



BMC MINERALS LTD.

ARBN 647 860 124

Interim Financial Report

**For the half-year ended
31 December 2025**

Corporate Directory

Directors	Steven Michael – Independent Non-Executive Chairman Michael McClelland – Managing Director, President & CEO Alex Christopher – Independent Non-Executive Director Ivan Mullany – Independent Non-Executive Director Natalia Streltsova – Independent Non-Executive Director Scott Donaldson – Non-Executive Director David Ellis – Non-Executive Director
Company secretary	Karen Logan
Registered office (Canada)	550 Burrard Street, Suite 2900 Vancouver BC V6C 0A3 Canada
Registered office (Australia)	Level 29, Central Park 152-158 St Georges Terrace Perth WA 6000 Australia
Principal place of business	750 - 789 West Pender Street Vancouver BC V6C 1H2 Canada
Share Registry (Canada)	Computershare Investor Services Inc. 510 Burrard Street, 3rd Floor Vancouver, BC V6C 3B9 Canada
Share Registry (Australia)	Computershare Investor Services Pty Limited Level 17, 221 St Georges Terrace Perth WA 6000 Australia
Auditor	KPMG LLP 777 Dunsmuir Street Vancouver BC V7Y 1K3 Canada
Solicitors (Canada)	Fasken Martineau 2900 – 550 Burrard Street Vancouver BC V6C 0A3 Canada
Solicitors (Australia)	Thomson Geer Level 29, Central Park 152-158 St Georges Terrace Perth WA 6000, Australia
Stock exchange listing	Australian Securities Exchange (ASX) ASX Code: BMC
Website	www.bmcminerals.com
Email	investors@bmcminerals.com

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Directors' Report

The directors present their report, together with the unaudited condensed interim consolidated financial statements, on the Company consisting of BMC Minerals Ltd. (referred to hereafter as **BMC** or the **Company**) and its controlled entities (collectively the **Group**) at the end of, or during, the half-year ended 31 December 2025 (the **period**).

All amounts are expressed in US dollars unless otherwise noted.¹

Directors

The directors of the Company at any time during or since the end of the period are set out below. Directors were in office for the entire period unless otherwise stated.

Steven Michael	Independent Non-Executive Chairman
Michael McClelland	Managing Director, President & CEO (appointed Managing Director 5 December 2025)
Alex Christopher	Independent Non-Executive Director (appointed 5 December 2025)
Natalia Streltsova	Independent Non-Executive Director (appointed 5 December 2025)
Ivan Mullany	Independent Non-Executive Director (appointed 5 December 2025)
Scott Donaldson	Non-Executive Director
David Ellis	Non-Executive Director
Gary Comb	Non-Executive Director (resigned 5 December 2025)
Richard Jennings	Non-Executive Director (resigned 5 December 2025)

Review of Operations

Principal Activities

BMC is a mineral exploration company with significant exposure to both precious and base metals prices, particularly silver, zinc, copper, lead and gold. BMC's foundation asset is its wholly owned Kudz Ze Kayah (**KZK**) Project, an advanced polymetallic development project comprised of 372km² of under-explored, highly prospective tenure located in Canada's Yukon territory, approximately 260km east of Whitehorse, the largest city in Northern Canada. The district is prospective for base and precious metal-rich volcanic-hosted massive sulphide deposits, of which several are present within mineral tenure owned by BMC, including deposits for which Exploration Targets (Wolf, GP4F, Kona, Jackman), Mineral Resources (ABM, Kona) and Ore Reserves (ABM) have been defined.

The Company plans to undertake systematic exploration and evaluation of the Company's advanced and greenfield properties for the purpose of discovering and defining additional Mineral Resources and Ore Reserves. Through increasing the Mineral Resource and Ore Reserve base for the KZK Project and subsequently obtaining permits and other statutory approvals the



¹ Dollar amounts in this report labelled "\$" or "US\$" refer to United States Dollars. A\$ refers to Australian Dollars. C\$ refers to Canadian dollars.

Company is working towards a Final Investment Decision prior to construction of the proposed ABM mine.

The principal activities of the Company during the period were the completion of an initial public offer (**IPO**) and the admission of BMC to the official list of the Australian Securities Exchange (**ASX**).

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the period that have not been noted in the Directors' Report.

IPO and ASX Listing

BMC was officially admitted to the ASX on 10 December 2025 and commenced trading under the code 'BMC' on 12 December 2025.

The commencement of trading on the ASX followed the successful completion of an IPO that raised A\$100 million (before transactions costs) at an issue price of A\$2.00 per CDI. Each CDI represents one underlying common share in BMC.

Proceeds from the IPO will be used to advance exploration to extend mine life and expand the resource base, permitting and optimisation studies at the KZK Project and for general working capital.

Barrenjoey Markets Pty Limited was Global Coordinator and Joint Lead Manager, with Argonaut Securities Pty Limited and Morgans Corporate Ltd acting as Joint Lead Managers for the IPO.

IPO Board Restructure

As part of the IPO, the Company restructured its Board of Directors, with BMC's President & CEO, Michael McClelland appointed as Managing Director, along with three new independent Non-Executive Directors – Natalia Streltsova, Alex Christopher and Ivan Mullany. These new appointments add significant experience in exploration, metallurgy and mine development and complement the existing BMC Non-Executive Directors – Steven Michael (Independent Chairman), Scott Donaldson and Dave Ellis.

Amendment to the Precious Metals Purchase Arrangement (“PMPA”) with Wheaton Precious Metals (“WPM”)

On 8 October 2025, the PMPA was amended to, amongst other things:

- increase the initial deposit of \$45 million by \$17.5 million, \$2.5 million received in October 2025 and \$15 million due after receipt of certain licenses¹;
- remove BMC's buy back option, which was a right BMC had for a period of 30 days after 22 June 2026, to a one-time buy back option to reduce the percentage of gold and silver required to be delivered by 50% by payment to WPM of \$36 million¹; and
- remove WPM's put right, which was a right of WPM to terminate the PMPA and receive compensation if BMC had not obtained project financing of at least \$250 million in the form of equity and/or binding definitive agreements for project debt and/or permitted production interests (including royalties, streams, future sales, participation or production interests and related assets, or any similar agreement) by 31 March 2026¹.

Under the amended PMPA, the Company has received initial deposit payments of \$47.5 million, (with a further \$15 million due after receipt of certain licenses), and the Company has committed to delivering refined gold and silver production from the KZK Property in return for ongoing payments from WPM of 20% of London Bullion Market Association (**LBMA**) market prices.

¹ Further details of the PMPA are set out in note 5 to the unaudited Condensed Interim Consolidated Financial Statements for the Six Months ended 31 December 2025 and 2024.

Issued Capital

In September 2025, the Company completed a pre-IPO equity raise in which the Company issued 914,913 common shares at an issue price of \$2.186 each to raise \$2.0 million before costs.

On 6 November 2025, the Company completed a subdivision of 101,534,835 common shares in the capital of the Company (**Shares**) into 203,069,970 Shares in accordance with shareholder approval obtained on that date.

On 5 December 2025, the Company successfully completed the IPO and issued 50,000,000 CHES Depository Interests in the Company (**CDIs**) over Shares at an issue price of A\$2.00 per CDI to raise A\$100 million (before costs). BMC also issued a total of 5,389,334 options to employees, executives and directors under the Company's Equity Incentive Plan.

Contemporaneous with completion of the IPO, the Company issued 21,570,125 CDIs to OMF Fund III (Bi) LP (**Orion**) upon conversion of the Orion convertible note of \$24 million (face value). Under the terms of the convertible note, the conversion events included an IPO or other defined liquidity events.

