 5)	-	(2,667)	-	-	-	(2,667)
Net loss	-	-	-	-	(117,089)	(117,089)
Balance at July 31, 2025	52,257,173	\$10,959,753	\$ -	\$ 667,346	\$(9,148,701)	\$ 2,478,398

The accompanying notes form an integral part of these interim financial statements.

TORR METALS INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

(unaudited)

For the three months ended	July 31, 2025	July 31, 2024
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (117,089)	\$ (140,057)
Items not affecting cash:		
Settlement of deferred flow-through premium liability (note 5)	(2,667)	-
	<u>(119,756)</u>	<u>(140,057)</u>
Changes in non-cash working capital:		
Goods and services tax receivable	794	28,632
Accounts receivable	-	(7,737)
Prepays and deposits	(58,205)	-
Accounts payable and accrued liabilities	<u>(169,774)</u>	<u>(7,871)</u>
Cash used in operating activities	<u>(346,941)</u>	<u>(127,033)</u>
Investing activities		
Exploration and evaluation property acquisition expenditures (note 3)	-	(18,142)
Exploration and evaluation property exploration expenditures (note 3)	(26,721)	(75,465)
Purchase of reclamation bond	<u>(42,000)</u>	<u>12,366</u>
Cash used in investing activities	<u>(68,721)</u>	<u>(81,241)</u>
Financing activities		
Proceeds for private placements	1,375,420	-
Share issuance costs	(81,265)	-
Shares to be issued	<u>(252,590)</u>	<u>-</u>
Cash provided by financing activities	<u>1,041,565</u>	<u>-</u>
Net decrease in cash	625,903	(208,274)
Cash, beginning of period	<u>202,235</u>	<u>431,105</u>
Cash, end of period	\$ 828,138	\$ 222,831

The accompanying notes form an integral part of these interim financial statements.

TORR METALS INC.

Notes to the Financial Statements

For the three months ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Torr Metals Inc. ("Torr" or the "Company") was incorporated under the Business Corporations Act (Alberta) on July 18, 2018 and continued its corporate existence from Alberta to British Columbia under the British Columbia Business Corporation Act. On November 26, 2021, the Company completed its Qualifying Transaction ("QT") pursuant to the policies of the TSX Venture Exchange ("TSXV") to acquire an aggregate 100% interest in the Latham Copper-Gold Project in northern British Columbia. Concurrent with the QT, the Company changed its name from Duro Metals Inc. to Torr Metals Inc. and now trades under the symbol "TMET" on the TSXV.

On April 30, 2022, the Company completed a vertical short-form amalgamation pursuant to the Business Corporations Act with its wholly owned subsidiary 1306043 B.C. Ltd. ("130"). Pursuant to the Amalgamation, the resulting amalgamated company has adopted the name "Torr Metals Inc.", maintained the same Articles and management as the Company, issued no securities, the symbol "TMET" and the CUSIP remains the same.

The Company's principal business is the identification, acquisition, exploration and evaluation of mineral properties. The Company's head office is at 250 Southridge NW, Suite 300, Edmonton, AB, T6H 4M9.

While these financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations for the foreseeable future, there are significant uncertainties related to certain adverse conditions and events that may cast doubt on the validity of this assumption. As at July 31, 2025, the Company had working capital of \$714,560 (April 30, 2025 – \$15,814) and an accumulated deficit of \$9,148,701 (April 30, 2025 – \$9,031,612). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future, which indicate the existence of a material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

2. Basis of presentation

Statement of compliance with International Financial Reporting Standards

These interim financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These interim financial statements were authorized for issue by the Board of Directors of the Company on September 29, 2025. The Company's Board of Directors have the power to amend the interim financial statements after issue.

These interim financial statements are presented in Canadian Dollars, unless otherwise noted and have been prepared on a historical cost basis. The Canadian dollar is the functional and presentation currency of the Company.

3. Exploration and evaluation properties

On November 26, 2021, the Company completed its Qualifying Transaction (the "QT") by acquiring the British Columbia mineral claims known as the Hu Property and Dalvenie Property, by way of an acquisition transaction of 1306043 BC Ltd. (note 3). Immediately after the acquisition, the Company acquired mineral claims known as the Gnat claims. Together, the consolidated Gnat Claims, Hu Property and Dalvenie Property are now known as the

Latham Copper-Gold Project, a mineral exploration property initially comprised of 41 mineral claims totaling 49,694 hectares in northern British Columbia. To acquire the Dalvenie and Hu claims the Company acquired 1306043 BC Ltd., by issuing 22,106,867 shares in a share exchange. To acquire the Gnat claims, the Company paid \$100,000 cash to the vendor and issued 400,000 common shares of the Company at a deemed price of \$0.30 per share for a total consideration of \$220,000. The vendor retains a 2% net smelter royalty. As of February 10, 2022, an additional 19,263 hectares was staked for \$33,710.25, bringing the total size of the Latham Copper-Gold Project to 68,957 hectares in northern British Columbia.

