



Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Stated in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GreenLight Metals Inc.:

Opinion

We have audited the consolidated financial statements of GreenLight Metals Inc. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our 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 in the consolidated financial statements, which describes conditions indicating that a material uncertainty exists 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 consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<i>Assessment of the existence of impairment indicators for mineral property interests</i>	
<p>Refer to note 6.</p> <p>As at December 31, 2025, the carrying amount of the Company's mineral property interests was \$161,787.</p> <p>At each reporting period, management assesses mineral property interests to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.</p> <p>Management assesses mineral property interests for impairment based on, at minimum, the presence of any of the following indicators:</p> <ul style="list-style-type: none"> (i) the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or, (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. <p>Impairment indicators were identified for the Cerro Colorado Property. The carrying amount exceeded the recoverable amounts of the assets for the year ended December 31, 2025, and an aggregate impairment of \$361,667 was recognized.</p> <p>We considered this a key audit matter due to the significance of the mineral property interests and the judgments made by management in their assessment of impairment indicators related to mineral property interests. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.</p>	<p>Our approach to addressing the matter involved the following procedures, among others:</p> <p>Evaluating the judgments made by management in determining the impairment indicators, which included the following:</p> <ul style="list-style-type: none"> • Obtained, for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. • Read the board of directors' minutes and resolutions, and inquired with management about the continued and planned exploration expenditures. • Assessed whether available data indicates the potential for commercially viable mineral resources of which we noted that there is no currently available data indicating the potential or lack of potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Doris Yingying Cen.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
April 23, 2026

GREENLIGHT METALS INC.
Consolidated Statements of Financial Position
(Stated in Canadian Dollars)



As at		December 31, 2025	December 31, 2024
	Note	\$	\$
ASSETS			
Current assets			
Cash		10,548,890	397,373
Restricted cash	4	68,530	256,398
Amounts receivable		69,879	13,032
Prepaid expenses		274,033	18,561
Deferred transaction costs	7	-	175,933
Total current assets		10,961,332	861,297
Non-current assets			
Building	5	118,733	133,840
Mineral property interests	6	161,787	516,771
Total non-current assets		280,520	650,611
Total assets		11,241,852	1,511,908
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	1,041,953	903,197
Reclamation provision	6	22,559	-
Total current liabilities		1,064,512	903,197
EQUITY			
Share capital	7	27,430,278	14,224,583
Subscription receipts	7	-	220,427
Share purchase warrants	7	1,444,122	192,972
Share-based payment reserve	7	1,476,813	1,050,415
Accumulated other comprehensive income		339,051	336,220
Deficit		(20,512,924)	(15,415,906)
Total equity		10,177,340	608,711
Total liabilities and equity		11,241,852	1,511,908

Nature of business and going concern [note 1]
Subsequent events [note 14]

Approved on behalf of the Board of Directors:

/s/ Mary E. Juetten, Director

/s/ Barry Hildred, Director

See accompanying notes to the consolidated financial statements

GREENLIGHT METALS INC.

Consolidated Statements of Loss and Comprehensive Loss

(Stated in Canadian Dollars)

For the years ended December 31, 2025 and 2024



	Note	December 31, 2025 \$	December 31, 2024 \$
EXPENSES			
Accretion		-	7,951
Consulting	9	960,604	318,923
Depreciation	5	6,668	14,061
Exploration and evaluation	6	2,093,015	223,053
General and administrative	9	339,244	165,852
Investor relations and marketing		361,008	10,870
Professional fees		241,322	319,601
Regulatory and filing fees		113,090	2,932
Share-based payments	7, 9	518,348	176,461
		4,633,299	1,239,704
Other items			
Changes in fair value of conversion option liability		-	7,951
Interest income		7,350	-
Impairment of mineral property interests		(361,667)	(2,178,008)
Other income		487	-
Loss for the year		(4,987,129)	(3,409,761)
Other comprehensive income			
<i>Items that may be reclassified through profit or loss</i>			
Exchange differences on translation of foreign operations		2,831	48,223
Comprehensive loss for the year		(4,984,298)	(3,361,538)
Basic and diluted loss per share	8	(0.08)	(0.07)

See accompanying notes to the consolidated financial statements

GREENLIGHT METALS INC.

Consolidated Statements of Cash Flows

(Stated in Canadian Dollars)

For the years ended December 31, 2025 and 2024



For the years ended December 31,	Note	2025 \$	2024 \$
OPERATING ACTIVITIES			
Loss for the year		(4,987,129)	(3,409,761)
Items not involving payment of cash			
Accretion		-	7,951
Depreciation	5	6,668	14,061
Share based payments	7	518,348	176,461
Shares issued under property agreement	6	212,667	-
Impairment of mineral property interests	6	361,667	2,178,008
Recognition of reclamation provision	6	22,559	-
Changes in fair value of conversion option	7	-	(7,951)
		(3,865,220)	(1,041,231)
Changes in non-cash working capital balances			
Amounts receivable		(56,847)	(10,741)
Prepaid expenses		(255,472)	(1,397)
Deferred transaction costs		175,933	(175,933)
Accounts payable and accrued liabilities		138,756	346,847
Cash used in operating activities		(3,862,850)	(882,455)
INVESTING ACTIVITIES			
Proceeds from disposal of standby letter of credit	4	35,971	-
Purchase of surety bond	4	(68,530)	-
Cash used in investing activities		(32,559)	-
FINANCING ACTIVITIES			
Proceeds from shares issued in private placements	7	15,125,601	1,220,000
Proceeds from option exercises	7	7,500	-
Share issuance costs	7	(1,090,762)	-
Proceeds from loan		-	50,000
Cash provided by financing activities		14,042,339	1,270,000
Increase in cash for the year		10,146,930	387,545
Cash, beginning of year		397,373	16,135
Effect of foreign exchange on cash		4,587	(6,307)
Cash, end of year		10,548,890	397,373
Supplemental cash flow information:			
Income tax paid		-	-
Interest paid		-	-
Non-cash transactions:			
Shares issued under property agreement	6, 7	212,667	357,144
Shares issued for accounts payable		-	62,528
Shares issued for share issuance costs	7	457,950	-
Broker warrants issued for share issuance costs	7	353,648	-
Transfer of fair value of options exercised	7	6,000	-
Shares issued on vesting of RSUs	7	85,950	-

See accompanying notes to the consolidated financial statements

GREENLIGHT METALS INC.

Consolidated Statements of Changes in Equity

(Stated in Canadian Dollars)

