



NEW ENERGY METALS
CORP.

Financial Statements

Years ended June 30, 2025 and 2024

(In Canadian dollars)

Independent Auditor's Report

To the Shareholders of New Energy Metals Corp.

Opinion

We have audited the financial statements of New Energy Metals Corp. (the "Company"), which comprise the statement of financial position as at June 30, 2025 and the statements of comprehensive loss, changes in equity (deficiency) and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

Other matter

The financial statements of New Energy Metals Corp. for the year ended June 30, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on October 28, 2024.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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 identified above 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.

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

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 Kevin Kwan.

Crowe Mackay LLP

**Chartered Professional Accountants
Vancouver, Canada
October 28, 2025**

NEW ENERGY METALS CORP.

Statements of Financial Position

As at June 30, 2025 and 2024

(In Canadian dollars)

	Notes	2025	2024
		\$	\$
Assets			
Current			
Cash		13,709	70,113
Accounts receivable		24,444	13,965
Other assets		25,732	19,370
		63,885	103,448
Exploration and evaluation assets	3	-	194,500
Total assets		63,885	297,948
Liabilities			
Current			
Accounts payable and accrued liabilities	6	198,088	214,480
Note payable	4	93,058	-
		291,146	214,480
Shareholders' equity (deficiency)			
Share capital	5	9,851,514	9,709,516
Obligation to issue shares		-	40,000
Reserves	5	116,534	223,662
Deficit		(10,195,309)	(9,889,710)
Total equity (deficiency)		(227,261)	83,468
Total liabilities and equity (deficiency)		63,885	297,948
Nature of operations and going concern	1		
Subsequent events	12		

Approved on behalf of the Board of Directors:

(Signed) "Kenneth Kaczowski"

Director

(Signed) "Cameron MacDonald"

Director

NEW ENERGY METALS CORP.

Statements of Comprehensive Loss

Years ended June 30, 2025 and 2024

(In Canadian dollars)

	Notes	2025	2024
		\$	\$
Expenses			
Consulting fees		-	86,000
Exploration and evaluation expenditures	7	-	6,738
General and administration		21,082	51,236
Investor relations and shareholder communication		-	35,512
Management fees	6	66,000	153,750
Professional fees		56,842	16,266
Property investigation costs		-	49,031
Regulatory and transfer agent		40,565	45,627
Share-based compensation	5, 6	23,454	80,913
		(207,943)	(525,073)
Other items			
Finance costs		(13,539)	-
Foreign exchange		1,238	(605)
Impairment of exploration and evaluation assets	3	(200,500)	(824,600)
BC mineral exploration tax credit		16,731	41,774
		(196,070)	(783,431)
Net loss and comprehensive loss for the year		(404,013)	(1,308,504)
Net loss per share - basic and diluted		(0.09)	(0.37)
Weighted average number of common shares outstanding		4,593,542	3,548,936

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

NEW ENERGY METALS CORP.

Statements of Changes in Equity (Deficiency)

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

	Notes	Share capital		Obligation to issue shares	Reserves					
		Number #	Amount \$		Stock options	RSUs	Warrants	Total	Deficit	Total
Balance, June 30, 2024		3,584,674	9,709,516	40,000	219,387	975	3,300	223,662	(9,889,710)	83,468
Shares issued for cash		1,000,000	100,000	(40,000)	-	-	-	-	-	60,000
Shares issued for exploration and evaluation assets	3, 5(b)	30,000	6,000	-	-	-	-	-	-	6,000
Shares issued on vested RSUs		43,750	5,857	-	-	(5,857)	-	(5,857)	-	-
Broker warrants cancelled		-	-	-	-	-	(3,300)	(3,300)	3,300	-
Exercise of options		33,300	30,141	-	(26,311)	-	-	(26,311)	-	3,830
Cancelled and forfeited options		-	-	-	(87,191)	(7,923)	-	(95,114)	95,114	-
Share-based compensation	5(d)	-	-	-	10,212	13,242	-	23,454	-	23,454
Net loss for the year		-	-	-	-	-	-	-	(404,013)	(404,013)
Balance, June 30, 2025		4,691,724	9,851,514	-	116,097	437	-	116,534	(10,195,309)	(227,261)
Balance, June 30, 2023		3,424,674	9,645,576	-	273,332	-	3,300	276,632	(8,717,484)	1,204,724
Shares issued for exploration and evaluation assets	3, 5(b)	160,000	62,000	-	-	-	-	-	-	62,000
Shares subscription		-	-	40,000	-	-	-	-	-	40,000
Options fair value adjustment	5(d)	-	1,940	-	(1,940)	-	-	(1,940)	-	-
Options issued for exploration and evaluation expenditures		-	-	-	4,335	-	-	4,335	-	4,335
Cancelled and forfeited options		-	-	-	(136,278)	-	-	(136,278)	136,278	-
Share-based compensation	5(d)	-	-	-	79,938	975	-	80,913	-	80,913
Net loss for the year		-	-	-	-	-	-	-	(1,308,504)	(1,308,504)
Balance, June 30, 2024		3,584,674	9,709,516	40,000	219,387	975	3,300	223,662	(9,889,710)	83,468