As at 31 December 2025 BMC had a total of 274,639,795 Shares and 5,389,334 Options on issue.

Results

The Group incurred a net loss after tax of \$56.8 million for the half year ended 31 December 2025 (31 December 2024: \$6.9 million). The net loss primarily resulted from fair value losses on precious metals financing and the convertible note (\$49.4 million).

Cash Position

The Group's cash balance increased during the half-year by \$60.2 million, from \$4.7 million at 30 June 2025 to \$64.9 million at 31 December 2025. The increase was primarily driven by the IPO proceeds of A\$100 million (\$66.5 million) (before costs paid during the half-year of \$3.7 million). Total cash expenditure on exploration and evaluation activities, excluding salaries and wages, for the period was \$2.0 million, which included permitting and engineering costs. Cash at 31 December 2025 was held in Canadian dollars, US dollars and Australian dollars based upon the currency required for our forecast expenditure program, as follows; C\$83.0 million, US\$2.0 million and A\$3.5 million.

Outlook

In February 2026, BMC commenced the 2026 drilling program which is aimed at extending the life of the proposed ABM Mine Project through following up on exploration targets within five kilometres of the proposed ABM Mine with the aim of expanding of the resource base. The diamond drilling will consist of holes ranging from ~300m to 900m in depth and the program is envisaged to continue through to September 2026.

The Company is continuing discussions with the relevant Decision Bodies regarding the Decision Document for the proposed ABM Mine Project. The Company will progress the permitting process for several additional licences and permits from Yukon and Federal regulatory bodies once this has been completed.

Subsequent Events after the Reporting Date

There are no other matters or circumstances which have arisen since the end of the half year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial periods.

Rounding of Amounts

These condensed interim consolidated financial statements are presented in US dollars, which is the Company's functional currency. In accordance with ASIC Corporations Instrument 2016/191, and as permitted by IFRS Accounting Standards, all financial information has been rounded to the nearest thousand dollars (\$'000), unless otherwise stated.

Appendix I

Mineral Resources, Ore Reserves, Production Targets and Forecast Financial Information

JORC Disclosure

The information in this announcement which relates to previously announced Exploration Targets, estimates of Mineral Resources, Ore Reserves, production targets and forecast financial information derived from a production target (Forecast Financial Information) was first released by the Company in its IPO Prospectus (specifically the Technical Assessment Report in Annexure C) a copy of which was first released to the ASX platform on 10 December 2025. The Company confirms that it is not aware of any new information or data that materially affects the information contained in the Prospectus and, in the case of the estimates of Mineral Resources, Ore Reserves, production targets and Forecast Financial Information that all material assumptions (and in the case of the estimates of Mineral Resources and Ore Reserves the technical parameters) underpinning the estimates of Mineral Resources, Ore Reserves, production targets and Forecast Financial Information in the Prospectus continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the Prospectus.

NI 43-101 Disclosure

The information in this presentation that relates to exploration targets, exploration results and Mineral Resources or technical assessment of mineral assets has been reviewed by Dr Neil Martin, a Qualified Person as defined under National Instrument 43-101 ("NI 43-101"). Dr Martin is Senior Vice President Exploration and Development, and a full-time employee of BMC Minerals Ltd. Dr Martin, a member of the Australian Institute of Geoscientist (AIG) and a Qualified Person as defined under National Instrument 43-101 ("NI 43-101"), has reviewed and approved the scientific and technical information in this presentation.

Forward-looking Statements

This statement contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include (without limitation) expectations regarding the financial position of BMC, production targets, industry growth and other trend projections, statements about the feasibility of the ABM Mine Project and its financial outcomes, future strategies, results and outlook of BMC and the opportunities available to BMC. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "outlook", "scheduled", "target", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgments of BMC regarding future events and results. Recipients are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, targets, performance or achievements of BMC to be materially different from any future results, targets, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers are

cautioned not to place undue reliance on forward-looking statements. There can be no assurance that forward-looking statements will prove to be correct. None of the Company, its directors, employees, agents or advisers represent or warrant that such forward-looking statements and forward-looking information will be achieved or prove to be correct or give any warranty, express or implied, as to the accuracy, completeness, likelihood of achievement or reasonableness of any forward-looking statement or forward-looking information contained in this announcement. BMC does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws. Recipients should note that there is no certainty that BMC's ABM Mine Project will be developed and commence operations, that the results contained in the Feasibility Study will be accurate or that BMC will be able to raise funding when it is required (nor any certainty as to the form such capital raising may take, such as equity, debt, hybrid or other capital raising). It is also possible that such funding may only be available on terms that dilute or otherwise affect the value of BMC's securities. It is also possible that BMC could pursue other 'value realisation' strategies such as sale, partial sale, or joint venture of the proposed ABM Mine Project.

Incorporation: BMC is a Canadian entity incorporated in the Province of British Columbia, Canada. The Company is registered in Australia as a foreign company, but it is not incorporated in Australia. Consequently, BMC's general corporate activities (apart from any offering of securities in Australia and certain other matters) are not generally regulated by the *Corporations Act 2001* (Cth) or by the Australian Securities and Investments Commission but are instead governed by the Articles of the Company and the laws of British Columbia, specifically the Business Corporations Act (British Columbia) (**BCBCA**). Under the BCBCA, the charter documents of the Company consist of the "Notice of Articles", which sets forth the name of the Company and the amount and type of authorised capital, and the "Articles" which govern the operation of the Company. Together these are the equivalent of the constitution of an Australian corporation. The rights and liabilities attaching to shares in the Company are governed by the Articles and the BCBCA. The Articles of the Company are available on the Company's website: www.bmcminerals.com.

Benefit of disclaimers: To the extent permitted by law, the disclaimers and other provisions above are for the benefit of, and may be relied upon by, BMC.

This Directors' Report is made in accordance with a resolution of the Directors.

On behalf of the directors



Michael McClelland
Managing Director, President & CEO

9 March 2026
Vancouver, Canada



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Independent Auditor's Review Report

To the Shareholders of BMC Minerals Ltd.

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of BMC Minerals Ltd. (the Entity) as of December 31, 2025 and the related condensed interim consolidated statements of loss and other comprehensive (income) loss, changes in shareholders' equity (deficiency) and cash flows for the six-month period then ended and the related notes to the condensed interim consolidated financial statements (collectively referred to as the "financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard No. 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. We are independent of the Entity in accordance with the ethical requirements that are relevant to our review of the financial information in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(b) in the financial information, which indicates that the Entity has no current sources of revenues and has realized operating losses for all the periods presented.

As stated in Note 1(b) in the financial information, these events or conditions, along with other matters as set forth in Note 1(b) in the financial information, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.



Comparative Information

We draw attention to Note 2(f) to the financial information which indicates that the comparative information presented as at and for the six-month period ended December 31, 2024, has been restated. Our conclusion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34, *Interim Financial Reporting*.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada
March 9, 2026



BMC MINERALS LTD.