For financial reporting purposes, the Company wrote down exploration and evaluation assets for Latham Copper-Gold Project during the year ended April 30, 2025, as no future exploration expenditures were planned on this property.

Crown Grants Acquisition

On April 12, 2022, the Company acquired 13 undersurface crown grants totaling 230 hectares for total cash consideration of \$25,000 plus the cost of transferring the title of the undersurface Crown Grants to the Company. No finder's fees were paid in connection with the Acquisition.

Kolos Copper-Gold Project

On September 25, 2023, the Company acquired the Kolos Copper-Gold project through staking for cash consideration of \$24,168. During the year ended April 30, 2025, the Company spent a total of \$28,708 in staking additional claims of the Kolos Project. During the year ended April 30, 2025, the Company entered into an option agreement to acquire 100% interest in the Bertha-Paved Property (the "Bertha Property"). Including the Bertha Property option the Kolos Copper-Gold Project totals 33,174.66 hectares located in south central British Columbia.

On March 05, 2025, the Company signed an Option Agreement with the Property Owner to acquire 100% interest in the 5 mineral claims known as the Bertha Property, totaling 5702.4902 hectares, located in the Kamloops Mining District of southwest British Columbia.

To maintain and exercise the option, the Company must fulfill the following conditions:

- Pay \$5,000 to the Property Owner upon signing of this Agreement (paid);
- Within three months of the Approval Date (June 2, 2025), issued 100,000 Common Shares and paid \$20,000 to the Property Owners;
- By December 31, 2025 complete \$50,000 of expenditures on the Property;
- On the 1st Anniversary of the Approval Date, issue 200,000 Common Shares and pay \$25,000 to the Property Owners, and complete a minimum of \$125,000 of Expenditures on the Property;
- On the 2nd Anniversary of the Approval Date, issue 200,000 Common Shares and pay \$75,000 to the Property Owners, and complete a minimum of \$250,000 of Expenditures on the Property;

TORR METALS INC.

Notes to the Financial Statements

For the three months ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

- On the 3rd Anniversary of the Approval Date, issue 400,000 Common Shares and pay \$125,000 to the Property Owners, and complete a minimum of \$500,000 of Expenditures on the Property

Other costs of \$1,585 were spent related to the Bertha acquisition.

Filion-Gold Project

On October 26, 2023, the Company acquired the Filion Gold project through staking for cash consideration of \$60,250. As at April 30, 2024, the Company spent a total of \$78,053 in staking. During the year ended April 30, 2025, the Company spent a total of \$200 in staking the Filion Gold Project. The mineral exploration property totals 32,132.664 hectares located in northern Ontario.

Total costs incurred by the Company on its exploration properties are summarized as follows:

	Kolos	Filion Gold	Total
Acquisition Costs			
Balance, April 30, 2025	\$ 79,461	\$ 78,253	\$ 157,714
Shares issued	16,500	-	16,500
Write-down of mineral property	-	-	-
Balance, July 31, 2025	95,961	78,253	174,214
Exploration Costs			
Balance, April 30, 2025	931,966	434,595	1,366,561
Assays and analysis	804	516	1,320
Fieldwork supplies	992	-	992
General and administrative	336	105	441
Geological consulting (note 8)	26,019	6,293	32,312
IP Surveys	140,000	-	140,000
Travel and support	5,998	-	5,998
Balance, July 31, 2025	1,106,115	441,509	1,547,624
Total E&E Assets, July 31, 2025	\$ 1,202,076	\$ 519,762	\$ 1,721,838

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	Latham	Kolos	Filion Gold	Total
Acquisition Costs				
Balance, April 30, 2024	\$ 4,612,372	\$ 24,168	\$ 78,053	\$ 4,714,593
Acquisition	298	55,293	200	55,791
Write-down of mineral property	(4,612,670)	-	-	(4,612,670)
Balance, April 30, 2025	-	79,461	78,253	157,714
Exploration Costs				
Balance, April 30, 2024	2,628,040	734,060	93,474	3,455,574
Airborne survey	-	-	-	-
Assays and analysis	6,272	-	3,856	10,128
Community relations	102,935	41,929	-	144,864
Drilling	15,000	-	-	15,000
Fieldwork supplies	-	1,550	1,200	2,750
Freight	-	-	2,199	2,199
General and administrative	884	232	7,836	8,952
Geological consulting (note 8)	5,175	128,009	227,926	361,110
Permits	-	290	-	290
Rentals	-	820	40,133	40,953
Travel and support	-	25,076	57,971	83,047
Write-down of mineral property	(2,758,306)	-	-	(2,758,306)
Balance, April 30, 2025	-	931,966	434,595	1,366,561
Total E&E Assets, April 30, 2025	\$ -	\$ 1,011,427	\$ 512,848	\$ 1,524,275