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

NEW ENERGY METALS CORP.

Statements of Cash Flows

Year ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

	2025	2024
	\$	\$
Operating activities		
Net loss and comprehensive loss for the year	(404,013)	(1,308,504)
Items not affecting cash		
Impairment of exploration and evaluation assets	200,500	824,600
Finance costs accrued	13,058	-
Share-based compensation	23,454	80,913
Options issued for exploration and evaluation expenditures	-	4,335
Changes in non-cash working capital items		
Accounts receivable	(10,479)	8,470
Other assets	(6,362)	88,338
Accounts payable and accrued liabilities	(16,392)	(29,157)
	(200,234)	(331,005)
Investing activities		
Acquisition of exploration and evaluation assets	-	(34,000)
Financing activities		
Loan proceeds	80,000	-
Shares subscription	-	40,000
Shares issued for cash	63,830	-
	143,830	40,000
Decrease in cash	(56,404)	(325,005)
Cash, beginning of year	70,113	395,118
Cash, end of year	13,709	70,113
Non-cash transaction		
Exploration and evaluation assets in accrued liabilities	-	82,000
Shares issued for exploration and evaluation assets	6,000	62,000
Shares issued on vested RSUs	5,857	-
Fair value transfer on exercised options	26,311	-

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

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

1. Nature of Operations and Going Concern

(a) Nature of operations

New Energy Metals Corp. (the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on March 13, 2017. The address of the Company's registered office is 2200 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

The Company is currently in the exploration stage of developing its exploration and evaluation properties and has not yet determined whether they contain mineral reserves that are economically recoverable.

(b) Going concern

These financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

As at June 30, 2025, the Company had working capital deficiency of \$227,261 (2024 – \$111,032) and an accumulated deficit of \$10,195,309 (2024 - \$9,889,710). The Company expects to incur further losses until it successfully develops its business. The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities, its ability to attain profitable operations and generate funds therefrom and raise equity capital or borrowings sufficient to meet current and future obligations. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms.

The factors above indicate the existence of material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described above, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not include any adjustments to amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Material Accounting Policies

(a) Basis of presentation and measurement

These financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(a) Basis of presentation and measurement (continued)

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting. The financial statements are presented in Canadian dollars unless otherwise noted. The functional and presentation currency of the Company is the Canadian dollar.

The financial statements were approved and authorized for issue by the Board of Directors of the Company on October 28, 2025.

(b) Share capital

Cash consideration received from the issuance of units, consisting of common shares and share purchase warrants, are first allocated to common shares based on the quoted market value of the common shares at the time the units are priced, and the balance, if any, is allocated to the attached warrants under the residual method. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from share capital. Proceeds received for shares that have not yet been issued as at the reporting date are recorded as share subscriptions.

Shares issued for non-monetary consideration are recorded at fair value of the goods or services received. When such fair value cannot be estimated reliably, fair value is measured based on the quoted market value of the Company's shares on the date of share issuance. Warrants issued as purchase consideration in non-monetary transactions are recorded at fair value using the Black-Scholes option pricing model.

(c) Share-based compensation

Stock options

Stock options issued to employees are measured at fair value at the grant date and are recognized as an expense over the relevant vesting periods with a corresponding credit to stock options reserves.

The fair value of options is calculated using the Black-Scholes option pricing model. When determining the fair value of stock options, management is required to make certain assumptions and estimates related to expected lives, volatility, risk-free rate, future dividend yields and estimated forfeitures at the initial grant date.

