



**FIRST NORDIC METALS CORP.**  
**(FORMERLY BARSELE MINERALS CORP.)**

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS and  
MANAGEMENT DISCUSSION & ANALYSIS**

**FOR THE YEAR ENDED DECEMBER 31, 2024**  
*(Expressed in Canadian Dollars - Unaudited)*

Date: March 31, 2025

**Notice to Reader:**

The accompanying unaudited consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has neither performed an audit nor a review of these consolidated financial statements.

The Company's audited financial statements for this same period are scheduled to be filed on SEDAR+ on April 30, 2025, in line with Company's normal financial reporting schedule pursuant to applicable Canadian securities laws.

**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION***(Expressed in Canadian Dollars - Unaudited)*

As at

	December 31, 2024	December 31, 2023
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 9,568,671	\$ 128,236
Restricted cash	-	267,500
Deferred financing cost	213,742	-
Receivables	304,664	72,817
Prepaid expenses	<u>1,013,880</u>	<u>34,544</u>
	11,100,957	503,097
<b>Equity investment - exploration and evaluation assets (Note 5)</b>	1	1
<b>Exploration and evaluation assets (Note 4,6)</b>	<u>16,285,380</u>	<u>-</u>
	<u>\$ 27,386,338</u>	<u>\$ 503,098</u>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 3,342,671	\$ 190,687
Subscriptions received in advance	<u>-</u>	<u>267,500</u>
	3,342,671	458,187
<b>Shareholders' equity</b>		
Share capital (Note 7)	42,445,024	11,674,926
Reserves (Note 7)	10,068,186	6,819,430
Deficit	<u>(28,469,543)</u>	<u>(18,449,445)</u>
	<u>24,043,667</u>	<u>44,911</u>
	<u>\$ 27,386,338</u>	<u>\$ 503,098</u>

**Nature and continuance of operations (Note 1)****Subsequent events (Note 14)****Approved and authorized by the board on March 31, 2025**/s/ Toby Pierce

Toby Pierce

Director

/s/ Taj Singh

Taj Singh

Director

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

**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)****CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS***(Expressed in Canadian Dollars - Unaudited)*

	Year ended December 31, 2024	Year ended December 31, 2023
<b>OPERATING EXPENSES</b>		
Project development and support services (Note 5,10,13)	3,461,259	293,005
Foreign exchange loss (gain)	(31,288)	2,377
Interest income	(1,534)	(738)
Investor relations (Note 10)	1,300,993	263,204
Management fees (Note 10)	819,533	462,000
Office and administrative (Note 10)	697,481	260,555
Professional fees	405,286	194,068
Royalty expense	448,432	-
Share-based payments (Note 7, 10)	2,747,251	293,824
Transfer agent and filing fees	172,685	59,231
	<u>10,020,098</u>	<u>1,827,526</u>
<b>Loss and comprehensive loss for the year</b>	<b>\$ (10,020,098)</b>	<b>\$ (1,827,526)</b>
<b>Basic and diluted loss per common share</b>	<b>\$ (0.04)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>	<b>246,699,360</b>	<b>137,699,884</b>

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

**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)****CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY***(Expressed in Canadian Dollars - Unaudited)*

	<b>Common Shares</b>	<b>Share Capital</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Shareholders' Equity</b>
<b>Balance, December 31, 2022</b>	137,295,660	11,286,576	6,533,113	(16,621,919)	1,197,770
Issuance of common shares	2,000,667	300,100	-	-	300,100
Share issuance costs	-	(19,881)	-	-	(19,881)
Stock options exercised	287,500	108,131	(7,507)	-	100,624
Share-based payments	-	-	293,824	-	293,824
Loss and comprehensive loss	-	-	-	(1,827,526)	(1,827,526)
<b>Balance, December 31, 2023</b>	139,583,827	11,674,926	6,819,430	(18,449,445)	44,911
Shares issued for:					
Acquisition	35,747,716	4,289,726	-	-	4,289,726
Private placement	8,082,399	1,212,360	-	-	1,212,360
Mineral property	27,954,872	10,063,754	-	-	10,063,754
Private placement	34,849,600	10,454,880	1,045,488	-	11,500,368
Share issuance costs	-	(1,002,541)	18,625	-	(983,916)
Compensation options	-	(296,410)	296,410	-	-
Acquisition - options	-	-	126,020	-	126,020
Acquisition - warrants	-	-	237,655	-	237,655
Stock options exercised	8,571,230	3,395,737	(1,356,017)	-	2,039,720
Warrants exercised	9,257,555	2,785,916	-	-	2,785,916
Warrant modification	-	(133,324)	133,324	-	-
Share-based payments	-	-	2,747,251	-	2,747,251
Loss and comprehensive loss	-	-	-	(10,020,098)	(10,020,098)
<b>Balance, December 31, 2024</b>	264,047,199	\$ 42,445,024	\$ 10,068,186	\$ (28,469,543)	\$ 24,043,667