**Condensed Interim Consolidated Financial Statements
For the Six Months ended December 31, 2025 and 2024
(Unaudited)**

BMC MINERALS LTD.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited – tabular amounts expressed in thousands of U.S. dollars)

	Note	As at December 31, 2025	As at June 30, 2025
Assets			
Current assets:			
Cash and cash equivalents		\$ 64,872	\$ 4,722
Receivables and other assets		640	139
		65,512	4,861
Non-current assets:			
Receivables and other assets		55	53
Restricted cash	12(b)	209	210
Property, plant and equipment	3	2,208	2,328
Exploration and evaluation assets	4	48,328	48,328
		50,800	50,919
Total assets		\$ 116,312	\$ 55,780
Liabilities			
Current liabilities:			
Trade and other payables		\$ 1,743	\$ 1,266
Current portion of lease payable		38	84
Convertible note payable	5	-	25,070
		1,781	26,420
Non-current liabilities:			
Lease payable		52	52
Precious metals financing	5	101,100	54,794
		101,152	54,846
Total liabilities		102,933	81,266
Shareholders' Equity (Deficiency):			
Share capital	9	207,668	114,642
Share-based payments reserve	10	486	-
Accumulated other comprehensive income (loss)		949	(1,047)
Accumulated losses		(195,724)	(139,081)
		13,379	(25,486)
Total liabilities and equity		\$ 116,312	\$ 55,780

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

Approved on behalf of the Board of Directors:



Director



Director

BMC MINERALS LTD.

Condensed Interim Consolidated Statements of Loss and Other Comprehensive (Income) Loss
(Unaudited – tabular amounts expressed in thousands of U.S. dollars)

		Six months ended	<i>Restated – 2(f)</i>
	Note	December 31, 2025	December 31, 2024
Exploration and evaluation expenses	6	\$ 2,838	\$ 7,729
Administration expenses	7	1,574	1,043
Share-based payment expenses	10	486	-
Public listing costs	9	1,988	-
Operating loss		6,886	8,772
Finance expense	8	785	1,036
Fair value loss on convertible note	5	3,170	520
Fair value loss (gain) on precious metals financing	5	46,270	(3,382)
Loss before taxes		57,111	6,946
Deferred income tax recovery		(351)	-
Net loss		56,760	6,946
Other comprehensive loss (income)			
Items that may not be reclassified subsequently to net loss:			
Change in fair value of convertible note attributable to change in credit risk	5	-	290
Change in fair value of precious metals financing attributable to change in credit risk	5	(2,464)	(48)
Tax effect		351	-
Other comprehensive (income) loss		(2,113)	242
Total comprehensive loss		\$ 54,647	\$ 7,188
Loss per share – basic and diluted ¹		\$ 0.27	\$ 0.03
Weighted average number of common shares outstanding used in calculating basic and diluted loss per share ¹		209,993,787	201,239,844

¹ All per share amounts and weighted average number of common shares outstanding have been retroactively restated for all periods presented (note 9(a)).

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

BMC MINERALS LTD.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
(Unaudited – tabular amounts expressed in thousands of U.S. dollars)

	Note	Number of shares ¹	Share capital	Share-based payment reserves	Accumulated loss ²	Accumulated other comprehensive income (loss) ²	Total equity (deficiency)
Balance at June 30, 2024		190,876,288	\$ 104,890	\$ -	\$ (114,451)	\$ (407)	\$ (9,968)
Issue of shares, net of share issue costs	9	10,363,556	9,752	-	-	-	9,752
Net loss for the period		-	-	-	(6,946)	-	(6,946)
Other comprehensive gain (loss)	5	-	-	-	-	(242)	(242)
Balance at December 31, 2024		201,239,844	\$ 114,642	\$ -	\$ (121,397)	\$ (649)	\$ (7,404)
Balance at June 30, 2025		201,239,844	\$ 114,642	\$ -	\$ (139,081)	\$ (1,047)	\$ (25,486)
Share subscription	9	1,829,826	2,000	-	-	-	2,000
Note conversion to common shares	5	21,570,125	28,240	-	-	-	28,240
Issue of shares upon IPO, net of share issue costs	9	50,000,000	62,786	-	-	-	62,786
Share-based payment expense	10	-	-	486	-	-	486
Net loss for the period		-	-	-	(56,760)	-	(56,760)
Accumulated OCI reclassified to Accumulated loss, net of tax effect	5	-	-	-	117	(117)	-
Other comprehensive income (loss)	5	-	-	-	-	2,113	2,113
Balance at December 31, 2025		274,639,795	\$ 207,668	\$ 486	\$ (195,724)	\$ 949	\$ 13,379

¹ The number of common shares outstanding has been retroactively restated for all periods presented (note 9(a)).

² As described under Note 2(f).

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

BMC MINERALS LTD.

Condensed Interim Consolidated Statements of Cash Flows
(Unaudited – tabular amounts expressed in thousands of U.S. dollars)

	Note	Six months ended December 31, 2025	Six months ended December 31, 2024
Cash provided by (used in):			
Operating activities:			
Payments to suppliers and employees		\$ (6,193)	\$ (9,032)
Interest received		-	125
		(6,193)	(8,907)
Investing activities:			
Acquisition of property, plant and equipment		(112)	(1,672)
Acquisition of exploration and evaluation assets		-	(20)
		(112)	(1,692)
Financing activities:			
Proceeds from issue of common shares	9	68,470	9,760
Share issue costs	9	(3,684)	(8)
Lease payments		(50)	(39)
Interest paid on convertible note	5	(794)	(907)
Proceeds from precious metal financing	5	2,500	-
		66,442	8,806
Increase (decrease) in cash and equivalents		60,137	(1,793)
Effect of movement in exchange rates on cash		13	(249)
Cash and cash equivalents, beginning of period		4,722	12,181
Cash and cash equivalents, end of period		\$ 64,872	\$ 10,139

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

BMC MINERALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended December 31, 2025 and 2024
(Unaudited – tabular amounts expressed in thousands of U.S. dollars)

1. Business Operations and Going Concern

(a) Business operations:

BMC Minerals Ltd. (“BMC Minerals” or the “Company”) is an exploration stage company engaged in the acquisition, exploration and evaluation of mineral properties in Canada. The Company was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on September 22, 2014. The Company’s registered office is located at 2900 - 550 Burrard Street, Vancouver, BC V6C 0A3. On December 12, 2025, the Company listed on the Australian Securities Exchange (“ASX”) under the ASX code ‘BMC’ following an Initial Public Offering (“IPO”) (note 9).

The Company is in the process of exploring and evaluating its mineral property interests and has not yet made a formal financial investment decision in relation to construction of proposed ABM Mine Project located in the Yukon, Canada. In June 2019, the Company completed a Feasibility Study in accordance with NI 43-101, which it updated in November 2020. An updated Economic Study was completed in October 2023.

(b) Going concern:

These condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company has no current sources of revenue and has realized operational losses for all periods presented. In assessing whether the going concern assumption is appropriate, management took into account all available information about the future, which is at least, but not limited to, twelve months from the reporting date.

The Company's continuing operations are dependent upon the existence of economically recoverable ore reserves, the ability of the Company to obtain the necessary financing to continue the exploration and development of its mineral property interests and to obtain the permits necessary to mine, and on future profitable production or proceeds from the disposition of its mineral property interests.

During the period ended December 31, 2025, the Company completed an Initial Public Offering on the ASX, raising gross proceeds of A\$100 million (\$66.5 million), settled the Convertible Note through the issuance of common shares (refer to note 5), and amended its precious metals financing agreement with Wheaton Precious Metals (“Wheaton”) (refer to note 5). While these activities increased available financial resources and are expected to fund activities into the second half of the 2027 calendar year, the Company’s ability to continue as a going concern remains dependent on securing additional funding thereafter, as well as receiving further positive decisions from regulatory bodies to support its longer-term development plans. The Company’s ability to raise additional equity and/or debt funding (and the timing and amount of such funding), and the receipt of relevant regulatory approvals, is subject to uncertainty and is not wholly within the Company’s control. These circumstances represent a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern and, therefore, to continue realizing its assets and discharging its liabilities in the normal course of business.