For the years ended December 31, 2025 and 2024



Issued and Outstanding:	Share Capital		Reserves					Total Equity (\$)
	Number of Shares	Share capital (\$)	Subscription receipts (\$)	Share purchase warrants (\$)	Share-based payments reserve (\$)	Accumulated Other Comprehensive Income (Loss) (\$)	Deficit (\$)	
Balance as at December 31, 2023	44,127,789	12,463,538	-	203,015	934,783	287,997	(12,006,145)	1,883,188
Private placement [note 7]	3,380,000	845,000	-	-	-	-	-	845,000
Shares issued on conversion of convertible debt [note 7]	202,004	50,501	-	-	-	-	-	50,501
Shares issued on vesting of RSUs [note 7]	150,000	48,449	-	-	(48,449)	-	-	-
Private placement [note 7]	1,500,000	375,000	-	-	-	-	-	375,000
Subscription receipts [note 7]	-	-	220,427	-	-	-	-	220,427
Share-based payments [note 7]	-	-	-	-	176,461	-	-	176,461
Shares issued for settlement of vendor payable [note 7]	250,110	62,528	-	-	-	-	-	62,528
Shares issued for mineral property [note 7]	1,428,572	357,144	-	-	-	-	-	357,144
Expiry of broker warrants [note 7]	-	10,043	-	(10,043)	-	-	-	-
Shares issued on vesting of DSUs [note 7]	47,077	12,380	-	-	(12,380)	-	-	-
Loss and comprehensive loss for the year	-	-	-	-	-	48,223	(3,409,761)	(3,361,538)
Balance as at December 31, 2024	51,085,552	14,224,583	220,427	192,972	1,050,415	336,220	(15,415,906)	608,711
Private placement [note 7]	10,397,002	2,344,524	(220,427)	774,577	-	-	-	2,898,674
Shares issued pursuant to price protection [note 7]	366,295	109,889	-	-	-	-	(109,889)	-
Share issuance costs – cash [note 7]	-	(135,046)	-	-	-	-	-	(135,046)
Share issuance costs – other [note 7]	-	(422,574)	-	5,574	-	-	-	(417,000)
Shares issued for advisory and finder's fees [note 7]	1,526,500	457,950	-	-	-	-	-	457,950
Private placement [note 7]	1,650,000	372,075	-	122,925	-	-	-	495,000
Shares issued under property agreement [note 7]	733,333	212,667	-	-	-	-	-	212,667
Private placement [note 7]	32,890,000	11,511,500	-	-	-	-	-	11,511,500
Share issuance costs – warrants [note 7]	-	(348,074)	-	348,074	-	-	-	-
Share issuance costs – cash [note 7]	-	(381,012)	-	-	-	-	-	(381,012)
Share issuance costs – finder fees [note 7]	-	(615,654)	-	-	-	-	-	(615,654)
Shares issued on vesting of RSUs [note 7]	300,000	85,950	-	-	(85,950)	-	-	-
Shares issued on option exercise [note 7]	75,000	13,500	-	-	(6,000)	-	-	7,500
Share-based payments [note 7]	-	-	-	-	518,348	-	-	518,348
Loss and comprehensive loss for the year	-	-	-	-	-	2,831	(4,987,129)	(4,984,298)
Balance as at December 31, 2025	99,023,682	27,430,278	-	1,444,122	1,476,813	339,051	(20,512,924)	10,177,340

See accompanying notes to the consolidated financial statements

GREENLIGHT METALS INC.

Notes to the Consolidated Financial Statements

(Stated in Canadian Dollars)

For the years ended December 31, 2025 and 2024



1. NATURE OF BUSINESS AND GOING CONCERN

GreenLight Metals Inc. (the "Company" or "GreenLight") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020 and is engaged in the acquisition, exploration, and evaluation of mineral property interests. The Company's registered office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia V7X 1T2. The Company maintains a corporate office in Toronto, Ontario and its principal U.S. operating office is located at N4480 Co Rd E, Medford, Wisconsin 54451.

On April 8, 2025, the Company completed a two-step amalgamation involving its wholly-owned subsidiaries 1504139 B.C. Ltd. ("Finco") and 1328592 B.C. Ltd. ("Subco"). Subco and Finco first amalgamated, and the resulting corporation thereafter amalgamated with the Company. In connection with the reorganization, the outstanding shares and warrants of Finco held by third parties were exchanged for equivalent securities of the Company. Following completion of the reorganization, the Company continued under the name "GreenLight Metals Inc." and its common shares were listed on the TSX Venture Exchange under the symbol "GRL" effective April 14, 2025. As of the date of authorization of these consolidated financial statements, the Company's common shares also trade on the OTCQB Venture Market in the United States under the symbol 'GRLMF'.

Going concern

The Company, being in the exploration stage, is subject to risks and challenges similar to companies in a comparable stage of development. These risks include the challenges of securing adequate capital for exploration, development and operational risks inherent in the mining industry, global economic and metal price volatility and there is no assurance management will be successful in its endeavours. At December 31, 2025, the Company has no source of operating cash flows, nor any credit line currently in place. The Company has net working capital of \$9,896,820 (2024 - net working capital deficiency of \$41,900), incurred a loss of \$4,987,129 for the year ended December 31, 2025 (2024 - \$3,409,761) and has accumulated a deficit of \$20,512,924 since the inception of the Company. The Company's committed cash obligations and expected level of expenses will vary depending on its operations.

The Company's continuance as a going concern is dependent upon its ability to obtain adequate financing, or to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain a profitable level of operation. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the carrying values of assets and liabilities and the classification and presentation of amounts in the consolidated statements of loss and comprehensive loss that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2. MATERIAL ACCOUNTING POLICIES

Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Company have been prepared in accordance with accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Accounting policies are consistently applied to all periods presented.

GREENLIGHT METALS INC.

Notes to the Consolidated Financial Statements

(Stated in Canadian Dollars)

For the years ended December 31, 2025 and 2024



These consolidated financial statements are authorized for issue by the Board of Directors on April 23, 2026.

The consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. Measurement bases are more fully described in the accounting policies below. The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively. The critical judgements and estimates applied in the preparation of the Company's consolidated financial statements are discussed in "significant accounting judgements and estimates" below.

Basis of consolidation

The Company's consolidated financial statements consolidate those of its subsidiaries. The Company is required to consolidate subsidiaries it controls. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The Company's subsidiaries are:

	Percentage of ownership	Jurisdiction	Principal activity
GreenLight Metals USA Corporation	100%	USA	Mineral exploration
Green Light Wisconsin LLC	100%	USA	Mineral exploration
1328592 B.C. Ltd.*	100%	Canada	Mineral exploration
1504139 B.C. Ltd.*	100%	Canada	Mineral exploration
1974985 Ontario Inc.	100%	Canada	Mineral exploration
Badger Investment Corp.	100%	USA	Mineral exploration
Badger Minerals LLC	100%	USA	Mineral exploration

*These corporations were predecessor corporations in the April 8, 2025 reorganization. They ceased to exist on amalgamation on April 8, 2025, and their results are included in the consolidated financial statements up to the effective time of amalgamation.

All transactions and balances between the Company and its subsidiaries are eliminated on consolidation, including unrealized gains and losses on transactions between the companies.

Foreign currency translation

The consolidated financial statements are presented in Canadian dollars ("CDN"), which is also the functional currency of the Company, 1328592 B.C. Ltd, 1504139 B.C. Ltd. and 1974985 Ontario Inc. The functional currency of GreenLight Metals USA Corporation, Green Light Wisconsin LLC, Badger Investment Corp., and Badger Minerals LLC is the U.S. dollar ("USD").

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognized in profit or loss.

In the Company's consolidated financial statements, all assets, liabilities and transactions of the Company's subsidiaries in their functional currencies are translated into CDN upon consolidation. On

GREENLIGHT METALS INC.

Notes to the Consolidated Financial Statements

(Stated in Canadian Dollars)

For the years ended December 31, 2025 and 2024



consolidation, assets and liabilities have been translated into CDN at the closing rate at the reporting date. Income and expenses have been translated into the CDN at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognized in accumulated other comprehensive income in equity.

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes party to the contracts that give rise to them and are classified as amortized cost, FVTPL or fair value through other comprehensive income ("FVTOCI"), as appropriate. The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it. The embedded derivatives are separated from the host contract if the host contract is not measured at FVTPL and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or FVOCI. A financial asset is classified in this category principally for the purpose of selling in the short term, or if so designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Financial assets measured at FVTPL are measured at fair value with changes in fair value recognized in the consolidated statements of loss and comprehensive loss. The Company has no financial assets at FVTPL.