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

**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)****CONSOLIDATED STATEMENTS OF CASH FLOWS***(Expressed in Canadian Dollars - Unaudited)*

	Year ended December 31, 2024	Year ended December 31, 2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (10,020,098)	\$ (1,827,526)
Items not affecting cash:		
Share-based payments	2,747,251	293,824
Changes in non-cash working capital items:		
Receivables	(196,444)	(1,316)
Prepaid expenses	(910,489)	(29,127)
Accounts payable and accrued liabilities	1,566,426	54,753
Cash used in operating activities	<u>(6,813,354)</u>	<u>(1,509,392)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Cash acquired on acquisition of Gold Line Resources Ltd.	14,126	-
Transaction costs for Gold Line Resources Ltd.	(101,043)	-
	<u>(86,917)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Private placements	12,712,728	300,100
Share issuance costs	(983,916)	(16,444)
Deferred financing costs	(213,742)	
Proceeds from options exercised	2,039,720	100,624
Proceeds from warrants exercised	2,785,916	-
Cash provided by financing activities	<u>16,340,706</u>	<u>384,280</u>
<b>Change in cash during the year</b>	9,440,435	(1,125,112)
<b>Cash, beginning of year</b>	<u>128,236</u>	<u>1,253,348</u>
<b>Cash, end of year</b>	<u>\$ 9,568,671</u>	<u>\$ 128,236</u>

**Supplemental disclosure with respect to cash flows (Note 9)***The accompanying notes are an integral part of these consolidated financial statement*

## **FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)**

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

First Nordic Metals Corp. (formerly Barsele Minerals Corp.) (the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on February 20, 2013. The Company’s principal business activities include the acquisition and exploration of mineral properties in Sweden and Finland. On March 18, 2024, subsequent to the closing of the transaction with Gold Line Resources Ltd. (Note 4), the Company changed its name to First Nordic Metals Corp. The Company’s shares trade on the TSX Venture Exchange under the trading symbol FNM. On March 21, 2025, the Company’s SDR’s commenced trading on Nasdaq First North under the symbol FNMC SDB with the ISIN SE0023847785.

The head office of the Company is located at Suite 300 - 1055 West Hastings Street, Vancouver, BC, Canada, V6C 2E9. The registered address and records office of the Company is located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, Canada, V6C 2X8.

On February 23, 2024, the Company closed the transaction to acquire 100% of the shares of Gold Line Resources Ltd. (“Gold Line”), a Canadian exploration company listed on the TSX-V and OTC Exchange, for total consideration of \$4,754,444 (Note 4).

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has no source of operating cash flow. While the Company has been successful in obtaining certain funding from 2022 to 2024, there is no assurance that such future financing will be available or be available on favourable terms. The Company had incurred a loss of \$10,020,098 for the year ended December 31, 2024, and accumulated losses of \$28,469,543 as of December 31, 2024. The Company closed a private placement offering for aggregate gross proceeds of \$11,500,368 in November 2024. The offering consisted of the issuance of 34,849,600 units of the Company at a price of \$0.33 per unit. The Company anticipates that it has sufficient capital to meet its current obligations for the next twelve months.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

#### **2. BASIS OF PREPARATION**

##### *a) Statement of compliance*

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

##### *b) Basis of measurement*

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

##### *c) Basis of consolidation*

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, being Gold Line Resources Holdings Ltd. (British Columbia, Canada), Gold Line Resources Sweden AB (Sweden), GLR Finland

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Oy (Finland), Solvik Gold OB (Sweden), Nordic Route Explorations Ltd. (British Columbia, Canada), and Nordic Route Explorations AB (Sweden).