BMC MINERALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended December 31, 2025 and 2024
(Unaudited – tabular amounts expressed in thousands of U.S. dollars)

These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern.

2. Material Accounting Policies

(a) Basis of presentation:

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), as applicable to interim financial reports including International Accounting Standard 34, Interim Financial Reporting. Therefore, these condensed interim consolidated financial statements do not include all the information and note disclosures required by IFRS for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements for the year ended June 30, 2025, which have been prepared in accordance with IFRS.

The material accounting policies, significant accounting judgments and estimates and basis of presentation applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s audited annual consolidated financial statements for the year ended June 30, 2025. With the issuance of equity-settled share-based payments during the six-month period ended December 31, 2025, the Company has presented in note 2(d) our accounting policy with respect to such transactions and key assumptions are disclosed in note 10.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors of the Company on March 9, 2026 (March 10, 2026 Australian Western Standard Time).

(b) Adoption of new accounting standards, interpretation or amendments:

The Company has not adopted any new or amended IFRS Accounting Standards or Interpretations that became effective during the period, as there were no new issuances that had a material impact on the Company’s financial position or performance. While certain narrow-scope amendments became effective for annual periods beginning on or after January 1, 2025, these did not significantly affect the reported amounts or disclosures.

The following new standard has been issued and is applicable to the Company:

IFRS 18 – Presentation and Disclosure in Financial Statements will replace IAS 1 – Presentation of Financial Statements and will require: i) defined subtotals in the statement of profit or loss; ii) disclosures about management-defined performance measures; and iii) an appropriate level of aggregation and disaggregation of information. The new standard will be effective for annual periods beginning on or after January 1, 2027. The Company is currently assessing the impact of the new standard on the consolidated financial statements.

BMC MINERALS LTD.

Notes to the Condensed Interim Consolidated Financial Statements
For the six months ended December 31, 2025 and 2024
(Unaudited – tabular amounts expressed in thousands of U.S. dollars)

(c) Operating segments:

The Company is organized into one operating segment, being exploration and development of mineral properties in Canada. All mineral properties and equipment are located in Canada.

(d) Share-based payment transactions:

The grant-date fair value of equity-settled share-based payment arrangements granted to employees and directors is generally recognized as an expense, with a corresponding increase to reserves within equity, over the vesting period of the awards. The amount recognized as an expense is adjusted at each reporting date to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, market conditions are incorporated into the grant-date fair value of the share-based payment and there is no true-up for differences between expected and actual outcomes, resulting in the expense being recognized regardless of whether the market condition is satisfied, provided all other vesting conditions are met.

If awards are forfeited before vesting due to failure to meet service or non-market performance conditions, previously recognized expense is reversed. If awards are cancelled, any unrecognized grant-date fair value is recognized immediately as an expense unless a replacement award is granted, in which case the change is treated as a modification. Once an award has vested, the expense is not reversed, regardless of whether the award is exercised or expires unexercised.

While the Company may have the discretion to settle certain share-based payment awards in cash, these are accounted for as equity-settled awards as the Company intends to settle such awards through the issuance of common shares and has no historical practice or present obligation to settle in cash.

All equity-settled share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

Stock options are valued using the Black-Scholes option pricing model. Zero-exercise-price options (“ZEPO’s”), are measured at either the share price at grant-date or via Monte-Carlo simulation, depending on the nature of the award and whether market-based conditions are present. Further details on valuation and settlement assumptions of these critical estimates are provided in note 10.

(e) Functional and presentation currency:

These condensed interim consolidated financial statements are presented in United States dollars (“USD”), which is the functional currency of the Company and its subsidiaries. All financial information is presented in USD unless otherwise stated. References in these financial statements to “A\$” or “AUD” are to Australian Dollars and “C\$” or “CAD” are to Canadian dollars.

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(f) Restatement of Previously Issued Financial Statements:

In the Company's annual financial statements for the year ended June 30, 2025, the Company identified an error in the allocation of the change in the fair value of the convertible note (the "Note") between the amount due to the change in credit risk (recorded in other comprehensive income) and the remainder (recorded in the statement of loss) in past periods. As such, the previously reported unaudited condensed interim consolidated statements of loss and other comprehensive loss, and the unaudited condensed interim consolidated statements of changes in shareholders' equity, for the six months ended December 31, 2024 have been restated. The fair value of the Note as at December 31, 2024 remains the same.

The following is the summary of adjustments made related to the fair value of the Note:

	December 31, 2024 previously reported	Adjustments	December 31, 2024 restated
Fair value at beginning of year	23,260	-	23,260
Fair value loss	1,200	(680)	520
Fair value adjustment due to change in credit risk	(390)	680	290
Fair value at December 31, 2024	24,070	-	24,070

The following is the summary of the impacts to the condensed interim consolidated statements of loss and other comprehensive income (loss) for the six months ended December 31, 2024:

	December 31, 2024 previously reported	Adjustments	December 31, 2024 restated
Fair value loss on convertible note	1,200	(680)	520
Loss before taxes	7,626	(680)	6,946
Net loss	7,626	(680)	6,946
Change in fair value attributable to change in credit risk (recognised in OCI)	(390)	680	290
Loss per share	0.04	(0.01)	0.03

The following is the summary of the impacts to the condensed interim consolidated statements of changes in shareholders' equity for the six months ended December 31, 2024:

	December 31, 2024 previously reported	Adjustments	December 31, 2024 restated
Net loss for the year	(7,626)	680	(6,946)
Other comprehensive income (loss)	438	(680)	(242)
Accumulated other comprehensive loss ¹	(808)	159	(649)
Accumulated losses¹	(121,238)	(159)	(121,397)

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¹ Included in the adjustment to accumulated losses is a previous adjustment of \$839,000 recorded at June 30, 2024 in the annual financial statements and reported in the opening balance at June 30, 2024 in the statement of changes in shareholders' equity.

3. Property, Plant and Equipment

	Plant and equipment	Fixtures and fittings	Right-of-Use asset	Total
Cost:				
Balance, June 30, 2024	1,668	35	280	1,983
Additions	1,990	-	162	2,152
Balance, June 30, 2025	3,658	35	442	4,135
Additions	112	-	-	112
Balance, December 31, 2025	\$ 3,770	\$ 35	\$ 442	\$ 4,247
Depreciation:				
Balance, June 30, 2024	(1,186)	(28)	(229)	(1,443)
Depreciation	(274)	(5)	(85)	(364)
Balance, June 30, 2025	(1,460)	(33)	(314)	(1,807)
Depreciation	(184)	(2)	(46)	(232)
Balance, December 31, 2025	\$ (1,644)	\$ (35)	\$ (360)	\$ (2,039)
Net book value:				
Balance, June 30, 2024	482	7	51	540
Balance, June 30, 2025	2,198	2	128	2,328
Balance, December 31, 2025	2,126	-	82	2,208

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4. Exploration and Evaluation Assets

	At December 31, 2025	At June 30, 2025
Cost:		
Opening balance	\$ 48,328	\$ 48,308
Additions	-	20
Balance	\$ 48,328	\$ 48,328

(a) KZK Project:

Pursuant to the agreement dated October 15, 2014 (“KZK Purchase Agreement”), on January 14, 2015, the Company acquired the Kudz Ze Kayah and Pelly base metals properties (“KZK Project”), located 110 km southeast of Ross River in the Yukon, Canada, from Teck Resources Limited for consideration of:

- (i) \$30 million cash consideration paid on closing.
- (ii) \$10 million (adjusted by the Producer Price Index, Goods - Industrial Product Price Index published by Statistics Canada on an annual basis commencing September 30, 2019) payable within 45 days of receipt of all permits, licenses, certificates, or approvals reasonably commercially or legally required to complete construction of a mine to service the property or in the event of a change in control; and
- (iii) Up to an additional \$25 million based on the zinc price exceeding predetermined amounts at various pre-determined dates. All of the pre-determined dates have passed and \$8 million was paid under this clause.