Financial assets at FVOCI

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the consolidated statements of loss and comprehensive loss. The election is available on an investment-by-investment basis. The Company has no financial assets at FVOCI.

Financial assets at amortized cost

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Cash, restricted cash and amounts receivable excluding HST receivable are classified as and measured at amortized cost.

GREENLIGHT METALS INC.

Notes to the Consolidated Financial Statements

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For the years ended December 31, 2025 and 2024



Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process. Borrowing liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable and accrued liabilities are classified as and measured at amortized cost.

Derivative instruments

Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period. Any gains or losses arising from changes in fair value on derivatives are recorded in profit or loss. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and pricing models.

Fair value measurement

Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of financial assets

At each financial position date, on a forward-looking basis, the Company assesses the expected credit losses associated with its financial assets carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The impairment model does not apply to an investment in equity instruments. The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

GREENLIGHT METALS INC.

Notes to the Consolidated Financial Statements

(Stated in Canadian Dollars)

For the years ended December 31, 2025 and 2024



Derecognition of financial assets and liabilities

A financial asset is derecognized when either the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party. If neither the rights to receive cash flows from the asset have expired nor has the Company transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then derecognition is appropriate.

A financial liability is derecognized when the associated obligation is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective amounts is recognized in profit or loss.

Exploration, evaluation and pre-development expenditures

Exploration, evaluation, and pre-development expenditures are charged to expense within the period incurred until management determines that the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and that future economic benefits are probable. Exploration and evaluation expenditures include, but are not limited to:

- gathering exploration data through topographical and geotechnical studies;
- exploratory drilling, trenching and sampling;
- determining the volume and grade of the resource;
- test work on geology, metallurgy, mining, geotechnical and environmental; and
- conducting engineering, marketing and financial studies.

All costs directly related to acquiring mineral property interests, including direct acquisition payments and initial payments made to acquire exclusive property options (such as the issuance of shares), are capitalized as intangible assets within mineral property interests on the consolidated statements of financial position. Conversely, ongoing annual or periodic payments incurred to maintain exploration rights, prior to exercising such an option, are expensed as exploration and evaluation costs as incurred.

In instances where a property has been impaired, the Company's policy is to expense all subsequent costs related to that property until a feasibility study confirming the property's viability has been completed.

Capital assets

Capital assets consist of the building, which is stated at cost less accumulated depreciation and any impairment losses. Cost includes the purchase price, any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the present value of the estimated costs of decommissioning and restoration, if applicable.

Depreciation is recognized on a straight-line basis over the useful life less estimated residual value of the capital asset, at the following rate:

Buildings	4%	straight-line
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GREENLIGHT METALS INC.

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Residual value estimates, depreciation methods, and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of capital assets are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognized in profit or loss within 'other income' or 'other expenses'.

Cash

Cash consists of cash on deposit with financial institutions and cash on hand.

Restricted cash is presented separately and comprises balances that are not available for general operating purposes.

Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. For the purpose of assessing impairment, each mineral property interest is considered a separate cash-generating unit, as each property represents the lowest level at which largely independent cash inflows could ultimately be identified.

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

Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares, options or warrants are shown in equity as a deduction, net of tax, from the proceeds. Depending on the nature of the transaction, the fair value of shares issued may be determined by reference to the quoted market price of the Company's common shares on the issuance date or, where more representative of fair value, by reference to a contemporaneous arm's-length financing price. Shares issued on the exercise or settlement of equity-settled share-based awards are recorded as a reclassification within equity based on the amount previously recognized in share-based payment reserve.

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The Company may periodically issue units to investors consisting of common shares and warrants in non-brokered private placements. Each whole warrant issued entitles the holder to acquire a common share of the Company, at a fixed price over a specified term. These warrants are not transferable from the original investor to a new investor. The Company's warrants are equity instruments and not financial liabilities or financial derivatives. Proceeds from unit offerings are bifurcated using the residual value approach whereby the warrant component of the unit is measured at fair value using the Black Scholes option pricing model and the share component is measured by reference to the residual value, if any.

When warrants are exercised, the proceeds received are recognized in share capital and the fair value of the warrants are re-allocated from reserves to share capital. When warrants expire unexercised, the fair value of the warrants is not re-allocated, except for values of broker warrants where values are removed from warrant reserve and share capital upon expiry.

Transaction Costs of Equity Instruments

Transaction costs directly attributable to the issuance of new shares or other equity instruments are accounted for as a deduction from equity, net of any related income tax benefit. These costs include fees and commissions paid to underwriters, legal and advisory fees, and other costs directly related to the equity issuance.

In accordance with *IAS 32 Financial Instruments: Presentation*, such costs are not recognized as an expense in profit or loss but are instead recognized as a deduction from equity, net of any tax effects. When the transaction is abandoned, the related costs are expensed immediately.

Transaction costs incurred prior to the completion of an equity issuance are initially recognized as deferred transaction costs and presented within current or non-current assets based on the expected timing of completion of the related financing. Where completion of the related financing is expected within 12 months of the reporting date, the deferred transaction costs are classified as current assets. Upon completion of the equity issuance, these costs are reclassified and offset against equity. If the equity issuance is no longer probable, the deferred costs are expensed to profit or loss.

Share-based payment transactions

The Company operates an equity incentive plan for its employees, directors and consultants (collectively, "Participants") for rendering services to the Company.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values and where fair value of the goods and services received is indeterminable fair value is estimated using an option pricing model. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is determined at the grant date. All share-based payments are ultimately recognized as an expense in profit or loss with a corresponding credit to share-based payment reserve.

Stock options are equity-settled share-based payment awards. The fair value of stock options at the grant date is estimated using the Black-Scholes option pricing model. Share-based payment expense is recognized over the vesting period based on the number of units estimated to vest. This expense is recognized as share-based payment expense with a corresponding increase in equity reserves.

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Restricted share units (“RSUs”) and deferred share units (“DSUs”) that are settled by the issuance of common shares from treasury are accounted for as equity-settled share-based payment awards. The fair value of RSUs and DSUs is determined by reference to the market price of the Company’s common shares at the grant date and is recognized as share-based payment expense over the applicable vesting period, with a corresponding increase in share-based payment reserve. Upon settlement through the issuance of common shares from treasury, the amount previously recognized in share-based payment reserve is reclassified to share capital.

Income taxes

Income taxes recognized in profit or loss comprise the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable income, which differs from income or loss in the consolidated financial statements. Calculation of current income tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of taxable income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in OCI or equity, respectively.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Significant accounting judgements and estimates

In the application of the Company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities and amount of expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Judgements

Functional currency

Management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. As part of this approach, management gives priority to indicators like the currency that mainly influences costs, the currency in which those costs will be settled and the currency in which funds from financing activities are generated.

Impairment of mineral property interests

The application of the Company's accounting policy for impairment of mineral property interests requires judgement in determining whether it is likely that 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. These include whether the Company has the right to explore, whether substantive expenditures are budgeted or planned, commercial viability of the mineral resources and other considerations.

Estimates

Significant estimates which could materially impact the consolidated financial statements include:

- the inputs used in accounting for share-based payments and warrants in profit or loss;
- the recoverable amount of the mineral property interests.

3. NEW AND AMENDED IFRS ACCOUNTING STANDARDS

Standards adopted in the year

Effective January 1, 2025, the Company adopted the amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates—Lack of Exchangeability*. The amendments clarify when a currency is exchangeable into another currency, how an entity determines the exchange rate to apply when exchangeability is lacking, and require additional disclosures. The adoption of these amendments did not have a material impact on the Company's consolidated financial statements.

