

Nexcel Metals Corp.

Condensed Interim Financial Statements

For the Three and Six Months Ended August 31, 2025 and 2024

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

NEXCEL METALS CORP.
Condensed Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

As at	Notes	August 31, 2025 \$	February 28, 2025 \$
Assets			
Current Assets			
Cash		147,846	312,625
Amounts receivable		15,938	6,184
Prepaid expenses		50,271	20,000
Total current assets		214,055	338,809
Non-current assets			
Deferred acquisition costs	4	13,500	–
Exploration and evaluation assets	5	305,301	129,527
Total non-current assets		318,801	129,527
Total assets		532,856	468,336
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		99,874	33,623
Total liabilities		99,874	33,623
Shareholders' Equity			
Share capital	6 (a)	780,451	392,500
Special warrants	6 (c)	–	171,419
Reserves	6 (a)	6,668	–
Deficit		(354,137)	(129,206)
Total shareholders' equity		432,982	434,713
Total liabilities and shareholders' equity		532,856	468,336

Nature and Continuance of Operations (Note 1)
Subsequent Events (Note 11)

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

NEXCEL METALS CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three Months Ended			Period from
	Notes	August 31, 2025	August 31, 2024	Six Months Ended August 31, 2025
		\$	\$	to August 31, 2024
		\$	\$	\$
Expenses:				
Consulting		–	8,300	–
Foreign exchange		938	127	938
Office and administration		17,441	168	18,065
Management fees		–	18,000	–
Professional fees		48,366	1,890	129,286
Regulatory and filing fees		31,297	–	68,755
Rent		–	2,100	–
Transfer agent and investor relations		4,696	–	7,887
Loss and comprehensive loss for the period		(102,738)	(30,585)	(224,931)
Basic and diluted loss per share		(0.01)	(0.01)	(0.02)
Weighted average number of shares outstanding, basic and diluted		12,724,087	5,954,348	11,637,043
				5,136,585

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

NEXCEL METALS CORP.
Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Number of Common Shares	Share Capital \$	Subscriptions Receivable \$	Subscriptions Received in Advance \$	Special Warrants \$	Reserves \$	Deficit \$	Total Equity \$
Balance, April 30, 2024 (date of incorporation)	–	–	–	–	–	–	–	–
Shares issued for cash	10,550,000	392,500	(11,000)	–	–	–	–	381,500
Subscriptions received in advance, net of financing costs	–	–	–	30,672	–	–	–	30,672
Loss for the period	–	–	–	–	–	–	(31,945)	(31,945)
Balance, August 31, 2024	10,550,000	392,500	(11,000)	30,672	–	–	(31,945)	380,227
Balance, February 28, 2025	10,550,000	392,500	–	–	171,419	–	(129,206)	434,713
Shares issued on exercise of special warrants	1,835,400	171,419	–	–	(171,419)	–	–	–
Shares issued for exploration and evaluation asset	50,000	21,000	–	–	–	–	–	21,000
Shares issued on exercise of warrants	1,000,000	100,000	–	–	–	–	–	100,000
Flow-through units issued for cash	220,000	110,000	–	–	–	–	–	110,000
Flow-through unit issuance costs	–	(7,800)	–	–	–	–	–	(7,800)
Issuance of finder's warrants for flow-through units	–	(6,668)	–	–	–	6,668	–	–
Loss for the period	–	–	–	–	–	–	(224,931)	(224,931)
Balance, August 31, 2025	13,655,400	780,451	–	–	–	6,668	(354,137)	432,982

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NEXCEL METALS CORP.
Condensed Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Six Months Ended August 31, 2025	Period from April 30, 2024 (date of incorporation) to August 31, 2024
	\$	\$
Operating activities		
Loss for the period	(224,931)	(31,945)
Changes in non-cash operating working capital items:		
Amounts receivable	(9,754)	–
Prepaid expenses	(30,271)	(23,900)
Accounts payable and accrued liabilities	66,251	45,694
Net cash used in operating activities	(198,705)	(10,151)
Investing activities		
Exploration and evaluation asset expenditures	(154,774)	(85,000)
Deferred acquisition costs	(13,500)	–
Cash used in investing activities	(168,274)	(85,000)
Financing activities		
Proceeds from issuance of flow-through units	110,000	–
Flow-through unit issuance costs	(7,800)	–
Proceeds from exercise of warrants	100,000	–
Proceeds from issuance of shares	–	381,500
Subscriptions received in advance	–	35,000
Financing costs associated with subscriptions received in advance	–	(4,328)
Cash provided by financing activities	202,200	412,172
Change in cash	(164,779)	317,021
Cash, beginning of period	312,625	–
Cash, end of period	147,846	317,021
Non-cash transactions:		
Fair value of common shares issued for Lac Ducharme Property	21,000	–
Fair value of finder's warrants for flow-through unit issuance costs	6,668	–
Conversion of special warrants	171,419	–