Under the KZK Purchase Agreement, the Company acquired a 100% undivided interest in the KZK Project subject to a 1.5% net smelter return (“NSR”) royalty on all the acquired claims and a 0.3% NSR royalty on certain of the claims. These royalties were subsequently repurchased and extinguished by the Company in 2015 and 2016.

(b) Fyre Lake Project:

In December 2016, the Company entered into an agreement granting the Company an option to acquire a 100% interest in the Fyre Lake Project (“Fyre Lake Option Agreement”) located in the Yukon, Canada and paid a non-refundable deposit of \$55,350 (C\$75,000) and the first option payment of \$221,640 (C\$300,000).

After a series of amendments to the original agreement, the Company had paid an additional total payment of \$1,843,421 (C\$2,450,000) between the period of December 2017 to June 2022.

On December 23, 2022, the Company paid the second installment option payment of \$366,996 (C\$500,000) and the final installment option payment of \$293,360 (C\$400,000) in March 2023. Following the final installment payment, the Company now holds a 100% interest in the Fyre Lake property (Kona Property).

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5. Convertible note payable and precious metal financing

On December 22, 2021, the Company concurrently entered into three separate arrangements with OMF Fund III (Bi) LP (“Orion”) whereby the Company committed to a \$45 million Precious Metals financing, issued a convertible note with a principal amount of \$24 million (the “Note”), issued 1,990,710 common shares amounting to \$6 million (the “Equity Issuance”) and received cash consideration of \$75 million. Total transaction costs of approximately \$1,791,700 were incurred, with \$143,337 netted against the Equity Issuance, and the remainder recognized as finance expense based on Company’s decision to record the Precious Metals financing and the Note at fair value through profit or loss.

Convertible Note

The Company issued a convertible note for aggregate principal amount of \$24 million with a maturity date on March 22, 2026 and bearing interest at an annual rate of 7.5% with interest payable quarterly commencing on March 31, 2022. The Note automatically converts into common shares of the Company upon either an initial public offering or a liquidity event such as a sale of greater than 50% of the Company. The number of shares issued upon conversion is dependent upon the offering price under an initial public offering, the timing of the initial public offering or the fair value upon a liquidity event. As the Note is convertible into a variable number of shares based on the timing of the initial public offering (subject to a maximum conversion price), the entire instrument is considered financial liability (i.e. there is no equity component to the note).

Contemporaneous with the completion of the IPO in December 2025, the Note was fully settled through the issuance of 21,570,125 common shares to Orion. Upon settlement, the carrying amount of the liability was derecognized, and the fair value of the common shares issued was recognized in equity. This transaction resulted in a loss on settlement of \$3.2 million, recognized in the statement of profit or loss.

The change in fair value recognized in the statement of loss and other comprehensive loss (income) for the six months period ended at December 31, 2025 was \$3,170,000 (December 31, 2024 – \$810,000). The interest expense for the period was \$793,973 (December 31, 2024 - \$907,397).

The Note is presented in the statement of financial position as follows:

	Amount
Fair value at June 30, 2025	\$ 25,070
Fair value loss	3,170
Note conversion to common shares	(28,240)
Fair value at December 31, 2025	\$ -

The amount of change, during the period and cumulatively, in the fair value of the convertible note designated as at FVTPL that is attributable to changes in the credit risk of these liabilities and recognized in Other Comprehensive Income (Loss) (“OCI”) is set out below:

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	Amount
Balance at June 30, 2025	\$ (160)
Accumulated OCI reclassified to Accumulated Losses	160
Balance at December 31, 2025	\$ -

Precious Metals Financing

In February 2024, Orion entered into a purchase agreement with Wheaton Precious Metals (“Wheaton”) which transfers from Orion to Wheaton all the rights, obligations and interest under the Precious Metals financing (“stream”) dated December 22, 2021. There were no changes to the terms of the Precious Metals financing agreement, and the Company had acknowledged and accepted the transaction.

Under the original terms of the Precious Metals financing, the Company is committed to delivering to Wheaton specified percentages of the Company’s refined gold and refined silver production, if any, as summarized as follows:

Time frame	Gold
From Dec. 22, 2021 to June 21, 2025	6.875% for the first 330,000 ounces of produced gold 5.625% of the next 59,800 ounces of produced gold (total of 389,800 ounces) 5.00% of the next 270,200 ounces of produced gold (total of 660,000 ounces) 6.25% of any gold produced afterwards
June 22, 2025 to Dec 21, 2025	7.125% for the first 330,000 ounces of produced gold 5.875% of the next 59,800 ounces of produced gold (total of 389,800 ounces) 5.25% of the next 270,200 ounces of produced gold (total of 660,000 ounces) 6.50% of any gold produced afterwards
After Dec 22, 2025	7.375% for the first 330,000 ounces of produced gold 6.125% of the next 59,800 ounces of produced gold (total of 389,800 ounces) 5.50% of the next 270,200 ounces of produced gold (total of 660,000 ounces) 6.75% of any gold produced afterwards

Time frame	Silver
From Dec. 22, 2021 to June 21, 2025	6.875% for the first 43,300,000 ounces of produced silver 5.625% of the next 7,958,000 ounces of produced silver (total of 51,258,000) 5.00% of the next 35,342,000 ounces of produced silver (total of 86,600,000) 6.25% of any silver produced afterwards
June 22, 2025 to Dec 21, 2025	7.125% for the first 43,300,000 ounces of produced silver 5.875% of the next 7,958,000 ounces of produced silver (total of 51,258,000) 5.25% of the next 35,342,000 ounces of produced silver (total of 86,600,000) 6.50% of any silver produced afterwards
After Dec 22, 2025	7.375% for the first 43,300,000 ounces of produced silver 6.125% of the next 7,958,000 ounces of produced silver (total of 51,258,000) 5.50% of the next 35,342,000 ounces of produced silver (total of 86,600,000) 6.75% of any silver produced afterwards

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In consideration for each ounce of gold or silver delivered by the Company, Wheaton will pay the Company 20% of the prior day's spot gold price or spot silver price (the "spot price"), respectively. The difference between the spot price and the cash received from Wheaton will reduce a notional \$45 million deposit (the "deposit"). After the deposit has been reduced to nil, Wheaton will continue to only pay 20% of the spot price for each ounce of gold or silver subsequently delivered under the stream.

The initial term of the Precious Metals financing is 40 years, with automatic extensions for successive 10-year periods unless there has been no active extractive and processing mining operations (and for greater certainty excluding reclamation and remediation activities) on the KZK Property during the final 10 years of the initial term or throughout any additional term.

The Precious Metals financing is considered a financial liability for accounting purposes. The Company has designated the Precious Metals financing as a financial liability at fair value through profit and loss ("FVTPL"). Accordingly, at each reporting date the Company records the Precious Metals financing at its fair value, which is determined as the present value of the Company's expected gold and silver deliveries based on a production model and estimated metals prices, net of funds receivable from Wheaton, under the Precious Metals financing with changes in fair value reflected in profit and loss except for changes in fair value related to the Company's own credit risk which are included in other comprehensive income.