During the three months ended July 31, 2025, the Company spent \$26,721 (April 30, 2025 - \$33,610) on mineral property exploration expenditures and \$520,822 on mineral property acquisition expenditures during the year ended April 30, 2025.

4. Share capital

a) Common shares

The Company's articles authorize an unlimited number of common shares without par value and an unlimited number of preferred shares.

	Number of shares	Amount
Balance at April 30, 2024	35,931,294	\$ 9,164,091
Shares issued in private placements	6,153,419	630,560
Cancellation of shares issued	(300,000)	(30,000)
Share issuance costs	-	(35,615)
Share issuance costs – non-cash	-	(12,691)
Flow-through premium liability	-	(26,632)
Balance at April 30, 2025	41,784,713	\$ 9,689,713
Shares issued in private placements	10,372,460	1,375,420
Shares issued for property	100,000	16,500
Share issuance costs	-	(81,265)
Share issuance costs – non-cash	-	(37,948)
Flow-through premium liability	-	(2,667)
Balance at July 31, 2025	52,257,173	\$ 10,959,753

On June 26, 2025, the Company completed the final tranche of non-brokered private placement and issued 533,333 flow-through shares (each, a "FT Share") at \$0.15 per FT Share, and 885,000 non-flow through units (each, a "NFT Unit") at \$0.13 per NFT Unit, for gross proceeds of \$195,050. Each NFT Unit consists of one non-flow-through common share of the Company and one-half of one Warrant (the "Warrant"). Each full Warrant entitles the holder to acquire one non-flow-through common share of the Company at an exercise price of \$0.25 per share until June 25, 2027. The Company paid aggregate cash finder's fees of \$10,465 and issued 75,833 non-transferable finder warrants (each, a "Finder Warrant") to certain arm's length finders. Each Finder Warrant is exercisable to acquire one additional non-flow through common share at \$0.25 per share until two years from issuance. All securities issued are subject to a hold period expiring on October 26, 2025.

On May 30, 2025, the Company completed first tranche of non-brokered private placement and issued 816,666 flow-through shares at \$0.15 per FT Share, and 8,137,461 non-flow through units at \$0.13 per NFT Unit, for gross proceeds of \$1,180,369. Each NFT Unit consists of one non-flow-through common share of the Company and one-half of one Warrant. Each full Warrant entitles the holder to acquire one non-flow-through common share of the Company at an exercise price of \$0.25 per share until May 30, 2027. The Company paid aggregate cash finder's fees of \$24,595 and issued 183,096 non-transferable finder warrants to certain arm's length finders. Each Finder Warrant is exercisable to acquire one additional non-flow through common share at \$0.25 per share until two years from issuance. All securities issued are subject to a hold period expiring on October 1, 2025.

On May 30, 2025, the Company issued 100,000 shares related to the Option Agreement to acquire 100% interest in Bertha Property.

TORR METALS INC.

Notes to the Financial Statements

For the three months ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

On February 6, 2025, the Company completed the final tranche of non-brokered private placement and issued 1,382,500 non-flow through units at \$0.10 per NFT Unit for gross proceeds of \$138,250. Each NFT Unit consists of one non-flow-through common share of the Company and one-half of one Warrant. Each full Warrant entitles the holder to acquire one non-flow-through common share of the Company at an exercise price of \$0.20 per share until February 5, 2027. The Company paid aggregate cash finder's fees of \$3,780 and issued 37,800 non-transferable finder warrants to certain arm's length finders. Each Finder Warrant is exercisable to acquire one additional non-flow through common share at \$0.20 per share until two years from issuance. The \$2,646 fair value of the finders' warrants were determined using the Black Scholes Option Pricing Model. All securities issued were subject to a hold period until June 6, 2025. On March 19, 2025, 300,000 shares at \$0.10 per share of this placement were cancelled. In addition, the Company paid \$4,530 of other share issuance costs related to this non-brokered private placement.