Standards issued but not yet effective

Amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures*. In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments*. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments.

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The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The amendment does not have significant impact on the Company's consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial – In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in the Financial Statements*. IFRS 18 will replace IAS 1 *Presentation of Financial Statements* but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's consolidated statement of comprehensive loss, disclosure of any management-defined performance measures related to the consolidated statement of comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements.

4. RESTRICTED CASH

Included in restricted cash is \$68,530 (\$50,000 USD) (2024 - \$35,971 (\$25,000 USD)) held as collateral for a surety bond in relation to the Bend Project. The \$35,971 letter-of-credit deposit that formed part of restricted cash at December 31, 2024 was released to unrestricted cash on January 27, 2025, when the underlying letter of credit was cancelled. Also included in restricted cash is \$Nil (December 31, 2024 - \$220,427) in subscription funds received in advance from investors related to current year equity financings (see note 7).

5. BUILDING

Cost	Building (\$)
Balance, January 1, 2024	150,569
Foreign exchange	21,001
Balance, December 31, 2024	171,570
Foreign exchange	(8,138)
Balance, December 31, 2025	163,432
Accumulated depreciation	
Balance, January 1, 2024	23,669
Depreciation for the year	14,061
Balance, December 31, 2024	37,730
Depreciation for the year	6,668
Foreign exchange	301
Balance, December 31, 2025	44,699
Carrying amounts	
December 31, 2024	133,840
December 31, 2025	118,733

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**6. MINERAL PROPERTY INTERESTS**

Acquisition costs	Balance, January 1, 2025 \$	Acquisition costs \$	Foreign Exchange \$	Impairment* \$	Balance, December 31, 2025 \$
Cerro Colorado property	357,143	-	4,524	(361,667)	-
Lobo property	159,628	-	2,159	-	161,787
	516,771	-	6,683	(361,667)	161,787

* At December 31, 2025, the Company recognized an impairment of \$361,667 on the Cerro Colorado option following the Company's election not to exercise the option and allow the underlying right to expire. The decision not to continue exploration and the expiry of rights constituted indicators of impairment. The property was impaired to its recoverable amount of \$Nil. The recoverable amount for the Cerro Colorado property was determined based on the higher of its value in use and the fair value less costs of disposal ("FVLCD"). This fair value measurement is categorized within Level 3 of the fair value hierarchy due to the use of unobservable inputs.

Acquisition costs	Balance, January 1, 2024 \$	Acquisition costs \$	Foreign exchange \$	Impairment* \$	Balance, December 31, 2024 \$
Cerro Colorado property	-	357,143	-	-	357,143
Kalium Canyon property	1,799,876	-	30,614	(1,830,490)	-
Lobo property	432,459	-	-	(272,831)	159,628
Lobo East property	74,687	-	-	(74,687)	-
	2,307,022	357,143	30,614	(2,178,008)	516,771

*At December 31, 2024 a review was done by management of the carrying amount of the separate mineral property assets and it was determined that the Kalium Canyon, Lobo, and Lobo East properties were impaired. The impairment determination was primarily triggered by the lack of substantive exploration expenditures incurred on these properties since their acquisition, indicating that recovery of the carrying amount through successful development or sale is not currently supported. In the case of the Lobo property where the Company owns the land, the property was impaired to the recoverable amount determined by its fair value less estimated costs to dispose (where the costs to dispose have been estimated as 6% of the land value). The recoverable amount for the Lobo property was determined based on its fair value less costs of disposal ("FVLCD"). This fair value measurement is categorized within Level 3 of the fair value hierarchy due to the use of unobservable inputs. The valuation technique involved using the most recent property tax assessed value as an approximation of fair value for the land, less estimated costs of disposal calculated at 6% of the assessed value. The Company did not engage a third-party appraiser to determine fair value. The key unobservable input is the property tax assessed value, which management considered a reasonable starting point for the land's fair value in its specific location and circumstances.

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Exploration expenses with respect to the Company's interest in mineral properties owned, leased or under option agreements consist of the following:

	December 31,	
	2025	2024
Reef property	\$	\$
Assaying and geology	21,986	4,902
Lease/maintenance payments, property taxes	76,679	73,000
Bend property		
Assaying and geology	380,655	2,420
Drilling	888,687	-
Legal	56,385	-
Lease/maintenance payments, property taxes	34,945	33,748
Property work, environmental	139,274	14,183
Permitting work	25,167	-
Reclamation provision	22,559	-
Supplies and equipment	42,268	-
Travel	57,700	-
Transport and shipping	22,311	-
Other	20,208	-
Kalium Canyon		
Shares issued under property agreement	212,667	-
Lease/maintenance payments, property taxes	40,413	39,595
Legal	14,258	-
Lobo East		
Property work, environmental	31,262	-
Other Properties		
Lease/maintenance payments, property taxes	5,591	55,205
Total	2,093,015	223,053

Reef Gold Project, Wisconsin, USA

The Reef land agreements, all of which are with private landholders in Marathon County, Wisconsin, consist of mining leases and exploration agreements with an option to purchase. These agreements have terms from 2 to 20 years up to 2041. A variable net smelter royalty up to 3% is payable in the event of mineral production on the property.

During the year ended December 31, 2025, the Company paid and accrued an amount of \$76,679 (\$54,857 USD) in lease/option payments in respect of the Reef Gold Project (2024 - \$73,000 (\$53,962 USD)).



The Company's estimated lease and/or option costs required to hold the Reef Project in good standing for 2026 to 2029, assuming the Company elects to maintain the property interests under the agreements as currently in place, are as follows:

	\$
2026	2,444,222
2027	4,284,960
2028	968,192
2029	10,965

The estimated amounts above include, for certain property agreements, contractual purchase payments that would become payable if expiring agreements are not extended. The Company intends to seek extensions or other amendments to those agreements, as it has in prior years; however, there can be no assurance that such extensions or amendments will be obtained.

During 2030-2041 the Company is required to make total payments of \$71,271 (\$52,000 USD).

Bend Project, Wisconsin, USA

The Company has entered into a long-term mineral lease agreement with a party that owns the mineral rights on a portion of the Bend deposit.

During the year ended December 31, 2025, the Company accrued a lease/option payment of \$34,945 (\$25,000 USD) in respect of the Bend Project (2024 - \$33,748 (\$25,000 USD)). The 2025 amount remained unpaid at December 31, 2025, was invoiced in January 2026 and was paid in January 2026. The Company's estimated lease and/or option costs required to hold the property in good standing related to the Bend Project for 2026 to 2029 which are at the Company's option, are as follows:

	\$
2026	34,265
2027	34,265
2028	34,265
2029	34,265

The Company recognized a reclamation provision of \$22,559 in connection with the Bend Project. The provision has been classified as current based on management's estimate of the expected timing of settlement.

Lobo Property, Wisconsin

On June 28, 2019, the Company, through its wholly-owned subsidiary Badger Minerals LLC ("Badger") acquired a 100% interest in the Lobo Property in Oneida County, Wisconsin. Should the property achieve commercial production, Badger shall pay the vendor 1% NSR royalty.

At December 31, 2024, management made the decision to impair the value of the Lobo Property to the fair value less estimated costs to dispose, given that minimal exploration work has been completed since acquisition. The recoverable amount for the Lobo property was determined based on its FVLCD. This fair value measurement is categorized within Level 3 of the fair value hierarchy due to the use of unobservable inputs. The valuation technique involved using the most recent property tax assessed value as an approximation of fair value for the land, less estimated costs of disposal calculated at 6% of

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the assessed value. The Company did not engage a third-party appraiser to determine fair value. The key unobservable input is the property tax assessed value, which management considered a reasonable starting point for the land's fair value in its specific location and circumstances.