On October 8, 2025, the Precious Metals financing was amended to, amongst other things:

- Increase the deposit by \$17.5 million, \$2.5 million received in October 2025 and \$15 million due after receipt of certain licenses,
- Remove the Company's buy back option, which was a right the Company had for a period of 30 days after June 22, 2026, to a one-time buy back option to reduce the above noted percentages by 50% by payment to Wheaton of \$36,000,000; and
- Remove Wheaton's put right, which was a right of Wheaton to terminate the stream and receive compensation if the Company had not obtained project financing of at least \$250,000,000 in the form of equity and/or binding definitive agreements for project debt and/or permitted production interests (including royalties, streams, future sales, participation or production interests and related assets, or any similar agreement) by March 22, 2026.

The Precious Metals financing is secured by (i) a general security agreement whereby the Company has granted a security interest to the Wheaton in all of its presently held and future acquired property, and (ii) a debenture whereby the Company has granted a security interest to the Wheaton in all the mineral properties comprising the KZK Property, which security remains in place until the initial deposits of \$62.5 million have been repaid by the delivery of refined gold and silver, and certain additional criteria are satisfied.

The fair value of precious metal financing liability as at December 31, 2025 is \$101,100,000 (June 30, 2025 - \$54,794,000). The change in fair value was recognized in the statement of loss and other comprehensive (income) loss for the period as \$43,806,000 (December 31, 2024 – (\$3,430,000)).

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The Precious Metals financing is presented in the statement of financial position as follows:

	Amount
Fair value at June 30, 2025	\$ 54,794
Fair value loss (gain)	46,270
Deposits received	2,500
Fair value adjustment due to change in credit risk	(2,464)
Fair value at December 31, 2025	\$ 101,100

The amount of change, during the period and cumulatively, in the fair value of the financial liabilities designated as at FVTPL that is attributable to changes in the credit risk of these liabilities and recognized in OCI is set out below:

	Amount
Balance at June 30, 2025	\$ 1,164
Recognised in OCI during the period	(2,464)
Balance at December 31, 2025	\$ (1,300)

6. Exploration and Evaluation Expenses

The aggregate exploration and evaluation expenses were as follows:

	Six months ended December 31, 2025	Six months ended December 31, 2024
General exploration and drilling	\$ 790	\$ 4,605
Environmental, permitting and engagement	742	1,196
Geological and geophysical	243	802
Labour and wages	892	649
Travel	171	477
	\$ 2,838	\$ 7,729

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7. Administration Expenses

General and administration costs were as follows:

	Six months ended December 31, 2025	Six months ended December 31, 2024
Professional fees	\$ 167	\$ 28
Labour and wages	288	-
Office and other expenses	887	895
Depreciation	232	120
	<u>\$ 1,574</u>	<u>\$ 1,043</u>

8. Finance Expense (Income)

Recognized in the statement of loss and other comprehensive loss (income):

	Six months ended December 31, 2025	Six months ended December 31, 2024
Interest expense (income)	\$ -	\$ (125)
Interest recorded on lease	5	5
Foreign exchange loss (gain)	(14)	249
Interest expense on convertible note (note 5)	794	907
	<u>\$ 785</u>	<u>\$ 1,036</u>

9. Share Capital

The authorized share capital consists of an unlimited number of common shares issuable without par value. All shares issued as at December 31, 2025 were fully paid.

On November 6, 2025 the Company completed a share-split agreement whereby an additional common share was issued for each outstanding and issued common share on such date. There were no stock options granted at such time, so the share-split agreement only impacted common shares outstanding. The number of common shares, and all per share amounts, in these condensed interim consolidated financial statements have been retroactively restated for all periods presented.

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Movement in Shares on Issue	Amount	No. of Common Shares
Opening balance at July 1, 2025	\$ 114,642	201,239,844
Share subscription – pre IPO	2,000	1,829,826
Issue of shares on note conversion at IPO (note 5)	28,240	21,570,125
Issue of shares on IPO	66,470	50,000,000
Share issue costs	(3,684)	-
	\$ 207,668	274,639,795

In September 2025, the Company completed a pre-IPO equity raise in which the Company issued 1,829,826 common shares (pre-share split 914,913 common shares) at an issue price of \$1.093 per common share (pre-share split \$2.186 per common share) to raise \$2,000,000. In December 2025, the Company listed on the ASX and raised \$66,470,000 (A\$100,000,000) before share issue costs through the issue of 50,000,000 common shares at a price of A\$2.00 (US\$1.329) per common share.

Total IPO transaction costs were \$5,671,809. Of these transaction costs, \$3,683,940 were considered directly attributable to the issuance of the new shares and have been deducted from share. The remainder of the IPO cost, \$1,987,869, is expensed in the Statement of Loss.

10. Share-Based Compensation Expense

During the period, the Company established an Equity Incentive Plan and granted a series of awards under this plan.

The following awards were established during the period:

(a) RTSR Long Term Incentives

Relative total shareholder return (RTSR) long-term incentive options (RTSR Long Term Incentives) divided equally across three tranches that vest based on the RTSR ranking of BMC against the total shareholder return (TSR) of the constituents of the S&P/ASX 300 Metals and Mining Index over the respective vesting period, expiring five years from the grant date. These are zero exercise price options (ZEPO's). The performance period for each tranche of the RTSR Long Term Incentives is as follows:

- Tranche 1: From the issue date to 12 months after the issue date
- Tranche 2: From 12 months after the issue date to 24 months after the issue date
- Tranche 3: From 24 months after the issue date to 36 months after the issue date.

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The RTSR Long Term Incentives will vest prorata based on the following schedule:

RTSR performance for the vesting period	Percentage respective of options eligible to vest
Below 50th percentile	0%
50th percentile	50%
75th percentile or greater	100%

The following table summarizes the movement in RTSR Long Term Incentives during the six months ended December 31, 2025:

	Number of Options	Weighted average exercise price (A\$)
June 30, 2025	-	\$ -
Granted	693,553	-
December 31, 2025	693,553	\$ -

The weighted average exercise price of RTSR Long-Term Incentives was nil, reflecting their status as ZEPOs.

RTSR Long-Term Incentives outstanding and exercisable as of December 31, 2025 is as follows:

Exercise price (A\$)	Outstanding			Outstanding & exercisable		
	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)
\$Nil	693,553	-	4.88	-	-	-
Total	693,553	-	4.88	-	-	-

(b) Employee Growth Long Term Incentives

Employee growth long-term incentive options (Employee Growth Long Term Incentives) divided equally across three tranches that vest subject to continuous employment with the Company by the holder over the respective vesting period, expiring five years from the grant date. The exercise price was equal to the final IPO price. The vesting period for each tranche of the Employee Growth Long Term Incentives is as follows:

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- Tranche 1: one year from grant date
- Tranche 2: two years from grant date
- Tranche 3: three years from grant date.

The following table summarizes the movement in Employee Growth Long Term Incentives during the six months ended December 31, 2025:

	Number of Options	Weighted average exercise price (A\$)
June 30, 2025	-	\$ -
Granted	343,121	2.00
December 31, 2025	343,121	\$ 2.00

At December 31, 2025, the weighted average exercise price in US dollars is \$1.34.