Stock options issued to non-employees are measured at the fair value of goods or services received or the fair value of equity instruments issued if it is determined that the fair value of the goods or services cannot be reliably measured. The fair value of non-employee stock options is recorded as an expense at the date the goods or services are received with a corresponding credit to stock options reserves.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(c) Share-based compensation (continued)

Stock options (continued)

The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Upon the exercise of stock options, proceeds received from stock option holders are recorded as an increase to share capital and the related stock options reserve is transferred to share capital. When the stock options are forfeited or expired unexercised, the amounts previously recognized in the reserve are transferred to deficit.

Restricted Share Units ("RSUs")

RSUs are equity-settled share-based payments. RSUs are measured at their intrinsic fair value on the date of grant based on the closing price of the Company's shares on the date prior to the grant, and is recognized as share-based compensation expense over the vesting period with a corresponding credit to RSUs reserves.

The amount recognized for services received as consideration for the RSUs granted is based on the number of equity instruments that eventually vest. Upon the settlement of RSUs, the related RSUs reserve is transferred to share capital.

(d) Loss per share

The Company calculates basic earnings or loss per share by dividing net income or loss by the weighted average number of common shares outstanding during the reporting period. The Company follows the treasury stock method for the calculation of diluted earnings per share. Stock options, share purchase warrants, and other equity instruments are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options, warrants and other equity instruments. When a loss has been incurred, basic and diluted loss per share is the same because the exercise of options and warrants would be anti-dilutive.

Diluted earnings per share is computed in a manner similar to basic earnings per share except that the weighted average shares outstanding are increased to include additional shares from restricted and deferred stock units and the assumed exercise of stock options and warrants, if dilutive.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(e) Exploration and evaluation assets

(i) Exploration properties

Exploration properties represent properties for which the Company has not yet performed sufficient exploration work to determine whether significant mineralization exists. Exploration properties are carried at the cost of acquisition and included in exploration and evaluation assets. Exploration expenditures incurred on such properties are expensed as incurred as exploration expenditures in profit or loss. Examples of exploration expenditures that are expensed under this policy include topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching and sampling.

(ii) Evaluation properties

Evaluation properties represent properties for which the Company has identified a mineral resource or reserves of such quantity and grade or quality that it has reasonable prospects for economic extraction. Mineral resource and reserves are considered to have reasonable prospects for economic extraction when the Company has sufficient information to determine that extraction is viable and feasible at expected long-term metal prices. Expenditures made in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource or reserve are capitalized and included in exploration and evaluation assets. Evaluation expenditures include the costs of drilling, sampling and other costs related to defining and delineating the mineral deposit.

When the technical feasibility and commercial viability of the extraction of mineral resources or reserves associated with the Company's evaluation properties are demonstrable and management has made a decision to proceed with development, the capitalized costs associated with evaluation assets are reclassified from exploration and evaluation assets to mineral properties, and are tested for impairment at that time.

(iii) Amortization and depletion

Exploration and evaluation assets are not subject to depletion or amortization, but rather are tested for impairment when circumstances indicate that the carrying value may not be recoverable.

(iv) Government grant

The Company may be eligible for various government grants. This credit is recorded as a government grant through profit or loss when there is reasonable assurance that the amounts claimed qualify and the amounts will be received.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(f) Impairment of non-financial assets

Exploration and evaluation assets are tested for impairment when circumstances indicate that the carrying value may not be recoverable. When facts and circumstances suggest that the carrying amount of an asset exceeds its recoverable amount, the Company performs an impairment test by comparing the recoverable amount to the carrying amount of the relevant exploration and evaluation property. The recoverable amount is the higher of fair value less costs to sell and value in use. When the carrying value exceeds the recoverable amount of the relevant exploration and evaluation property, an impairment charge is recorded and the property is written down to its recoverable amount. In addition, exploration and evaluation assets are tested for impairment at the date they are transferred to mineral properties.