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

NEXCEL METALS CORP.
Notes to Condensed Interim Financial Statements
For the Three and Six Months Ended August 31, 2025 and 2024
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Nexcel Metals Corp. (the “Company” or “Nexcel”) was incorporated under the laws of the province of British Columbia on April 30, 2024. The Company is in the exploration stage, currently focusing on exploration, evaluation, and development of mineral resource properties in Canada. The Company’s registered office is located at Suite 401 – 353 Water Street, Vancouver, BC, Canada. The Company’s principal executive office is located at 1928 Linden Road Vancouver, BC, Canada.

On June 2, 2025, the Company’s common shares commenced trading on the Canadian Securities Exchange (“CSE”) under the ticker symbol “NEXX”. On September 18, 2025, the Company’s common shares commenced trading on the OTCQB Venture Market under the ticker symbol “NXXCF”.

These condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. During the three and six months ended August 31, 2025, the Company had no revenues, incurred a net loss of \$224,931, and had negative cash flows from operations. As at August 31, 2025, the Company had an accumulated deficit of \$354,137. These factors indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern. 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. These condensed interim financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting using the Principles of IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

These condensed interim financial statements do not include all the information required for full annual financial statements and, accordingly, should be read in conjunction with the Company’s audited financial statements for the period from April 30, 2024 (date of incorporation) to February 28, 2025.

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its audited financial statements for the period ended February 28, 2025, except for the policies related to new transactions described in Note 3(a).

These condensed interim financial statements were authorized by the Company’s directors on October 28, 2025.

b) Basis of Presentation

These condensed interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value.

These condensed interim financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

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2. BASIS OF PREPARATION (CONTINUED)

c) Use of Estimates and Judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

Key sources of estimation uncertainty

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, accrued liabilities, impairment of exploration and evaluation assets, and unrecognized deferred income tax assets.

Significant judgments in applying accounting policies

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements:

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting impairment, the amount capitalized is written off in profit or loss in the period the new information becomes available.

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3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Policies Applied to New Transactions

Flow-Through Shares and Units

Canadian income tax legislation permits entities to issue securities that transfer the tax deductions associated with resource expenditures to investors. These securities are referred to as flow-through shares. The Company finances a portion of its exploration programs through the issuance of flow-through shares or flow-through share units.

Under these arrangements, resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share or unit agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors.

On issuance, the Company allocates the flow-through share proceeds first to share capital, then flow-through share premium, if any, using the residual value method. For flow-through units, the proceeds are first allocated to the shares issued as determined by the closing quoted bid price on the issuance date. The residual amount, if any, is then allocated between warrants and the flow-through share premium, with the fair value of warrants estimated using the Black-Scholes option pricing model. Any remaining value is attributed to the flow-through share premium.

If investors pay a premium for the flow-through feature, this amount is recorded as a liability. As the Company incurs eligible exploration expenditures and formally renounces the related tax deductions to investors, the liability is reduced and a corresponding amount is recognized in the statement of operations. At period-end, the flow-through share premium liability represents the portion of qualifying expenditures not yet incurred and renounced.

b) New Standards, Amendments, and Interpretations that are Not Yet Effective

A number of new standards, and amendments to standards and interpretations are not yet effective for the three and six months ended August 31, 2025, and have not been applied in preparing these condensed interim financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements

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 not yet determined the impact of this amendment on its financial statements.

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4. DEFERRED ACQUISITION COSTS

On August 1, 2025 the Company entered into a letter of intent amendment and assignment agreement (the "Agreement") with Northex Capital Partners Inc. ("Northex") and Cadillac Ventures Inc. ("Cadillac"), allowing Nexcel to purchase Cadillac's 58% interest in the Burnt Hill Project in New Brunswick, Canada (the "Project"). Pursuant to the terms of the Agreement, Nexcel may acquire Cadillac's 58% interest in the Project by making a series of cash and share payments to Cadillac totaling \$450,000 in cash and \$975,000 in common shares of the Company over a period of two or more years.