Lobo East Property, Wisconsin

On January 20, 2020, the Company, through Badger signed an option agreement with a private party to acquire a 100% interest in certain exploration properties located in the State of Wisconsin (the "Agreement"). In order to keep the Agreement in effect, Badger shall pay the following annual option payments to the optionor (the "Annual Payments"):

- \$35,000 USD (\$50,362 CDN) within 30 days of signing of the Agreement (paid);
- \$35,000 USD (\$50,362 CDN) on the First Anniversary of signing the agreement (paid);
- \$35,000 USD (\$50,362 CDN) on the Second Anniversary of signing the agreement (paid);
- \$35,000 USD (\$50,362 CDN) on the Third Anniversary of signing the agreement (paid); and
- \$35,000 USD (\$50,362 CDN) on the Fourth Anniversary of signing the agreement (the Company paid \$10,000 USD. The remaining \$25,000 USD is deferred under the executed Second Amendment and is included within the combined \$70,000 USD post-results payment, which becomes due within 14 days after delivery of the Results Notice – see below).

On February 4, 2025, the Company executed assignment and amendment agreements related to the Lobo East property option agreement. Key outcomes include:

- Rights and obligations under the option agreement were assigned from Badger Minerals LLC to Green Light Wisconsin LLC, both wholly-owned subsidiaries.
- The option term was extended by five years, now totaling ten years from the original effective date of January 20, 2020.
- The payment schedule was amended. The amendment required payments totaling \$70,000 USD (representing the \$25,000 USD balance of the fourth anniversary payment and the \$45,000 USD fifth anniversary payment) by March 15, 2025. This payment was not made by the due date. Subsequently, the Company received written confirmation from the landowner acknowledging the delay, explicitly waiving any default arising therefrom, and confirming the option agreement remains in full force and effect according to its terms.
- Future annual option payments of \$45,000 USD are required on the sixth through ninth anniversaries (January 20, 2026, 2027, 2028, and 2029, respectively) to maintain the option.

On September 26, 2025, the Company executed a Second Amendment to the option agreement, which restructures the payment timing as follows:

- The Company will conduct an initial drill program on the property and provide the landowner with a written summary of results (the "Results Notice").
- Within 14 days after delivery of the Results Notice, the Company will pay the deferred \$70,000 USD amount, regardless of whether the Company elects to continue exploration.
- Until the Results Notice is delivered, each regular annual payment of \$45,000 USD (which would otherwise be due on January 20) will instead be paid in four equal quarterly installments of \$11,250 USD each, due on January 20 (January 2026 payment was paid subsequent to December 31, 2025), April 20, July 20, and October 20.

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- Within 14 days after the Results Notice, the Company will notify the landowner whether it will continue exploration or terminate the lease. If the Company continues, it will pay any remaining quarterly installments for the then-current calendar year in a lump sum within 14 days, and the regular annual January 20 payment schedule will resume thereafter.
- Future annual option payments of \$45,000 USD are required on anniversaries six through nine (January 20, 2026, 2027, 2028, and 2029, respectively) to maintain the option, subject to the quarterly payment structure described above until the Results Notice is delivered.

Green Light Wisconsin LLC may exercise its option to purchase the property at any time during the option period. If Green Light Wisconsin LLC exercises its option to purchase the property, the purchase price shall be two times (2x) the fair value of the surface estate, less any Annual Payments paid to the optionor during the option period. The vendor will retain a 2% Mineral Production Royalty ("MPR"), which the Company has the option to purchase back 1% MPR for \$1,000,000 USD.

At December 31, 2024, management made the decision to impair the value of the Lobo East Property to \$nil, given that minimal exploration work has been completed since acquisition.

Swede Property, Wisconsin, USA

On September 6, 2022, the Company entered into an agreement with a private landowner that controls the Swede Property. Under the terms of the agreement, the Company was granted a license to perform certain gravimetric and magnetic field survey work on the property. Subject to further analysis of the property and the satisfaction of certain other conditions precedent under the control of the Company, a License and Exploration Agreement with Option to Purchase in respect of the Swede Property would become effective.

During the year ended December 31, 2025, the Company made \$5,591 (\$4,000 USD) lease/option payments in respect of the Swede Property (2024 - \$33,748 (\$25,000 USD)).

In June 2025, the Company determined not to proceed with entering into a License and Exploration Agreement with Option to Purchase in respect of the Swede Property and ceased evaluation activities. No mineral property asset was recognized for the Swede Property and therefore no impairment was recorded. The Company does not plan further expenditures in relation to the Swede Property.

Kalium Canyon Property, Nevada

On September 21, 2022, GreenLight's wholly-owned subsidiary Green Light Wisconsin LLC (the "Purchaser") acquired a 100% interest in the Kalium Canyon Project in the Walker Lane district of Nevada from Renaissance Exploration Inc., a wholly-owned subsidiary of Orogen Royalties Inc. (collectively, "Orogen") (the "Kalium Transaction"). Orogen was paid \$30,000 in cash and issued 1,000,000 common shares of the Company. Orogen will retain a net smelter return ("NSR") royalty of up to 3%, of which 1% can be purchased for \$2,000,000 USD. The Kalium Canyon Project was previously subject to an option agreement dated June 21, 2021, between Orogen and the Company's wholly-owned subsidiary Badger Minerals LLC (the "Option Agreement").

Pursuant to a Net Smelter Returns Royalty Agreement between the Purchaser and Orogen dated September 21, 2022, within 60 days following the Commencement of Commercial Production, the Purchaser will pay Orogen a one-time payment of \$5.00 USD per ounce of Gold Equivalent, on ounces of Gold Equivalent contained in 8 of the 135 claims (for which, as a result of underlying royalties, the Royalty to Orogen is 0%) based on the NI 43-101 mineral reserve and mineral resource estimates set out in the

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then current feasibility study (existing at that future time) relating to the Kalium Canyon property, provided that this production payment shall be capped at a maximum of \$5,000,000 USD.

At December 31, 2024, management made the decision to impair the value of the Kalium Canyon Property to \$nil, given that minimal exploration work has been completed since acquisition.

On March 31, 2025, the parties amended the property purchase agreement. Under the amendment, GreenLight agreed to issue a total of 733,333 common shares to Orogen, comprising 400,000 common shares in lieu of the \$100,000 cash payment that became payable because the Company's shares were not listed on a recognized Canadian stock exchange by September 14, 2024, and 333,333 common shares in satisfaction of the contingent share issuance obligation because the listing price was below \$0.40 per share. On April 21, 2025, the Company issued the 733,333 common shares. The shares were measured at \$0.29 per share, being the market price on the issuance date, for total fair value of \$212,667. Because the Kalium Canyon Property had previously been impaired to \$nil and, under the Company's accounting policy, subsequent costs relating to impaired properties are expensed until viability is demonstrated, the fair value of the shares issued was recognized in exploration and evaluation expense.