Non-financial assets other than goodwill that have suffered an impairment are evaluated for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(g) Reclamation and remediation provisions

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes the cost of future reclamation and remediation as a liability when: the Company has a legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and a reasonable estimate of the obligation can be made. The liability is measured initially by discounting expected costs to the net present value using pre-tax rates and risk assumptions specific to the liability. The resulting cost is capitalized to the carrying value of the related assets or expensed to profit or loss where there is no carrying value of the related assets, or where the cost is not recoverable. In subsequent periods, the liability is adjusted for accretion of the discount with the offsetting amount charged to the statement of comprehensive loss as a finance cost. Any change in the amount or timing of the underlying cash flows is adjusted to the carrying value of the liability, with the offsetting amount recorded as an adjustment to the reclamation and remediation provision cost included in mineral properties. Any amount charged to the carrying value of assets is depreciated over the remaining life of the relevant assets.

It is reasonably possible that the ultimate cost of remediation and reclamation could change in the future due to uncertainties associated with defining the nature and extent of environmental disturbance, the application of laws and regulations by regulatory authorities, changes in remediation technology and changes in discount rates. The Company reviews its reclamation and remediation provision at least annually and as evidence becomes available indicating that its expected reclamation and remediation costs may have changed. Any such changes in costs could materially impact the future amounts recorded as reclamation and remediation provision.

As at June 30, 2025 and 2024, the Company did not have any reclamation and remediation liabilities.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(h) Financial instruments

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- (i) those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and
- (ii) those to be measured subsequently at amortized cost.

The Company’s financial assets consist of cash, which is classified and measured at FVTPL with realized and unrealized gains or losses related to changes in fair value reported in profit or loss. The Company’s financial liabilities consist of accounts payable and accrued liabilities and note payable, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

(i) Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to exercise judgment and to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Estimates and associated assumptions are based on historical experience and other factors. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated for reasonableness and relevancy. Where revisions to accounting estimates are required, they are recognized in the period in which the estimates are revised for the current as well as future periods that are affected.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are described below:

- (i) Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

2. Material Accounting Policies (continued)

(i) Significant accounting judgments, estimates and assumptions (continued)

(ii) Share-based compensation

The fair value of equity instruments is subject to the limitations of the Black-Scholes option pricing model as well as other pricing models that incorporate market data and involves uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of the Company's share price, expected life of options and rate of forfeiture of awards granted, changes in subjective input assumptions can materially affect the fair value estimate.

(iii) Impairment of exploration and evaluation assets

Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable through future exploitation or sale. Such circumstances include the period for which the Company has the right to explore in a specific area, actual and planned exploration expenditures, results of exploration, whether an economically-viable operation can be established and significant negative industry or economic trends.

(j) New accounting standards and interpretations

New accounting standards issued but not yet effective:

IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. It introduces several new requirements that are expected to impact the presentation and disclosure of most, if not all, entities. The Company is in the process of assessing the impact on the financial statements of the new standard.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

3. Exploration and Evaluation Assets

As at June 30, 2025, the Company had interests in the following exploration and evaluation assets:

	Troitsa (a)	Roslyn (b)	Atikokan (c)	Total
	\$	\$	\$	\$
Balance, June 30, 2023	140,500	700,600	-	841,100
Acquisition				
Cash	-	100,000	16,000	116,000
Shares	54,000	8,000	-	62,000
Impairment	-	(808,600)	(16,000)	(824,600)
Balance, June 30, 2024	194,500	-	-	194,500
Acquisition				
Shares	6,000	-	-	6,000
Impairment	(200,500)	-	-	(200,500)
Balance, June 30, 2025	-	-	-	-

(a) Troitsa Kate Copper Property ("Troitsa")

On July 15, 2022, the Company entered into an option agreement, as amended, to acquire Troitsa located in British Columbia comprising 26 mineral claims. The Company may acquire a 100% interest in Troitsa by paying \$175,000 (\$25,000 paid and \$40,500 paid with 90,000 shares), issuing 120,000 common shares (60,000 shares issued) and incurring \$5,000 worth of staking (completed) or similar acquisition of mineral claims within a defined area of interest on or before July 15, 2023.

On July 11, 2024, the Company entered into an amended agreement with the optionor (the "Amended Agreement") to keep Troitsa in good standing under the following terms (the unpaid amounts in the initial agreement are no longer required) :

- (i) Issue 30,000 common shares of the Company upon signing of the Amended Agreement (issued);
- (ii) Pay \$30,000 in full and final payment of Troitsa upon the Company completing a financing of \$1 million;
- (iii) The Company and the Optionor shall jointly work together to option Troitsa to third parties on the following terms:
 - a. If the Company finds a new optionee for Troitsa (the "New Optionee"), the new option consideration (the "New Consideration") shall be equally shared between the Optionor and the Company; and
 - b. If the Optionor finds the New Optionee, the Optionor will keep 100% of the New Consideration.