In accordance with the Agreement, Nexcel is to make certain payments and expenditures prior to the completion of the transaction which will be credited against the consideration payable to Cadillac. These include:

- (i) reimbursement of Northex's \$5,000 non-refundable deposit and \$25,000 refundable deposit previously paid to Cadillac;
- (ii) monthly payments of \$5,000 to Cadillac until the earlier of completion or termination of the Agreement; and
- (iii) \$46,000 of non-refundable exploration expenditures and renewal fees required to maintain the Project claims in good standing.

Of these payments, items (i) and (ii) are to be credited against cash consideration payable to Cadillac, while item (iii) is to be credited against share consideration payable to Cadillac.

In connection with this agreement and upon closing the transaction contemplated therein, subject to the approval of the CSE the Company will issue share-based consideration to Northex in the amount of 1,000,000 common shares.

As at August 31, 2025, Nexcel had incurred a total of \$13,500 of such costs, which have been recorded as deferred acquisition costs on the statement of financial position. Upon execution of a definitive agreement and successful completion of the transaction, these amounts will be reclassified to exploration and evaluation assets. Subsequent to the three and six months ended August 31, 2025, the Company entered into an option agreement in relation to this Agreement (Note 11).

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5. EXPLORATION AND EVALUATION ASSETS

The following expenditures were incurred on the Company's exploration and evaluation assets:

	Lac Ducharme Property \$
Beginning balance, February 28, 2025	129,527
Costs Incurred:	
Acquisition Costs	
Option payments	41,000
Exploration Expenditures	
Geological consulting and technical fees	113,218
Field supplies	14,056
Assay	7,500
Ending balance, August 31, 2025	305,301

	Lac Ducharme Property \$
Beginning balance, April 30, 2024 (date of incorporation)	–
Costs Incurred:	
Acquisition Costs	
Option payments	10,000
Exploration Expenditures	
Geological consulting and technical fees	70,228
Field supplies	42,244
Assay	5,284
Resource claims maintenance	1,771
Ending balance, February 28, 2025	129,527

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5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Lac Ducharme Property

On August 1, 2024, the Company entered into an option agreement on the Lac Ducharme Property in the Cote-Nord region of Quebec, Canada. The Company can earn a 100% interest in the property by fulfilling the following requirements:

- a) Cash payments
 - i) \$10,000 on or before the date that is seven days after August 1, 2024 (paid);
 - ii) \$20,000 on or before the date that is seven days after a public listing event which occurred on June 2, 2025 (paid); and
 - iii) \$20,000 on or before the date that is twelve months after a public listing event.

- b) Shares
 - i) 50,000 shares on or before the date that is seven days after a public listing event (issued);
 - ii) 100,000 shares on or before the date that is twelve months after a public listing event;
 - iii) 100,000 shares on or before the date that is twenty-four months after a public listing event; and
 - iv) 600,000 shares on or before the date that is thirty-six months after a public listing event.

- c) Exploration expenditures of \$1,000,000 as follows:
 - i) \$75,000 on or before December 31, 2024 (fulfilled);
 - ii) \$100,000 on or before the date that is twelve months after a public listing event (fulfilled);
 - iii) \$225,000 on or before the date that is twenty-four months after a public listing event; and
 - iv) \$600,000 on or before the date that is thirty-six months after a public listing event.

The property is subject to a 2% net smelter return royalty (“NSR”), of which the Company has the right to purchase one half for \$1,000,000.

6. SHARE CAPITAL

a) Common Shares

Authorized

The authorized capital stock of the Company is an unlimited number of common shares without par value.

Issued and Outstanding

Transactions during the Six Months Ended August 31, 2025

- i) On June 2, 2025, the Company’s 1,835,400 special warrants were deemed to have been exercised in accordance with the terms of the special warrants subscription agreement as the Company obtained a receipt from British Columbia Securities Commission for the Company’s long form prospectus. As a result, 1,835,400 common shares were issued

- ii) On June 9, 2025, the Company issued 50,000 common shares pursuant to the Lac Ducharme Property option agreement (Note 5). The fair value of these shares was based on the closing price of the Company’s common shares as traded on the Canadian Securities Exchange at \$0.42 per share, for a total fair value of \$21,000.