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries, including entities which the Company controls, are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

**Critical accounting estimates**

The preparation of these consolidated financial statements in accordance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- a) The inputs used in calculating the fair value for share-based payments included in profit or loss and share-based share issuance costs included in shareholders' equity. The share-based payments expense is estimated using the Black-Scholes option pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly subjective assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and an estimated forfeiture rate.
- b) Management has determined that acquisition costs related to its exploration and evaluation assets which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.
- c) Management had to apply judgement with respect to whether the acquisition of Gold Line was an asset acquisition or business combination. The assessments required management to assess the inputs, processes and outputs of the company acquired at the time of acquisition. Pursuant to the assessment, the acquisition of Gold Line was considered to be an asset acquisition.

**3. MATERIAL ACCOUNTING POLICY INFORMATION**

**Exploration and evaluation assets**

The Company is currently in the exploration stage with its mineral interest. Exploration and evaluation costs include the costs of acquiring concessions, and the fair value, upon acquisition, of mineral properties acquired in a business combination. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Exploration and evaluation expenditures are expensed in the period they are incurred except for expenditures associated with the acquisition of exploration and evaluation assets through a business combination or an asset acquisition. Significant property acquisition costs are capitalized only to the extent that such costs can be directly attributed to an area of interest where it is considered likely to be recoverable by future exploitation or sale.

**Impairment**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those

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assets not considered a financial asset may be impaired. If 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 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.

Where 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 to an amount that 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.

**Investment in associate**

Associated companies over which the Company has significant influence are accounted for using the equity basis of accounting, whereby the investment is initially recorded at cost, adjusted to recognize the Company's share of earnings or losses and reduced by dividends received. The Company assesses its equity investments for impairment if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the equity investment and that the event or events has an impact on the estimated future cash flow of the investment that can be reliably estimated.

Objective evidence of impairment of equity investment includes:

- Significant financial difficulty of the associated companies;
- Becoming probable that the associated companies will enter bankruptcy or other financial reorganization; or
- National or local economic conditions that correlate with defaults of the associated companies.

**Provision for environmental rehabilitation**

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as the related assets.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

**Financial instruments**

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.



**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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a) Classification and measurement of financial assets and liabilities

A financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets depends on the purpose for which the financial assets were acquired. The Company's financial assets consist of cash, restricted cash, and receivables classified at amortized cost. Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

**Fair value through profit or loss:** This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

**Amortized cost:** This category includes accounts payable and accrued liabilities and subscriptions received in advance, all of which are recognized at amortized cost.

b) Impairment of financial assets

An 'expected credit loss' (ECL) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company's financial assets are measured at amortized cost and subject to the ECL model.

**Foreign exchange**

The functional currency is the currency of the primary economic environment in which the Company operates. The functional currency of the Company is the Canadian dollar. The functional currency of the Company's equity investment is the Swedish Krona. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Where applicable, the functional currency of an entity is translated into the presentation currency using the period-end rates for assets and liabilities while the operations and cash flows are translated using average rates of exchange. Exchange adjustments arising when net assets and profit or loss are translated into the presentation currency are taken into a separate component of equity and reported in other comprehensive income or loss.

**Share Capital**

Equity financing transactions may involve issuance of common shares or units. A unit comprises of a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method and are included in share capital with the common shares that were concurrently issued.

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**Share-based payments**

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants.

The fair value of stock options granted to directors, officers, employees and consultants is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period as an expense, with a corresponding increase in reserves. Consideration paid for the shares on the exercise of stock options is credited to share capital. When the stock options are exercised, the corresponding amount is transferred to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payments. Otherwise, share-based payments are measured at the fair value of the goods or services received.

**Loss per share**

The Company recognizes the dilutive effect on income or loss per share based on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. For the periods presented, this calculation proved to be anti-dilutive.