As at June 30, 2025, the Company has paid \$25,000 and issued an aggregate of 180,000 common shares with a fair value of \$175,500 under the Troitsa option agreement.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

3. Exploration and Evaluation Assets (continued)

(a) Troitsa Kate Copper Property ("Troitsa") (continued)

During the year ended June 30, 2025, the Company recorded an impairment loss of \$200,500 on Troitsa due to presence of impairment indicators. The estimated recoverable amount of Troitsa as at June 30, 2025 was \$Nil.

(b) Roslyn Lithium Property ("Roslyn")

On December 6, 2022, the Company entered into an assignment and assumption agreement, as amended (the "Roslyn Agreement"), to acquire Roslyn located in Ontario comprising 12 mining claims. The Company may acquire a 100% interest in Roslyn by paying an aggregate of \$2,300,000 (\$200,000 paid) over a period of three years and issuing 223,000 common shares (183,000 shares issued) over a period of two years.

On March 22, 2024, the Company terminated the Roslyn Agreement due to management's decision to not incur further expenditures on the property. As a result, during the year ended June 30, 2024, the Company recorded an impairment loss of \$808,600 on Roslyn. The estimated recoverable amount of Roslyn as at June 30, 2025 and 2024 was \$Nil.

(c) Atikokan Lithium Property ("Atikokan")

On July 28, 2022, the Company entered into an assignment and assumption agreement, as amended (the "Atikokan Agreement"), to acquire Atikokan located in Ontario comprising 12 mining claims. The Company may acquire a 100% interest in Atikokan for aggregate cash payments of \$66,000 (\$16,000 paid) over a period of three years.

On April 22, 2024, the Company terminated the Atikokan Agreement due to management's decision to not incur further expenditures on the property. As a result, during the year ended June 30, 2024, the Company recorded an impairment loss of \$16,000 on Atikokan. The estimated recoverable amount of Atikokan as at June 30, 2025 and 2024 was \$Nil.

4. Note payable

During the year ended June 30, 2025, the Company issued an unsecured promissory note with a principal amount of \$80,000. The promissory note bears interest of 2% per month, compounding monthly, and is payable on demand. The Company recognized interest expense of \$13,058 on the note during the year ended June 30, 2025 (2024: \$Nil).

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

5. Share Capital and Reserves

(a) Authorized

Unlimited common shares without par value.

(b) Issued and outstanding

As at June 30, 2025, the Company's issued and outstanding share capital consisted of 4,691,724 (2024 – 3,584,674) issued and fully paid common shares.

Year ended June 30, 2025

(i) On July 17, 2024, the Company issued 30,000 common shares with fair value of \$6,000 pursuant to the Troitsa property option agreement. Note 3(a)

(ii) On July 19, 2024, the Company completed a private placement of 1,000,000 shares at a price of \$0.10 per share for gross proceeds of \$100,000.

(iii) 33,300 shares were issued on exercise of options for gross proceeds of \$3,830. The fair value of the options of \$26,311 was transferred from reserves to share capital on exercise of these options.

(iv) 43,750 shares were issued pursuant to vested RSUs with a fair value of \$5,857.

Year ended June 30, 2024

(v) On August 25, 2023, the Company issued 120,000 common shares with fair value of \$54,000 pursuant to the Troitsa property option agreement. Note 3(a)

(vi) On December 6, 2023, the Company issued 40,000 common shares with fair value of \$8,000 pursuant to the Roslyn property option agreement. Note 3(b)

(c) Warrants

Each warrant entitles the holder to purchase one common share of the Company. A summary of the status of the warrants outstanding follows:

	Warrants	Weighted average exercise price
	#	\$
Balance, June 30, 2023 and 2024	475,260	3.30
Expired	(475,260)	3.30
Balance, June 30, 2025	-	-

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Notes to the Financial Statements

Years ended June 30, 2025 and 2024

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5. Share Capital and Reserves (continued)

(d) Stock options

The Company has a stock option plan in place under which it is authorized to grant options to directors, senior officers, employees, management company employees, and consultants to acquire up to 10% of the issued and outstanding common shares. The exercise price of each option may not be less than the market price of the Company's stock as calculated on the date of grant less the applicable discount. The options can be granted for a maximum term of ten years.