Employee Growth Long Term Incentives outstanding and exercisable as of December 31, 2025 is as follows:

Exercise price (A\$)	Outstanding			Outstanding & exercisable		
	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)
\$2.00	343,121	2.00	4.88	-	-	-
Total	343,121	2.00	4.88	-	-	-

(c) Chair ATSR Options

Absolute total shareholder return (ATSR) non-executive chair options (Chair ATSR Options) that vest based on the ATSR of BMC, with a performance period that is three years from grant date, expiring five years from the grant date. These options are ZEPO's. The Chair ATSR Options will vest according to the following vesting schedule:

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ATSR performance for the vesting period	Percentage respective of options eligible to vest
Greater than 100%	1/3
Greater than 150%	1/3
Greater than 200%	1/3

The following table summarizes the movement in Chair ATSR Options during the six months ended December 31, 2025:

	Number of Options	Weighted average exercise price (A\$)
June 30, 2025	-	\$ -
Granted	900,000	-
December 31, 2025	900,000	\$ -

The weighted average exercise price of Chair ATSR Options was nil, reflecting their status as ZEPOs.

Chair ATSR Options outstanding and exercisable as of December 31, 2025 is as follows:

Exercise price (A\$)	Outstanding			Outstanding & exercisable		
	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)
\$Nil	900,000	-	4.88	-	-	-
Total	900,000	-	4.88	-	-	-

(d) Historical Retention Options

Historical retention options (Historical Retention Options) that vest in a single installment after a 12-month period of continuous employment with the Company from the grant date, expiring three years from the grant date. These options are ZEPO's.

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The following table summarizes the movement in Historical Retention Options during the six months ended December 31, 2025:

	Number of Options	Weighted average exercise price (A\$)
June 30, 2025	-	\$ -
Granted	1,000,000	-
December 31, 2025	1,000,000	\$ -

The weighted average exercise price of vested Historical Retention Options was nil, reflecting their status as ZEPOs.

Historical Retention Options outstanding and exercisable as of December 31, 2025 is as follows:

Exercise price (A\$)	Outstanding			Outstanding & exercisable		
	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)
\$Nil	1,000,000	-	2.88	-	-	-
Total	1,000,000	-	2.88	-	-	-

(e) Non-Executive Director Options

Non-executive director options (Non-Executive Director Options) divided equally across three tranches that vest subject to continuous service period on the Board of the Company by the holder over the respective vesting period (with pro-rata vesting if a person ceases to be a director part way through the vesting period), expiring five years from the grant date. These options are ZEPO's. The vesting period for each tranche of the Non-Executive Director Options is as follows:

- Tranche 1: one year from grant date
- Tranche 2: two years from grant date
- Tranche 3: three years from grant date.

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The following table summarizes the movement in Non-Executive Director Options during the six months ended December 31, 2025:

	Number of Options	Weighted average exercise price (A\$)
June 30, 2025	-	\$ -
Granted	630,000	-
December 31, 2025	630,000	\$ -

The weighted average exercise price of Non-Executive Director Options was nil, reflecting their status as ZEPOs.

Non-Executive Director Options outstanding and exercisable as of December 31, 2025 is as follows:

Exercise price (A\$)	Outstanding			Outstanding & exercisable		
	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)
\$Nil	630,000	-	4.88	-	-	-
Total	630,000	-	4.88	-	-	-

(f) Project Long Term Incentives

Project long-term incentive ZEPO's (Project Long Term Incentives), subject to the following vesting conditions and expiring five years from grant date:

- Between 10% and 20% of the Project Long Term Incentives vest upon the estimation by an independent geologist and reporting on the ASX of between 4 million and 8 million tonnes (pro rata basis) of additional mineral resource at the Company's owned or controlled mineral tenure, in aggregate, in accordance with The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves or the CIM Definition Standards on Mineral Resources and Reserves within a four year vesting period beginning on the grant date. Additional mineral resource means a resource estimate means a mineral resource estimate of at least one of the following elements and their corresponding minimum cut-off grade:
 - Copper at 0.3%
 - Zinc at 0.5%

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- Lead at 0.5%
 - Tin at 0.5%
 - Cobalt at 0.5%
 - Nickel at 0.5%
 - Gold at 0.1 parts per million
 - Silver at 0.5 parts per million
- 25% of the Project Long Term Incentives vest upon the Quartz Mining Licence being granted to the Company and the Type A Water Licence for the KZK Project also being granted to the Company by the Yukon Water Board at the vesting date which is four years from the grant date.
 - 35% of the Project Long Term Incentives vest upon the Company's Board of Directors resolving to make a final investment decision for the construction of the KZK Project resulting in the Company agreeing a formal financing transaction for the development of the proposed KZK Project any time within four years from the grant date.
 - 20% of the KZK Long Term Incentives vest upon the commencement of construction of the Mine Project within a four-year vesting period beginning on the grant date.

The following table summarizes the movement in Project Long Term Incentives during the six months ended December 31, 2025:

	Number of Options	Weighted average exercise price (A\$)
June 30, 2025	-	\$ -
Granted	1,822,660	-
December 31, 2025	1,822,660	\$ -

The weighted average exercise price of Project Long Term Incentives was nil, reflecting their status as ZEPOs.

Project Long Term Incentives outstanding and exercisable as of December 31, 2025 is as follows:

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Exercise price (A\$)	Outstanding			Outstanding & exercisable		
	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)	Number of options	Weighted average exercise price (A\$)	Weighted average remaining contractual life (years)
\$Nil	1,822,660	-	4.88	-	-	-
Total	1,822,660	-	4.88	-	-	-

Fair Value Assumptions

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is measured using the following methodologies:

- Monte Carlo Simulation: Used for awards with market-based vesting conditions (RTSR Long Term Incentives and Chair ATSR Options).
- Black-Scholes Option Pricing Model: Used for awards with exercise prices and service-based conditions (Employee Growth Long Term Incentives).
- Grant Date Share Price: Used for ZEPOs with service or non-market performance conditions (Historical Retention, Non-Executive Director, and Project Long Term Incentives).

The fair value models incorporate assumptions regarding expected volatility, expected life, dividend yield, and risk-free interest rates at the grant date. As the Company had no trading history prior to the IPO, expected volatility was determined by calculating the historical volatility of a peer group of comparable publicly listed companies over a period commensurate with the expected life of the awards.

Assumptions used in calculating the fair values of options granted during the year were as follows:

	Employee Growth Long Term Incentives	RTSR Long Term Incentives	Chair ATSR Options
Exercise price	A\$2.00	Nil	Nil
Risk-free interest rate	3.853%	3.635% - 3.694%	3.694%
Contractual life (years)	5	5	5
Volatility	80%	80%	80%
Dividend rate	Nil	Nil	Nil
Forfeiture rate	Nil	Nil	Nil
Fair value per option	\$0.861	\$0.846 - \$0.857	\$0.636 - \$0.787

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	Historical Retention Options	Non-Executive Director Options	Project Long Term Incentives
Exercise price	Nil	Nil	Nil
Risk-free interest rate	3.694%	3.694%	3.694%
Contractual life (years)	3	5	5
Volatility	80%	80%	80%
Dividend rate	Nil	Nil	Nil
Forfeiture rate	Nil	Nil	Nil
Fair value per option	\$1.296	\$1.296	\$1.296

Share based payments expense

The total expense arising from share-based payment transactions recognized during the six months ended December 31, 2025, as part of employee benefit expense was \$486,000. This expense relates to the equity-settled incentive plans described in the preceding sections of this note. As all current plans were established or became active during the current financial year, there was no comparable expense for the six months ended December 31, 2024.

	Six months ended December 31, 2025	Six months ended December 31, 2024
Employee Growth Long Term Incentives	\$ 23	-
RTSR Long Term Incentives	47	-
Chair ATSR Options	28	-
Historical Retention Options	167	-
Non-Executive Director Options	64	-
Project Long Term Incentives	157	-
Total share-based payments expense	\$ 486	-

11. Financial Instruments

The carrying amounts for cash and cash equivalents, receivables and other assets, trade and other payables, including accrued liabilities, and lease liabilities approximate their estimated fair value due to the short-term nature of these financial instruments.