On December 19, 2024, the Company completed the first tranche of its non-brokered private placement financing, consisting of 760,919 flow-through units at \$0.12 per FT Unit and 4,010,000 non-flow-through units at \$0.10 per NFT Unit to raise \$492,310 in gross proceeds. Each FT Unit consists of one common share of the Company issued on a flow-through basis under the Income Tax Act (Canada). Each NFT Unit consists of one non-flow-through common share of the Company and one-half of one Warrant. Each full Warrant entitles the holder to acquire one non-flow-through common share of the Company at an exercise price of \$0.20 per share until December 19, 2026. The Company also paid finders' fees of \$25,641 and issued 251,125 non-transferable finder warrants to certain arm's length finders. Each Finder Warrant is exercisable to acquire one additional non-flow through common share at \$0.20 per share until two years from issuance. The \$10,045 fair value of the finders' warrants were determined using the Black Scholes Option Pricing Model. All securities issued were subject to a hold period until April 20, 2025. In addition, the Company paid \$1,664 of other share issuance costs related to this non-brokered private placement.

Escrowed Common Shares

Pursuant to the closings of the Company's initial public offering ("IPO") and Qualifying Transaction, 2,242,395 of the Company's outstanding common shares are subject to a CPC Escrow Agreement and 12,666,667 are subject to a Tier 2 Value Security Escrow Agreement. Under these agreements, 10% of the escrowed common shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of April 30, 2025, no common shares were held in escrow.

TORR METALS INC.

Notes to the Financial Statements

For the three months ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

b) Warrants

The Following is a summary of the changes in the Company's warrants during the periods:

	Number of Warrants	Weighted average exercise price
Outstanding warrants, April 30, 2024	-	\$ -
Issued	2,835,175	0.20
Outstanding warrants, April 30, 2025	2,835,175	\$ 0.20
Issued	5,001,019	0.25
Outstanding warrants, July 31, 2025	7,836,194	\$ 0.23

A summary of the warrants outstanding and exercisable is as follows:

Exercise Price	Number of warrants	July 31, 2025 Remaining contractual life (years)	Exercise Price	Number of warrants	April 30, 2025 Remaining contractual life (years)	
\$ 0.20	2,005,000	1.4	\$ 0.20	2,005,000	1.6	
0.20	251,125	1.4	0.20	251,125	1.6	i
0.20	541,250	1.5	0.20	541,250	1.8	
0.20	37,800	1.5	0.20	37,800	1.8	ii
0.25	4,068,730	1.8	-	-	-	
0.25	442,500	1.9	-	-	-	
0.25	183,096	1.8	-	-	-	iii
0.25	306,693	1.9	-	-	-	iv
\$ 0.23	7,836,194	1.7	\$ 0.20	2,835,175	1.7	

- i. On December 19, 2024, 251,125 warrants were issued to finders pursuant to the non-brokered private placement as compensation for services provided by the finders. The fair value of the finders' warrants of \$10,045 was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price \$0.085; expected life, 2 years; expected volatility, 132.80%; risk free rate, 3.08%; and expected dividends, 0%.
- ii. On February 5, 2025, 37,800 warrants were issued to finders pursuant to the non-brokered private placement as compensation for services provided by the finders. The fair value of the finders' warrants of \$2,646 was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price \$0.12; expected life, 2 years; expected volatility, 134.34%; risk free rate, 2.59%; and expected dividends, 0%.
- iii. On May 30, 2025, 183,096 warrants were issued to finders pursuant to the non-brokered private placement as compensation for services provided by the finders. The fair value of the finders' warrants of \$16,479 was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date

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Notes to the Financial Statements

For the three months ended July 31, 2025 and 2024

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stock price \$0.165; expected life, 2 years; expected volatility, 127.64%; risk free rate, 2.59%; and expected dividends, 0%.

- iv. On June 25, 2025, 306,693 warrants were issued to finders pursuant to the non-brokered private placement as compensation for services provided by the finders. The fair value of the finders' warrants of \$21,469 was calculated using the Black Scholes Option Pricing Model with the following grant-date assumptions: grant date stock price \$0.14; expected life, 2 years; expected volatility, 127.57%; risk free rate, 2.65%; and expected dividends, 0%.

c) Stock options

The Company has a stock option plan (the "Plan") for directors, officers, employees, and consultants. The Plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the minimum prescribed amount allowed under the TSX. The options can be granted for a maximum term of 5 years with vesting provisions determined by the Company.