A summary of the status of the options outstanding follows:

	Options	Weighted average exercise price
	#	\$
Balance, June 30, 2023	291,900	0.88
Granted	60,200	0.15
Cancelled and forfeited ⁽¹⁾	(139,600)	1.71
Balance, June 30, 2024	212,500	0.12
Granted	50,000	0.24
Cancelled and forfeited ⁽²⁾	(126,200)	0.16
Exercised	(33,300)	0.12
Balance, June 30, 2025	103,000	0.13

⁽¹⁾ During the year ended June 30, 2024, the fair value of cancelled and forfeited options of \$136,278 has been reclassified from reserves to deficit.

⁽²⁾ During the year ended June 30, 2025, the fair value of cancelled and forfeited options of \$87,191 has been reclassified from reserves to deficit.

The weighted average trading price of the Company's shares on the dates of the exercises of stock options was \$0.44 for the year ended June 30, 2025.

The following table summarizes the options outstanding and exercisable as at June 30, 2025:

Exercise Price	Expiry date	Options outstanding	Options exercisable
\$		#	#
0.115 ⁽¹⁾	March 3, 2028	46,000	46,000
0.50	September 22, 2025 ⁽²⁾	5,000	5,000
0.115	June 5, 2029	52,000	52,000
		103,000	103,000

⁽¹⁾ On June 30, 2024, the exercise prices of 93,300 options and 59,000 options were reduced to \$0.115 per share from \$1.00 and \$4.20, respectively. As a result, share-based compensation of \$4,981 was recorded for the incremental value of the repriced options.

⁽²⁾ The options expired subsequent to the year end.

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Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

5. Share Capital and Reserves (continued)

(d) Stock options (continued)

During the year ended June 30, 2025, the Company recorded share-based compensation of \$10,212 (2024 - \$74,957) for vested stock options.

The weighted average fair value of stock options granted during the year ended June 30, 2025 was \$0.24 (2024 - \$0.17) per option.

As at June 30, 2025, the weighted average remaining contractual life of the options was 3.19 years.

The fair value of stock options granted was determined using the Black-Scholes option pricing model based on the following weighted average assumptions at the time of grant:

	2025	2024
Risk-free annual interest rate	2.75%	3.43%
Expected annual dividend yield	0%	0%
Expected stock price volatility	156%	154%
Expected life of options (years)	5	4.75
Forfeiture rate	15%	15%

(e) Restricted share units (RSUs)

Under the terms of the Plan, RSUs may be awarded to directors, officers, employees and consultants of the Company which will be settled by the issuance of common shares at the end of each vesting period. Each RSU gives the participant the right to receive one common share of the Company.

A summary of the status of the RSUs outstanding is as follows:

	RSUs	Weighted average issue price
	#	\$
Balance, June 30, 2023	-	-
Granted	125,000	0.12
Balance, June 30, 2024	125,000	0.12
Granted	25,000	0.24
Vested and settled	(43,750)	0.12
Cancelled and forfeited ⁽¹⁾	(68,750)	0.16
Balance, June 30, 2025	37,500	0.12

⁽¹⁾ During the year ended June 30, 2025, the fair value of cancelled and forfeited RSU of \$7,923 has been reclassified from reserves to deficit.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

5. Share Capital and Reserves (continued)

(e) Restricted share units (RSUs) (continued)

The following table summarizes the RSUs outstanding as at June 30, 2025:

Issue Price	End of vesting period	RSUs outstanding	RSUs Vested
\$		#	#
0.115	June 5, 2026	37,500	18,750

During the year ended June 30, 2025, the Company recorded share-based compensation of \$13,242 (2024 - \$975) for RSUs granted during the period.

The weighted average remaining contractual life of RSUs is 0.93 years.

6. Related Party Transactions

(a) Compensation of key management personnel

The Company's key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company, and is comprised of the Company's Board of Directors and executive officers. Key management compensation for the years ended June 30, 2025 and 2024 consisted of the following:

	2025	2024
	\$	\$
CFO fees	66,000	61,500
Former CEO fees	-	86,250
Share-based compensation ⁽¹⁾	17,291	20,960
	83,291	168,710

⁽¹⁾ Share-based compensation represents the fair value of options granted and vested to directors and officers of the Company.