(a) Credit risk:

Credit risk arises where counterparties are unable to meet their payment obligations. The Company's cash and cash equivalents on hand was held with a financial institution with a credit rating of A or better. The Company only trades with recognized credit worthy third parties.

(b) Liquidity risk:

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Liquidity risk is the need to maintain sufficient cash and cash equivalent and undrawn borrowing facilities for the Company to continue to meet its cash and funding requirements as they fall due. The Company closely monitors its funding requirements.

The Company has the following undiscounted contractual maturities of financial liabilities as at December 31, 2025:

	Total	<1 year	1 - 3 years
Trade and other payables	1,743	1,717	26
Lease payable	94	39	55
Total	\$ 1,837	\$ 1,756	\$ 81

(c) Market risk:

Market risk is the risk that changes in market rates and prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's holdings of financial instruments. The Company monitors these risks on an annual basis.

Foreign currency risk

Foreign currency risk is the risk that the Company's financial performance could be affected by fluctuations in the exchange rates between currencies. The Company's functional and reporting currency is U.S. dollars. A portion of the Company's operating expenses are denominated in other currencies, primarily the Canadian Dollar, which is the Company's primary foreign currency exposure. The Company mitigates this risk by holding cash in the currency which the projected expenditures are denominated in.

Sensitivity analysis

The Company currently does not engage in foreign exchange currency hedging. The sensitivity of the Company's net income or loss due to the exchange rates of the U.S. dollar against CAD and AUD as at December 31, 2025 is summarized as follows:

Currency	Cash and cash equivalents	Trade and other receivables	Trade and other payables	Total	Effect of +/- 1% change in exchange rate
CAD	\$ 60,520	\$ 640	\$ (1,420)	\$ 59,740	\$ 597
AUD	2,359	-	-	2,359	24
	\$ 62,879	\$ 640	\$ (1,420)	\$ 62,099	\$ 621

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Fair values of financial instruments

The fair value of financial instruments is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a force or liquidation sale.

Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to the asset or liability.

The fair value of the Company's cash and cash equivalents, receivables and other assets, trade and other payables and lease liabilities is approximated by their carrying values. All payables for the Company are considered repayable on demand. The fair values of the Company's convertible debt and precious metal financing are re-measured at each reporting date with any change in fair value recorded in net earnings.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

The significant unobservable inputs used in the fair value measurements are categorized within Level 3 of the fair value hierarchy. There have been no movements between hierarchies during the period.

The following methods and assumptions were used to estimate the fair values:

Convertible Note

The fair value of the Note was estimated using a probability weighted expected return model. Two possible outcome scenarios were considered: (i) conversion at the maturity date and (ii) conversion on the occurrence of a financing event. The timing and probability of the scenarios was based on management's best estimate using information that was known or knowable as of the issuance date and the expected payoff under each scenario was discounted to the issuance date using a risk-adjusted discount rate. Please refer to Note 5 for the settlement of the Note following the completion of the IPO in December 2025.

Precious Metals Financing

The fair value of the Precious Metals financing is estimated using a discounted cash flow model based on a forecasted production schedule, forecasted metal prices and risk-adjusted discount rate.

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Description of significant unobservable inputs to valuation:

The following table shows the impact of the movement of significant unobservable inputs on the fair values of the financial instruments as at June 30, 2025 and December 31, 2025:

	Valuation technique	Significant unobservable inputs	Assumption (\$ – where applicable)	Sensitivity of the input to fair value at December 31, 2025
Precious Metals Financing	<i>DCF method</i>	Gold Price	Dec 2025: \$3,000/oz base ("real") Jun 2025: \$3,294/oz base ("nominal")	10% increase (decrease) in the gold price would result in an increase (decrease) in fair value by \$4,200 (\$4,300).
		Silver Price	Dec 2025: \$37.50/oz base ("real") Jun 2025: \$36/oz base ("nominal")	10% increase (decrease) in the silver price would result in an increase (decrease) in fair value by \$7,200 (\$7,200).
		Discount Rate	Dec 2025: 8.85% ("real") Jun 2025: 11% ("nominal")	1% increase (decrease) in the discount rate would result in a decrease (increase) in fair value by \$6,900 (\$6,500).

After the amendment to the Precious Metal Financing Arrangement on October 8, 2025 (refer to note 5), which resulted in, among other things, the removal of certain embedded options the Company and Wheaton had, we amended our valuation model. We changed the valuation method from a Monte-Carlo simulation model to a discounted cash flow method. As a result, the valuation model used to support the December 31, 2025 valuation used real terms, rather than nominal terms.

(d) Capital management risk:

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide an adequate return on investment to shareholders and, to the extent possible, maintain a flexible capital structure that optimizes the cost of capital at acceptable risk. In the management of capital, the Company includes the components of equity, net of cash and cash equivalents.

12. Commitments and Contingencies

(a) Kudz Ze Kayah project deferred consideration:

The Company has \$10 million (adjusted by the Producer Price Index, Goods - Industrial Product Price Index published by Statistics Canada on an annual basis commencing September 30, 2019) of contingent consideration payable on the outcome of future events which are linked to the receipt of all material permits and licenses to commence construction, as part of the KZK Purchase Agreement with Teck Resources dated October 15, 2014 (note 4 (a)(ii)). No amount has been recorded for this contingent liability as the outcome of future events is not considered certain at this stage.

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(b) Restricted cash:

The Company has surety bonds outstanding as of December 31, 2025, totaling \$208,620 (CDN\$286,000) which have been granted in favour of the Yukon Government. The bonds relate to environmental and rehabilitation obligations at the Kudz Ze Kayah Project. This surety bond has been covered by cash backed security and a Standby Letter of Credit with Royal Bank of Canada for CDN\$286,000.

13. Related Parties

The Company was a privately held subsidiary of BMC (UK) No. 1 Limited until its listing on the ASX on December 12, 2025.

The key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The key management personnel of the Company are the Directors and Officers of the Company.

The Company's related party transactions for the period were as follows:

	Six months ended December 31, 2025	Six months ended December 31, 2024
Payments to Key Management Personnel		
Short-term compensation	\$387	\$128
Other benefits	63	-
Share-based payments	233	-
Other expenses	693	589
Total	\$1,376	\$717

Short-term compensation consists of salaries and short-term benefits for key management personnel and directors. Other benefits consist of contributions to post-employment and long service leave plans. The Company also provides share-based compensation to directors and other key management personnel as part of their remuneration package. For the six months ended December 31, 2025, the Company recognized share-based compensation expense of \$233,343 (2024 - \$Nil) related to the vesting of equity awards granted to these individuals.

Other expenses of \$693,493 (2024 - \$588,704) related to payments to BMC (UK) Limited for management and administrative services. BMC (UK) Limited owns 100% of the Company's Major Shareholder, BMC (UK) No. 1 Limited. The services agreement between the Company and BMC (UK) Limited was terminated upon IPO.

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All transactions are incurred in the normal course of business and are negotiated on terms between the parties. An amount of \$14,589 is payable at December 31, 2025 (2024 - \$Nil) to certain directors for directors' fees.

Directors' Declaration

In the directors' opinion:

- a) the financial statements and notes set out on pages 11 to 40:
 - i) comply with International Financial Reporting Standards and other mandatory professional reporting requirements, and
 - ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the half-year ended on that date, and
- b) there are reasonable grounds to believe that BMC Minerals Ltd. will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Michael McClelland
Managing Director, President & CEO

9 March 2026
Vancouver, Canada