A summary of stock options outstanding and exercisable is as follows:

	Number of Warrants	Weighted average exercise price
Outstanding options, April 30, 2024	2,733,250	\$ 0.28
Issued	1,200,000	0.12
Expired	(433,250)	0.18
Outstanding options, April 30, 2025 and July 31, 2025	3,500,000	\$ 0.24

A summary of the options outstanding and exercisable is as follows:

Exercise Price	Number of options	July 31, 2025 Remaining contractual life (years)	Exercise Price	Number of options	April 30, 2025 Remaining contractual life (years)	
\$ 0.30	2,300,000	1.6	\$ 0.30	2,300,000	1.9	
0.10	200,000	4.0	0.10	200,000	4.3	i
0.12	1,000,000	4.5	0.12	1,000,000	4.8	ii
\$ 0.24	3,500,000	2.6	\$ 0.24	3,500,000	2.8	

- i. On August 12, 2024, the Company granted stock options to acquire 200,000 common shares of the Company. The stock options are exercisable at \$0.10 per common share and have an expiry date of August 12, 2029 or earlier in accordance with the terms of the Plan. The fair value of these options of \$16,000 was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.10; expected life, 5 years; expected volatility, 107.26%; risk-free rate 2.98%; and expected dividends, 0%.

TORR METALS INC.**Notes to the Financial Statements**

For the three months ended July 31, 2025 and 2024

(Expressed in Canadian Dollars)

- ii. On February 6, 2025, the Company granted stock options to acquire 1,000,000 common shares of the Company. The stock options are exercisable at \$0.12 per common share and have an expiry date of February 6, 2030 or earlier in accordance with the terms of the Plan. The fair value of these options of \$100,000 was calculated using the Black-Scholes Option Pricing Model using the following grant-date assumptions: grant date stock price \$0.125; expected life, 5 years; expected volatility, 108.20%; risk-free rate 2.63%; and expected dividends, 0%.

5. Flow-through premium liability

A summary of the Company's flow through premium liability is as follows:

Flow-through premium liability, April 30, 2024	\$ -
Additions	26,632
Settlement	<u>(26,632)</u>
Flow-through premium liability, April 30, 2025	\$ -
Additions	2,667
Settlement	<u>(2,667)</u>
Flow-through premium liability, July 31, 2025	<u>\$ -</u>

On December 19, 2024, the Company completed a flow-through placement and issued 760,919 shares for gross proceeds of \$91,310 and recognized a flow-through share premium liability of \$26,632. As of April 30, 2025, the Company had incurred all eligible exploration expenditures relating to these flow-through shares. As a result, the amount of \$26,632 (April 30, 2024 - \$390,320) in connection with the settlement of the flow-through liability was recognized in other income.

On June 26, 2025, the Company completed a flow-through placement and issued 533,333 shares for gross proceeds of \$80,000 and recognized a flow-through share premium liability of \$2,667. As of July 31, 2025, the Company has incurred all eligible exploration expenditures relating to these flow-through shares. As a result, the amount of \$2,666 (April 30, 2025 - \$26,632) in connection with the settlement of the flow-through liability was recognized in other income.

6. Financial instruments and risk management*Fair value of financial instruments*

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement.

The three levels of hierarchy are:

- Level 1 - Quoted prices in active markets for identical assets or liabilities,
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

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The Company's cash are classified as Level 1, whereas accounts payable and accrued liabilities are classified as Level 2. As at July 31, 2025, the Company believes that the carrying values of cash, accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

Financial instruments risk

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial assets.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at July 31, 2025, the Company's financial liabilities consist of its accounts payable and accrued liabilities, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign exchange risk is minimal.

Capital management

The Company monitors its equity as capital.

The Company's objectives in managing its capital are to maintain a sufficient capital base to support its operations and to meet its short-term obligations and at the same time preserve investor's confidence and retain the ability to seek out and acquire new projects of merit. The Company is not exposed to any externally imposed capital requirements.

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7. Related party transactions

Unless otherwise noted, related party transactions were incurred in the normal course of operations and are measured at the amount established and agreed upon by the related parties. The Company incurred and paid fees to directors and officers for management and professional services as follows:

For the three months ended	July 31, 2025	July 31, 2024
Management fees paid to key management and directors	\$ 22,000	\$ 19,000
Capitalized consulting fees paid to key management	18,000	24,000
Investor relations fees paid to a director	-	33,000
Rent fees paid to a corporation controlled by key management	10,050	10,050
	<u>\$ 50,050</u>	<u>\$ 86,050</u>

At July 31, 2025, no accounts payable and accrued liabilities (2024 - \$25,200) are due to former key management, directors of the Company and companies controlled by management or directors for services provided. These amounts are unsecured, non-interest bearing and have no specific terms of repayment. All amounts have been subsequently paid.