(b) Related party balances

As at June 30, 2025, included in accounts payable and accrued liabilities was \$18,842 (2024 - \$76,198) due to former directors, officers and companies with common officers and former directors.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

7. Exploration and Evaluation Expenditures

2024	Troitsa	Roslyn	Atikokan	Total
	\$	\$	\$	\$
Professional fees	4,335	688	1,715	6,738

8. Capital Management

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating costs over a reasonable future period. The Company accesses capital markets as necessary and may also raise additional funds where advantageous circumstances arise. The Company currently has no externally-imposed capital requirements. There were no changes to the Company's approach to capital management during the year ended June 30, 2025.

9. Fair Value of Financial Instruments

As at June 30, 2025, the Company's financial instruments consist of cash, accounts payable, accrued liabilities and note payable. The carrying amounts of these financial instruments other than cash approximate fair value due to their immediate or short-term maturity. Cash is measured at fair value using level 1 inputs.

The Company classifies the fair value of these financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- 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 volume to provide pricing information on an ongoing basis.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (derived from prices). The Company does not have any financial instruments classified under Level 2.
- Level 3 – Valuations in the level are those with inputs for the asset or liability that are not based on observable market data. The Company does not have any financial instruments classified under Level 3.

During the year ended June 30, 2025, there were no transfers of amounts between level 1, 2 and 3 of the fair value hierarchy.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

10. Financial Instruments Risk

The Company's financial instruments are exposed to the following risks:

(a) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held with highly rated and reputable Canadian financial institutions, and therefore, are not subject to credit risk. The Company's maximum exposure to credit risk is equal to the carrying amounts of cash.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As of June 30, 2025, the Company had a cash balance of \$13,709 (2024 - \$70,113) to settle current liabilities of \$291,146 (2024 - \$214,480). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

The Company manages liquidity risk through its capital management as outlined in Note 8 to the financial statements. At present, the Company's operations do not generate positive cash flows. The Company's primary source of funding has been the issuance of equity securities through private placements. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

(c) Market Risk

Market risk is the risk that changes in market related factors, such as interest rates and market prices, will affect the Company's loss or the fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(i) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. It arises when the Company invests in interest bearing financial instruments. As at June 30, 2025, the Company did not have any financial instruments subject to significant interest rate risk.

(ii) Price risk

Price risk is the risk of variability in fair value due to movements in equity or market prices. The Company's investments are susceptible to price risk arising from uncertainties about their future outlook, future values and the impact of market conditions. As at June 30, 2025, the Company did not have any financial instruments subject to significant price risk.

NEW ENERGY METALS CORP.

Notes to the Financial Statements

Years ended June 30, 2025 and 2024

(Expressed in Canadian dollars)

11. Income Tax

A reconciliation of current income taxes at statutory rates with the reported taxes is as follows:

	2025	2024
	\$	\$
Net loss before income taxes	(404,013)	(1,308,504)
Canadian statutory tax rate	27%	27%
Expected income tax recovery	(109,000)	(353,000)
Permanent differences	6,000	259,000
Change in deferred tax asset not recognized	103,000	94,000
Total income tax expense	-	-

The unrecognized deductible temporary differences as at June 30, 2025, are comprised of non-capital loss carryforwards of \$4,237,000 (2024 - \$4,055,000), allowable capital losses of \$2,519,000 (2024 - \$2,519,000), resource related deductions of \$1,372,000 (2024 - \$1,172,000) and share issuance costs of \$2,000 (2024 - \$3,000).

As at June 30, 2025, the Company had non-capital loss carryforwards of approximately \$4,237,000 which may be carried forward to apply against future income for Canadian tax purposes subject to final determination by taxation authorities expiring 2038 to 2045 (2024 - \$4,055,000 expiring 2038 to 2044).

12. Subsequent Events

On August 8, 2025, the Company closed a non-brokered private placement of 278,000 units at a price of \$0.18 per unit for gross proceeds of \$50,040. Each unit consists of one common share and one common share purchase warrant of the Company, with each warrant exercisable for one common share at a price of \$0.25 per share for a period of 2 years from the closing of the private placement.

On July 2, 2025, the Company granted 178,500 stock options to its directors, management and consultants, as well as 120,000 RSUs. Stock options vest quarterly over the period of 1 year. RSUs vest semi-annually over the period of 2 years.