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

**Income taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred taxes. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded by providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, it does not recognize the asset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Acquisitions**

The Company accounts for business acquisitions using the acquisition method in accordance with IFRS 3 - Business Combinations. Under this method, the acquisition date is the date on which the acquirer obtains control of the acquiree; the

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consideration transferred is measured at fair value and includes cash, equity instruments issued, and contingent consideration, if applicable; identifiable assets acquired and liabilities assumed are recognized at their fair values as of the acquisition date; goodwill is recognized as the excess of the consideration transferred over the net fair value of identifiable assets and liabilities acquired. If the net fair value exceeds the consideration transferred, the excess is recognized as a bargain purchase gain in profit or loss. Acquisition-related costs are expensed as incurred.

The Company applies judgment in determining whether an acquisition constitutes a business combination or an asset acquisition, based on the definition of a business under IFRS 3.

If an acquisition does not meet the definition of a business under IFRS 3, it is accounted for as an asset acquisition, where: The purchase price is allocated to individual assets and liabilities acquired based on their relative fair values; no goodwill is recognized in an asset acquisition; transaction costs are capitalized as part of the cost of the acquired assets and if multiple assets are acquired, their cost is allocated based on their relative standalone fair values.

The assessment of whether a transaction qualifies as a business combination or asset acquisition involves judgment, including:

- Whether the acquired assets include processes and outputs constituting a business.
- Determination of the fair value of acquired assets and liabilities.
- Measurement of contingent consideration, if applicable.
- Estimation of useful lives of acquired intangible assets.

**New standards adopted by the Company**

The following amendments have been effective for annual reporting periods beginning on or after January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

Definition of Accounting Estimates (Amendments to IAS 8) – the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the consolidated financial statements.

**Future accounting changes**

Effective October 1, 2027, the Company is required to adopt IFRS 18, Presentation and Disclosure in Financial Statements, with early adoption permitted. IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7, Statement of Cash Flows. The Company is assessing the potential impact of the application of the standards.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

*(Expressed in Canadian Dollars - Unaudited)***4. ACQUISITION OF GOLD LINE RESOURCES LTD.**

On February 23, 2024, the Company completed the acquisition of all the issued and outstanding common shares of Gold Line whereby each Gold Line shareholder received 0.7382 common shares of the Company in exchange for one common share of Gold Line (the "Arrangement"). Pursuant to the Arrangement, the Company issued 35,747,716 common shares with a fair value of \$4,289,726. Gold Line was a Canadian exploration company listed on the TSX-V and OTC Exchange. On completion of the Arrangement, Gold Line's common shares were delisted from the TSX-V and OTC Exchange.

As part of the Arrangement, all outstanding share options and warrants of Gold Line were exchanged for share options to acquire up to an aggregate of 1,550,220 common shares of the Company. All outstanding warrants of Gold Line are now exercisable to acquire 14,188,255 common shares of the Company.

The transaction costs associated with the Arrangement totaled \$101,043 and is comprised of legal fees and transfer agent fees.

The acquisition of Gold Line constitutes an asset acquisition and has been accounted for under the acquisition method in accordance with the guidance provided in IFRS 3, Business Combinations ("IFRS 3"). The assets acquired did not qualify as a business according to the definition in IFRS 3, and therefore the acquisition did not constitute a business combination, but rather it is treated as a payment of equity consideration for the acquisition of Gold Line and its net assets. The value of the consideration paid after allocation to the other net assets acquired, was allocated to exploration and evaluation assets, which are located in Sweden and Finland.

The total consideration for the acquisition of the assets and liabilities of Gold Line assumed on acquisition were as follows:

	<b>Total</b>
Cost of acquisition:	
Common shares issued	\$ 4,289,726
Transaction costs	101,043
Value of options	126,020
Value of warrants	237,655
<b>Total consideration</b>	<b>\$4,754,444</b>
Allocated as follows:	
Cash	14,126
Receivables	35,403
Prepaid expenses	68,847
Exploration and evaluation assets	6,221,626
Accounts payable	(1,585,558)
	<b>\$ 4,754,444</b>

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*(Expressed in Canadian Dollars - Unaudited)***5. EQUITY INVESTMENT - EXPLORATION AND EVALUATION ASSETS****Barsele Project**

On September 25, 2015, a 45% interest in the Barsele Project which includes Gunnarn Mining AB and Gunnarn Exploration AB (collectively “Barsele JV”) was transferred from Ores Minerals Inc. (“Ores”) to the Company pursuant to a plan of arrangement. The Barsele Project is now a joint venture with Agnico Eagle Mines Limited (“Agnico”). As part of the joint venture agreement, Agnico committed to spend US \$7 million on Project expenditures over three years and can earn an additional 15% interest in Gunnarn Mining AB, which owns the Barsele Project, if it completes a pre-feasibility study.