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6. SHARE CAPITAL (CONTINUED)

a) Common Shares (continued)

- iii) On July 18, 2025, the Company completed a non-brokered private placement of 220,000 flow-through units ("FT Units") at a price of \$0.50 per FT Unit for gross proceeds of \$110,000. Each FT Unit comprises one common share qualifying as a "flow-through share" under the Income Tax Act (Canada) and one common share purchase warrant ("FT Warrant"). Each FT Warrant entitles the holder to purchase one additional non-flow-through common share at an exercise price of \$0.75 for a period of 24 months from the date of issuance.

The gross proceeds from the units were allocated using the residual value method whereby the proceeds were allocated first to the common shares based on the market value at the date of issuance, and the remaining proceeds were allocated to the FT Warrants and recognized in reserves. As the fair value of the common shares issued exceeded the proceeds, there were no proceeds allocated to the FT Warrants.

Total unit issuance costs were \$14,468 in connection with this private placement, which include \$7,800 of cash issuance costs and \$6,668 related to 15,400 finder's warrants issued to agents. The finder's warrants are exercisable to purchase an aggregate of 15,400 non-flow-through common shares at a price of \$0.50 per share for a period of two years from the date of issuance. The fair value of the finder's warrants was estimated using the Black-Scholes option pricing model with share price of \$0.54, exercise price of \$0.50, volatility of 177%, risk free interest rate of 2.8%, dividend rate of 0%, and expected life of 2 years.

- iv) In August 2025, the Company issued a total of 1,000,000 common shares for gross proceeds of \$100,000 in connection with the exercise of 1,000,000 share purchase warrants.

As of August 31, 2025, there were 3,200,000 common shares subject to escrow which includes 3,000,000 shares issued to officers of the Company with the initial release date from escrow being no earlier than ten days following public announcement of the results of the Phase I Work Program ("Initial Release Date"). The remaining tranches will be released over 36 months from the date of the Initial Release Date.

Transactions During the Period from April 30, 2024 (date of incorporation) to February 28, 2025

- i) On May 3, 2024, the Company issued 3,000,000 common shares to its founders and directors at a price of \$0.005 per share, for gross proceeds of \$15,000.
- ii) On July 26, 2024, the Company completed a non-brokered private placement of 7,550,000 Units ("Units") of the Company at a price of \$0.05 per Unit for aggregate gross proceeds of \$377,500. Each Unit consists of one common share in the capital of the Company and one share purchase warrant. Each warrant is exercisable to acquire one further common share at a price of \$0.10 per warrant share for a period of three years from the date of listing on a recognized stock exchange in Canada or the United States.

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b) Share Purchase Warrants

The following table summarizes the continuity of the Company's warrants:

	Number of Warrants #	Weighted Average Exercise Price \$
Balance at incorporation on April 30, 2024	–	–
Issued	7,550,000	0.10
Balance at February 28, 2025	7,550,000	0.10
Issued	2,070,800	0.26
Exercised	(1,000,000)	0.10
Balance at August 31, 2025	8,620,800	0.14

As at August 31, 2025, the Company had outstanding warrants as follows:

Expiry Date	Weighted Average Exercise Price \$	Number of Warrants Outstanding #
June 2, 2028	0.10	6,550,000
June 2, 2028	0.20	1,835,400
July 18, 2027	0.75	220,000
July 18, 2027	0.50	15,400
		8,620,800

As of August 31, 2025, there were 200,000 share purchase warrants subject to escrow and will be released over 36 months from the date of the Initial Release Date, as defined in Note 6(a).

c) Special Warrants

On December 31, 2024, the Company issued 1,835,400 special warrants at \$0.10 per special warrant for gross proceeds of \$183,540. The Company incurred \$12,121 in issuance costs associated with the issuance of this offering.

Each special warrant will, upon exercise, entitle the holder to receive one common share of the Company and one common share purchase warrant. Each warrant will be exercisable into a common share at a price of \$0.20 for a period of three years from the date the Company's shares are listed on a recognized stock exchange in Canada or the United States.

The special warrants are deemed to have been exercised on the earlier of: (i) the fifth business day after the date on which a receipt for the final prospectus of the Company has been issued; and (ii) 18 months after the date of issuance of the Special Warrants, at which time each Special Warrant shall be automatically exercised. On June 2, 2025, the special warrants were deemed exercised.

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6. SHARE CAPITAL (CONTINUED)

c) Special Warrants (continued)

The following table summarizes the continuity of the Company's special warrants:

	Number of Special Warrants	Weighted Average Exercise Price \$
Balance at incorporation on April 30, 2024	–	–
Issued	1,835,400	–
Balance at February 28, 2025	1,835,400	–
Exercised	(1,835,400)	–
Balance at August 31, 2025	–	–

7. RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for planning, directing, and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers its directors, Chief Executive Officer, and Chief Financial Officer to be key management personnel.