Cerro Colorado Property, Arizona

On June 11, 2024, GreenLight's wholly-owned subsidiary GreenLight Metals USA Corporation ("GL USA") entered into an option agreement with Millennial Silver Nevada Inc. ("MSN"), a wholly-owned subsidiary of Integra Resources Corp. ("Integra") regarding the Cerro Colorado Property. Cerro Colorado is located within the Pima Mining District, 70 kilometers (~43 miles) southwest of Tucson, Arizona. MSN currently owns 100% of the membership interests (the "Interests") in Millennial Arizona LLC ("Millennial Arizona") which, pursuant to a mining lease and option to purchase agreement, holds the right to acquire Cerro Colorado. As part of the agreement, MSN has granted GL USA an exclusive option for a period of 12 months to purchase the Interests in Millennial Arizona. In consideration for the grant of the option, GreenLight issued 714,286 common shares of the Company to Integra valued at \$178,572. A second tranche of 714,286 common shares valued at \$178,572 were issued to Integra on December 30, 2024. In order to exercise the option and acquire the Interests in Millennial Arizona, GreenLight will pay Integra in cash or common shares, an amount equal to the total 2024 holding costs (other than exploration expenditures) incurred by Integra under the preexisting option through the closing date.

On June 9, 2025, the Company delivered a notice of non-exercise to MSN, and the option expired on June 11, 2025 in accordance with its terms. In light of the decision not to proceed and the expiry of the underlying right, management determined that the recoverable amount was \$Nil and recognized an impairment loss of \$361,667 for the year ended December 31, 2025 (comprising carrying value \$357,143 plus \$4,524 foreign exchange translation). The carrying amount of Cerro Colorado is \$nil at December 31, 2025.

7. SHARE CAPITAL

i. Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

ii. Details of share issuances

Issued and outstanding:		# of shares	Share price (\$)
Balance, December 31, 2023		44,127,789	
Private placement	(a)	3,380,000	0.25
Shares issued to settle convertible loans	(a)	202,004	0.25
Shares issued on vesting of RSUs	(b)	150,000	0.32
Private placement	(c)	1,500,000	0.25
Shares issued to settle vendor payables	(c)	250,110	0.25
Shares issued for mineral property option agreement	(d)	714,286	0.25
Shares issued on vesting of DSUs	(e)	47,077	0.25
Shares issued for mineral property option agreement	(f)	714,286	0.25
Balance, December 31, 2024		51,085,552	
Private placement	(g)	10,397,002	0.30
Shares issued pursuant to price protection clause	(h)	366,295	0.30
Shares issued for advisory and finder's fees	(h)	1,526,500	0.30
Private placement	(i)	1,650,000	0.30
Shares issued under property agreement	(j)	733,333	0.29
Shares issued on vesting of RSUs	(k)	300,000	0.29
Private placement	(l)	32,890,000	0.35
Shares issued on option exercise	(m)	75,000	0.10
Balance, December 31, 2025		99,023,682	

- (a) On April 18, 2024, the Company completed a non-brokered private placement of 3,380,000 common shares of the Company at a price of \$0.25 per common share for gross proceeds of \$845,000. Additionally, on April 18, 2024 the Company issued 202,004 common shares to settle convertible loans that were entered into in January 2024. The total carrying amount including interest was \$50,501.
- (b) On May 7, 2024, the Company issued 150,000 common shares upon the vesting of certain RSUs.
- (c) On May 31, 2024, the Company completed a non-brokered private placement of 1,500,000 common shares of the Company at a price of \$0.25 per common share for gross proceeds of \$375,000. Additionally, on April 18, 2024, the Company issued 250,110 common shares at a price of \$0.25 per share to settle \$62,528 of vendor payables.
- (d) On June 13, 2024, the Company issued 714,286 common shares at a price of \$0.25 per share in respect of the Cerro Colorado option agreement. The total fair value of common shares issued was \$178,572.
- (e) On November 1, 2024, the Company issued 47,077 common shares upon the vesting of certain DSUs.

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- (f) On December 30, 2024, the Company issued 714,286 common shares at a price of \$0.25 per share in respect of the second tranche of the Cerro Colorado option agreement. The total fair value of common shares issued was \$178,572.
- (g) On January 30, 2025, 1504139 B.C. Ltd. ("Finco"), a wholly-owned subsidiary of the Company, completed a non-brokered private placement of 10,397,002 subscription receipts at \$0.30 per receipt for gross proceeds of \$3,119,101, of which \$220,427 had been received as at December 31, 2024 and was included in restricted cash. Each subscription receipt entitled the holder, upon satisfaction of the escrow release conditions, to receive one common share of the Company and one-half of one share purchase warrant. The gross proceeds were held in escrow pending completion of the Company's planned reorganization and listing transaction.

On April 8, 2025, the escrow release conditions were satisfied in connection with the closing of the two-step amalgamation described in Note 1, and each subscription receipt automatically converted into one common share of the Company and one-half of one warrant exercisable at \$0.45 until April 8, 2028. The Company allocated \$2,344,524 of the proceeds to share capital and \$774,577 to warrants using the residual value method. The Company incurred cash issuance costs of \$135,046 and issued 31,315 finder's warrants with a fair value of \$5,574 in connection with the financing.

- (h) On April 8, 2025, concurrent with the closing of the amalgamation and related transactions, the Company issued an aggregate of 1,892,795 common shares for non-cash consideration, as follows:
- **Advisory Shares:** 1,326,500 common shares were issued to financial advisors for services rendered in connection with the offering, amalgamation, listing, as well as previous transactions. The Company valued these shares at \$0.30 by reference to the concurrent private placement of units. The value of these shares was recorded as share issuance costs - other.
 - **Finder's Shares:** 200,000 common shares were issued as a finder's fee related to the offering. The Company valued these shares at \$0.30 by reference to the concurrent private placement of units. The value of these shares was recorded as share issuance costs - other.
 - **Price protection provision shares:** 366,295 common shares were issued to subscribers from a previous \$0.55 per share financing round (July 2023) pursuant to price protection provisions approved by the Board on January 28, 2025. The Company valued these shares at \$0.30 by reference to the concurrent private placement of units, and recognized the value of these shares as a distribution of capital.
- (i) On April 15, 2025, the Company closed a non-brokered private placement issuing 1,650,000 units (the "Units") at a price of \$0.30 per Unit for aggregate gross proceeds of \$495,000. Each Unit consists of one common share and one-half of one share purchase warrant. Each Warrant entitles the holder to acquire one common share at an exercise price of \$0.45 until April 8, 2028. The Company assigned \$372,075 of the proceeds of the private placement to the shares and \$122,925 to the warrants using the residual value method. The warrants were valued first, and the residual was allocated to the shares. The warrants were valued using the Black-Scholes option pricing model with the following assumptions: stock price - \$0.226; exercise price - \$0.45; risk-free interest rate - 2.47%; expected life - 3.00 years; expected volatility - 131%; and expected dividends - \$nil.

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- (j) On April 21, 2025, the Company issued 733,333 common shares in connection with the Kalium Canyon Property. The shares were valued at \$0.29 per common share by reference to the market price of shares on the issuance date. As the Kalium Canyon Property had previously been impaired to nil and, under the Company's accounting policy, subsequent costs relating to impaired properties are expensed until viability is demonstrated, the fair value of \$212,667 was recognized in exploration and evaluation expense.
- (k) On August 8, 2025, the Company issued 300,000 common shares upon vesting of RSUs. The Company reclassified an amount of \$85,950 from share-based payment reserves to share capital in connection with the value of the RSUs.
- (l) On November 26, 2025, the Company closed a "bought deal" private placement issuing 32,890,000 common shares ("Shares") of the Company at a price of \$0.35 per Share for aggregate gross proceeds of \$11,511,500.

The Company incurred cash issuance costs in the amount of \$996,666 and granted 1,544,622 finder's warrants with the fair value of \$348,074. The warrants were valued using the Black-Scholes option pricing model with the following assumptions: stock price - \$0.335; exercise price - \$0.35; risk-free interest rate - 2.40%; expected life - 2.00 years; expected volatility - 125%; and expected dividends - \$nil. The value of broker warrants is recorded as share issuance costs - warrants.