As Agnico has elected to solely-fund the expenditures on behalf of the Barsele JV until completion of the pre-feasibility study, the Company does not have any responsibility for expenditures or net liabilities of the Barsele JV until such point that Agnico has earned its additional 15% interest. Summarized financial information for the Barsele JV is as follows:

	December 31, 2024		December 31, 2023	
Current assets	\$	804,727	\$	593,960
Non-current assets		6,354,471		6,444,805
Current liabilities		5,806,612		3,243,546
Loss/(gain) for the period		2,384,202		2,761,229
Comprehensive loss/(gain) for the period		1,719,136		2,064,586
The Company’s ownership %		45%		45%
The Company’s share of loss for the period	\$	Nil	\$	Nil

As at December 31, 2024 and 2023, the Company’s investment in Barsele JV was \$1. The Company’s unrecognized share of the loss for the year ended December 31, 2024 was approximately \$1,072,891 (2023 – \$1,242,553). The Company has a minority position on the board of its associated company Gunnarn Mining AB and does not control operational decisions. The Company’s judgment is that it has significant influence, but not control and therefore equity accounting is appropriate.

Exploration expenses reported for the year ended December 31, 2024 of \$231,542 (2023 - \$281,005) were incurred to meet the Company’s reporting obligations, and to monitor its interest in the Barsele JV, and are non-recoverable.

**6. EXPLORATION AND EVALUATION ASSETS**

As part of the acquisition of Gold Line (Note 4) the Company acquired its exploration and evaluation assets. The following tables summarize the capitalized costs associated with the Company’s exploration and evaluation assets:

	Gold Line Project	Klippen Gold Project	Oijärvi Gold Project	Total
<b>Acquisition Costs</b>				
February 23, 2024	\$ 3,522,377	\$ 844,217	\$ 1,855,032	\$ 6,221,626
Shares issued for mineral property acquisition	-	-	10,063,754	10,063,754
Balance, December 31, 2024	\$ 3,522,377	\$ 844,217	\$ 11,918,786	\$ 16,285,380

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**Gold Line Project, Sweden**

As part of the acquisition of Gold Line (Note 4), the Company acquired its Gold Line Project located in Sweden. The Gold Line Project consist of mineral property licenses in the Gold Line of Northern Sweden and includes the Långtjärn Property, Blåbärliden Property, Paubäcken Property, and the Kankberg Norra Property.

The project was acquired from EMX Royalty Corporation (“EMX”) who under the terms of the original agreement will have the right to participate pro-rata in future financings at its own cost to maintain its interest in Gold Line (the “Pre-Emptive Right”) until EMX’s interest becomes less than 5%. In addition, the following royalty agreements are associated with the Project.

**EMSAB Royalty:**

Gold Line entered into a royalty agreement with EMSAB dated April 1, 2019, pursuant to which Gold Line is required to pay an annual advance royalty (the “Gold Line AAR”) payments of 30 ounces of gold, or its value equivalent in USD or issuance of shares, on or before April 1, 2022, the third anniversary of the closing date. This royalty payment will then increase by 5 ounces per year up to a maximum of 75 ounces of gold per year until commencement of commercial production. In December 2024, the Company paid the Gold Line AAR payment for a total of \$445,630.

**AOI Royalty:**

Certain additional licenses were staked subsequent to the original agreement with EMX. Per the terms of the original agreement, all licenses staked within the agreed upon area of interest (the "AOI") or subsequently acquired by Gold Line before April 1, 2024 will also be subject to a 1% net smelter return royalty in production from the AOI interest.