- a) For the six months ended August 31, 2025, the Company incurred \$nil (2024 - \$10,000) in management fees to a company controlled by the CEO of the Company.
- b) For the six months ended August 31, 2025, the Company incurred \$nil (2024 - \$8,000) in management fees to a company controlled by the CFO of the Company.
- c) For the six months ended August 31, 2025, the Company incurred \$nil (2024 - \$2,000) in consulting fees to a director of the Company.
- d) For the six months ended August 31, 2025, the Company incurred rent expense of \$nil (2024 - \$2,100) to a company where both the CEO and CFO of the Company serve as officers.

As at August 31, 2025, the Company owed \$841 (February 28, 2025 - \$121) in accounts payable and accrued liabilities to the chief financial officer of the Company for expenses paid on the Company's behalf.

8. SEGMENT INFORMATION

The Company operates in one segment, with all assets and operations located in Canada.

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9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its business and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company considers its capital for this purpose to be its shareholders' equity.

The Company's primary source of capital is through the issuance of equity. The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek additional funding. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long term but recognizes there will be risks involved that may be beyond its control. There are no external restrictions on the management of capital.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

The carrying value of cash, amounts receivable, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments.

The financial instruments have been characterized on a fair value hierarchy based on whether the inputs to those valuation techniques are observable (inputs reflect market data obtained from independent sources) or unobservable (inputs reflect the Company's market assumptions).

The three levels of fair value estimation are:

- Level 1 – quoted prices (unadjusted) in active markets for identical instruments.
- Level 2 – quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Risk Management

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The type of risk exposure and the way in which such exposure is managed is provided as follows:

a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit exposure.

The Company's cash is held with a major financial institution in Canada, and management believes the exposure to credit risk with respect to such institutions is not significant.

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10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has no debt subject to variable interest rates. Accordingly, the Company has limited exposure to interest rate movements.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company is exposed to liquidity risk through accounts payable and accrued liabilities. To mitigate this risk, the Company has a planning and budgeting process in place by which it projects the funds required to support its operations.

The Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

11. SUBSEQUENT EVENTS

- a) On September 22, 2025, the Company issued 10,000 common shares for gross proceeds of \$2,000 in connection with the exercise of 10,000 share purchase warrants.
- b) In connection with the letter of intent amendment and assignment agreement (Note 4), on October 3, 2025, the Company entered into an option agreement with Cadillac Ventures Inc. (the "Optionor") and Wyloo Ring of Fire Ltd. (the "Minority Owner") pursuant to which the Company may earn up to a 58% interest in the Burnt Hill Tungsten Project (the "Property") located in New Brunswick, Canada. The Property is currently owned 58% by the Optionor and 42% by the Minority Owner.

Under the terms of this agreement, the Company may acquire the Optionor's 58% interest in the Property in four stages as follows:

- First Option (to 29.6%): by paying \$170,000 in cash (10% on signing and 90% within 45 days), issuing \$330,000 in common shares of the Company within 45 business days, and making \$5,000 monthly payments until the first cash installment is made;
- Second Option (to 38.3%): by paying \$25,000 in cash and issuing \$200,000 in common shares of the Company on or before the first anniversary of this agreement;
- Third Option (to 46.4%): by paying \$25,000 in cash and issuing \$200,000 in common shares of the Company on or before the second anniversary of this agreement; and
- Fourth Option (to 58%): by paying \$200,000 in cash and issuing \$200,000 in common shares of the Company any time after the second anniversary of this agreement.

All common shares issued pursuant to this agreement will be subject to statutory hold periods in accordance with applicable securities laws and voluntary resale restrictions providing for staged release over a 36-month period. This agreement remains subject to the approval of the Canadian Securities Exchange.

NEXCEL METALS CORP.
Notes to Condensed Interim Financial Statements
For the Three and Six Months Ended August 31, 2025 and 2024
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

11. SUBSEQUENT EVENTS (CONTINUED)

Upon the Company earning a 51% interest in the Property, a joint venture will be formed between the Company, the Optionor, and the Minority Owner. The Minority Owner has consented to this agreement and its 42% interest in the Property will remain unaffected unless the Company and the Minority Owner agree to an acquisition of the 42% interest in the future.

The Optionor and Minority Owner are arm's length parties to the Company.