- (m) On December 30, 2025, the Company issued 75,000 common shares upon exercise of stock options at an exercise price of \$0.10 per common share. The fair value of \$6,000 was transferred from share-based payment reserve to share capital in connection with the exercise.

Escrowed common shares

As at December 31, 2025, 4,429,730 common shares were subject to escrow under two 5D Value Escrow Agreements dated April 8, 2025, comprising 3,304,730 common shares under one agreement and 1,125,000 common shares under a second agreement. The escrow arrangements restrict the transfer of the escrowed common shares in accordance with their terms and do not modify the voting, dividend or liquidation rights attached to the common shares.

iii. Warrants

The following table reflects the continuity of warrants as at December 31, 2025:

Expiry date	Number of warrants	Weighted average remaining life in years	Weighted average exercise price (\$)
June 7, 2027*	461,293	1.43	0.60
July 8, 2027*	425,000	1.52	0.60
January 24, 2028*	362,779	2.07	0.60
April 8, 2028	6,054,812	2.27	0.45
November 26, 2027	1,544,622	1.90	0.35
	8,848,506	2.12	0.45

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*During the year ended December 31, 2025, the Company extended by two years the expiry dates of 1,249,072 previously issued warrants. The incremental fair value arising on the modification was recognized within equity and did not affect profit or loss.

The following table reflects the continuity of the valuation of the warrants as at December 31, 2025 and December 31, 2024:

Issued and outstanding:	Share warrants outstanding (#)	Weighted average exercise price (\$)	Fair value (\$)
Balance, January 1, 2024	1,301,452	0.58	203,015
Expiry of warrants	(52,380)	0.40	(10,043)
Balance, December 31, 2024	1,249,072	0.60	192,972
Granted	7,599,434	0.43	1,251,150
Balance, December 31, 2025	8,848,506	0.45	1,444,122

iv. Share-based payments

The Company has an amended and restated equity incentive plan (the "Plan") under which Options, RSUs and DSUs may be granted to eligible directors, employees and consultants of the Company and its subsidiaries. Under the Plan, 6,575,868 common shares are reserved for issuance pursuant to RSUs and DSUs and, separately, the number of common shares reserved for issuance pursuant to Options may not exceed 10% of the Company's issued and outstanding common shares at the applicable grant date. Options granted under the Plan may have a term of up to 10 years.

On May 14, 2025, the Company granted 1,225,000 stock options to certain officers, directors and consultants. The stock options have an exercise price of \$0.30 and a term of seven years. Vesting conditions for the stock options are as follows: 25% on grant date and 25% annually until vested. Total fair value of the options granted was \$167,821.

On May 14, 2025, the Company granted 350,000 stock options to a consultant. The stock options have an exercise price of \$0.20 and a term of seven years. Vesting conditions for the stock options are as follows: 150,000 on grant date, and 100,000 on each of the first and second anniversaries. Total fair value of the options granted was \$49,387.

On May 29, 2025, the Company granted 150,000 stock options to a consultant. The stock options have an exercise price of \$0.20 and a term of five years. Vesting conditions for the stock options are as follows: 25% on grant date and 25% annually until vested. Total fair value of the options granted was \$17,276.

On June 26, 2025, the Company granted 150,000 stock options to a director. The stock options have an exercise price of \$0.235 and a term of seven years. Options vest on the grant date. Total fair value of the options granted was \$31,293.

On August 22, 2024, the Company granted 800,000 stock options to certain officers, directors and consultants. The stock options have an exercise price of \$0.25 and a term of five years. Vesting conditions for the stock options are as follows: 425,000 on grant and 125,000 on each of the first, second, and third anniversaries.

During the year ended December 31, 2025, the Company extended the term of certain stock options held by non-insiders as follows: 1,350,000 stock options expiring on November 19, 2026 (new expiry November 19, 2028), 600,000 stock options expiring on September 27, 2027 (new expiry September 27,

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2029), 200,000 stock options expiring on February 2, 2028 (new expiry February 2, 2030), and 100,000 stock options expiring on July 7, 2028 (new expiry July 7, 2030). Extensions of insider-held options totaling 1,400,000 were approved by shareholders on June 26, 2025 and became effective on July 21, 2025 upon TSX Venture Exchange final acceptance. The Company recorded incremental share-based compensation of \$102,277 in connection with the option modifications recorded during the year.

The continuity of stock options issued and outstanding is as follows:

Issued and outstanding:	Options outstanding (#)	Weighted average exercise price (\$)
Balance, January 1, 2024	3,475,000	0.35
Granted	800,000	0.25
Forfeited	(1,000,000)	0.38
Balance, December 31, 2024	3,275,000	0.32
Granted	1,875,000	0.27
Exercised	(75,000)	0.10
Forfeited	(25,000)	0.40
Expired	(275,000)	0.38
Balance, December 31, 2025	4,775,000	0.30

During the year ended December 31, 2025, 75,000 options were exercised (2024 - nil). Fair value of \$6,000 was moved from share-based payment reserve to share capital in connection with the exercise.

During the year ended December 31, 2025, the weighted average share price at the date of option exercises was \$0.335. No options were exercised during the year ended December 31, 2024.

At December 31, 2025, the following options were outstanding and exercisable:

Expiry date	Number of options	Number of vested options	Weighted average remaining life in years	Weighted average exercise price (\$)
November 19, 2028	1,350,000	1,350,000	2.89	0.30
August 22, 2029	800,000	550,000	3.64	0.25
September 27, 2029	450,000	450,000	3.74	0.40
February 2, 2030	200,000	200,000	4.09	0.40
May 29, 2030	150,000	37,500	4.41	0.20
July 7, 2030	100,000	100,000	4.52	0.55
May 14, 2032	1,225,000	306,250	6.37	0.30
May 14, 2032	350,000	150,000	6.37	0.20
June 26, 2032	150,000	150,000	6.49	0.235
	4,775,000	3,293,750	4.48	0.30

Total vested options at December 31, 2025 were 3,293,750 with a weighted average exercise price of \$0.31 (December 31, 2024 2,650,000 options with a weighted average exercise price of \$0.32).

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For purposes of the options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following weighted average assumptions:

	December 31, 2025	December 31, 2024
Risk-free interest rate	3.01%	2.91%
Annualized volatility**	118%	141%
Expected dividend	Nil	nil
Expected option life	6.5 years	5 years
Expected forfeiture rate	Nil	nil
Share Price	\$0.16	\$0.25

** Volatility based on similar publicly traded companies.

v. Restricted Share Units and Deferred Share Units

The Company's amended and restated equity incentive plan authorizes the grant of RSUs and DSUs to eligible directors, employees and consultants and also permits directors to elect to receive a portion of their director fees in DSUs. Under the awards granted to date, a vested RSU or DSU entitles the holder to receive one common share of the Company. DSUs are redeemable following the holder's cessation of service on the settlement date determined in accordance with the applicable award terms. The RSUs and DSUs reflected in these consolidated financial statements are classified as equity-settled share-based payments under IFRS 2 *Share-based Payment*, and their value is included in the share-based payment reserve within equity.

During the year ended December 31, 2025, the Company granted 293,750 DSUs, vesting one year following the grant date (2024 – 413,180 DSUs granted, vesting one year following the grant date). The Company valued the DSUs by reference to the market price of the shares on the grant date of \$0.16 and estimated a forfeiture rate of nil%. In June 2024, following the resignation of two directors, there were a total of 53,181 DSUs forfeited.

During the year ended December 31, 2025, the Company granted 668,333 RSUs to an officer and a director (2024 – 300,000 RSUs). The Company valued the RSUs by reference to the market price of the shares on the grant date of \$0.16 and estimated a forfeiture rate of nil%.

vi. Share-based payments

	December 31, 2025	December 31, 2024
	\$	\$
Stock options	352,489	(11,799)
DSUs	71,886	146,118
RSUs	93,973	42,142
	518,348	176,461

8. LOSS PER SHARE

The loss per share for the years ended December 31, 2025 and 2024 is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Stock options, RSUs, DSUs and warrants are anti-dilutive.

	December 31, 2025	December 31, 2024
	\$	\$
Net loss	(4,987,129)	(3,409,761)
Weighted average number of common shares	65,124,819	48,176,855
Loss per share - basic and diluted	(0.08)	(0.07)

9. RELATED PARTIES

The Company's related parties consist of key management personnel and entities controlled by key management personnel, as detailed below:

<i>Related party</i>	<i>Nature of transactions</i>
1468218 B.C. Ltd.	<i>Consulting fees, bonus</i>

Unless otherwise stated, none of the transactions incorporate other terms and conditions and no guarantees were given or received. Outstanding balances are payable in cash.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the Company, directly or indirectly, including directors of the Company. Key management personnel remuneration includes the following amounts:

	December 31, 2025	December 31, 2024
	\$	\$
Consulting expenses	836,492	364,818
Share-based payments	337,178	219,127
Other compensation	29,152	9,736
	1,202,822	593,681

At December 31, 2025, amounts owed to related parties totaled \$527,302 (2024 - \$60,000). These amounts are included in accounts payable and accrued liabilities, are unsecured, and are due under normal business terms.

10. SEGMENTED INFORMATION

The Company has one operating segment, being the acquisition, exploration and evaluation of mineral properties. The Company's non-current assets are located in the United States, while corporate administration is conducted from Canada.

As at and for the year ended December 31, 2025

	Canada \$	USA \$	Total \$
Non-current assets	-	280,520	280,520

As at and for the year ended December 31, 2024

	Canada \$	USA \$	Total \$
Non-current assets	-	650,611	650,611

11. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's operations include the acquisition and exploration of mineral property interests in Canada and the USA. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks include credit risk, liquidity risk, and market risks. Where material, these risks are reviewed and monitored by the Board of Directors. The carrying amounts of cash, restricted cash, amounts receivable excluding HST receivable, and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk arises primarily from cash held with financial institutions.

- **Cash**
In order to manage credit and liquidity risk, the Company maintains cash balances with high-credit-quality financial institutions and may place surplus funds in bank deposits or similar instruments, including guaranteed investment certificates, with terms determined based on the Company's cash flow requirements.

The Company is in the exploration stage and has not yet commenced commercial production or sales. Therefore, the Company is not exposed to significant credit risk and overall, the Company's credit risk has not changed materially from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within the current operating period. The Company's exposure to and management of liquidity risk has not changed materially from the prior year. As at December 31, 2025, the Company had cash of \$10,548,890 (2024 - \$397,373) to settle accounts payable and accrued liabilities of \$1,041,953 (2024 - \$903,197).

(c) Market risk

Market risk is the risk to the Company that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk comprises interest rate risk, currency risk and other price risk. The Company's exposure to interest rate risk is limited to interest earned on cash balances that may bear interest at variable rates. Management considers this exposure to be not significant. Management believes the Company is not significantly exposed to other price risk. The Company's exposure to and management of these risks has not changed materially from the prior year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk on cash balances that may earn interest at variable rates.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The functional and reporting currency of the Company is the CDN, however it has operations located in the United States, and as such is subject to fluctuations in that currency. Changes in the currency exchange rates between the CDN relative to the USD could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. At December 31, 2025, a 5% change in the USD would result in a foreign exchange gain/loss of approximately \$11,241.

The Company does not invest in derivatives to mitigate these risks.

12. MANAGEMENT OF CAPITAL

The Company manages its share capital and share-based payment reserve as capital, the balance of which is \$28,907,092 at December 31, 2025 (2024 - \$15,274,998). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going-concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets or acquire new debt. The Company is not subject to externally imposed capital requirements.

The Company's capital management objectives, policies and processes have remained unchanged during the year ended December 31, 2025.

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**13. INCOME TAXES**

(a) The major components of income taxes are as follows:

The Company's income tax benefit differs from the amount computed by applying the combined federal and provincial income tax rate of 26.5% (2024 - 26.5%) to loss before income taxes as a result of the following:

	December 31, 2025 \$	December 31, 2024 \$
Loss for the year	(4,987,129)	(3,409,761)
Statutory rates	26.50 %	26.50 %
Income tax recovery computed at statutory rates	(1,321,589)	(903,587)
Increase in deferred tax assets not recognized	1,569,330	278,250
Non-deductible items	145,108	623,480
Impact of amalgamation	(68,853)	-
Change in statutory, foreign tax, foreign exchange rates and other	(177,387)	-
Adjustment to prior years provision	(108,364)	-
Mineral property write-down	95,842	-
Rate difference on foreign operations	(134,087)	1,857
	-	-

(b) Deferred tax assets not recognized:

At this time, there is no certainty that the Company will have sufficient taxable profits available in future years to allow the benefit of the following deferred tax assets to be utilized:

	December 31, 2025 \$	December 31, 2024 \$
Unused operating tax losses expiring 2038 to 2044 - Canada	5,966,000	3,580,000
Unused operating tax losses (no expiry) - US	1,590,000	1,060,000
Deductible temporary exploration costs - US	3,784,000	1,875,000
Property and equipment – US	36,000	-
Property and equipment – Canada	77,000	-
Share issuance costs expiring 2026-2029	984,000	-
Deferred tax assets not recognized	12,437,000	6,515,000

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**14. SUBSEQUENT EVENTS**

On January 8, 2026, the Company granted an aggregate of 487,581 DSUs to its directors in satisfaction of director fees earned for the second, third and fourth quarters of 2025. Director fees were accrued as at December 31, 2025, and included in consulting expenses (Note 9). The DSUs were granted pursuant to the Company's amended and restated equity incentive plan. Each DSU entitles the holder to receive one common share of the Company, vests one year from the date of grant, and will be settled following the holder's cessation of service as a director on the settlement date determined in accordance with the terms of the plan and applicable law.

On April 9, 2026, the Company granted an aggregate of 2,067,488 stock options and 238,378 RSUs pursuant to the Company's amended and restated equity incentive plan. The stock options are exercisable at \$0.37 per common share and expire on April 9, 2033. Of the stock options granted, 600,000 were granted to directors, 1,077,488 to executive officers, 240,000 to consultants and 150,000 to an investor relations service provider. The stock options granted to directors, executive officers and consultants vest 25% on the grant date and 25% on each of the first, second and third anniversaries of the grant date. The stock options granted to the investor relations service provider vest in four equal 25% tranches on the dates that are 3, 6, 9 and 12 months following the grant date. Of the RSUs granted, 148,378 were granted to executive officers and 90,000 were granted to a consultant. The RSUs granted to executive officers vest 50% on April 9, 2027 and 50% on April 9, 2028. The RSUs granted to the consultant vest in full on April 9, 2027. Each vested RSU entitles the holder to receive one common share of the Company in accordance with the Plan.

On April 9, 2026, the Company settled 300,000 RSUs granted on February 2, 2023 through the issuance of 300,000 common shares from treasury.