**Failure to Comply:**

If Gold Line delivers a relinquishment notice to EMX, fails to make the required payment of royalties or annual advance royalties EMX will have the right to demand GLR transfer the Gold Line Project back to EMX for no further consideration.

**Klippen Gold Project**

As part of the acquisition of Gold Line (Note 4), the Company acquired the Klippen Gold Project. The Klippen Gold Project consists of an exploration license located in the Kingdom of Sweden.

**Oijärvi Gold Project, Finland and Solvik Gold Project, Sweden**

As part of the acquisition of Gold Line (Note 4), the Company acquired its Oijärvi Gold Project located in central Finland and the Solvik Gold Project located in southern Sweden. Gold Line and EMX previously entered into a definitive agreement (the “AEM Agreement”) with Agnico Eagle Mines Limited (NYSE and TSX: AEM; “Agnico”) pursuant to which Gold Line will acquire a 100% interest in Agnico’s Oijärvi Gold Project and the Solvik Gold Project (the “AEM Transaction”). Agnico will retain a 2% net smelter return (“NSR”) royalty on the projects, 1% of which may be purchased at any time by EMX for US\$1,000,000.

On May 1, 2023, Gold Line entered into an amending agreement to the AEM Agreement.

In connection with the amending agreement, Gold Line issued 1,327,989 common shares (issued) on May 1, 2023 and was required to make a cash payment in the amount of US\$87,500 on or before June 30, 2023 (not paid).

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As a result of the Amending Agreement, total consideration for the transaction would be US\$10,175,000, comprised of US\$7,087,500 in cash, US\$1,500,000 in common shares of EMX and US\$1,587,500 in common shares of Gold Line, which was required to be paid (or had been paid) to Agnico as follows:

<b>Date</b>	<b>Cash Payments (USD)</b>	<b>EMX Shares (USD)</b>	<b>Gold Line Shares (USD)</b>
Upon TSXV approval	\$750,000 (paid)	\$375,000 (issued)	\$375,000 (issued)
On the first anniversary of the AEM Agreement (March 19, 2022)	\$1,500,000 (paid)	\$500,000 (issued)	\$500,000 (issued)
On the second anniversary of the AEM Agreement (March 19, 2023)	\$87,500 (not paid)	-	\$87,500 (issued)
On the third anniversary of the AEM Agreement (March 19, 2024)	\$4,750,000 (not paid)	\$625,000 (not issued)	\$625,000 (not issued)
<b>Total</b>	<b>\$7,087,500</b>	<b>\$1,500,000</b>	<b>\$1,587,500</b>

As part of the AEM Agreement, EMX would receive cash and share payments from the Gold Line as set out in the revised table below, as well as the purchase right of 1% of Agnico's 2% NSR royalty.

<b>Date</b>	<b>Cash Payments (USD)</b>	<b>Gold Line Shares Issued to EMX (USD)</b>
Upon TSXV approval	-	\$375,000 (issued)
On the first anniversary of the AEM Agreement (March 19, 2022)	\$250,000 (paid)	\$250,000 (issued)
On the third anniversary of the AEM Agreement (March 19, 2024)	\$312,500 (not paid)	\$312,500 (not issued)

After completion of the Arrangement, on July 15, 2024, the Company entered into a transaction with Agnico that will result in Agnico Eagle holding, after giving effect to the transaction, 13.3% of the issued and outstanding common shares of the Company, subject to the receipt of certain regulatory approvals and the satisfaction of other conditions.

Agnico Eagle has agreed to exchange amounts that remained due under the amended AEM Agreement between certain subsidiaries of the Company, certain subsidiaries of Agnico Eagle and EMX for 27,954,872 common shares of the Company (the "Transaction"). The Transaction is being effected by way of a subscription agreement between the Company and Agnico Eagle. The Transaction provided for the acquisition of, among other things, the Oijärvi Gold Project ("Oijärvi" or the "Project"). The Oijärvi is a greenstone belt land package that includes the Kylmäkangas gold deposit

On July 31, 2024, the Company completed the Transaction to acquire the Oijärvi Gold Project. The Company issued 27,954,872 common shares to Agnico Eagle at a fair value of \$10,063,754. The common shares were valued using the trading price on the date of issuance.

In connection with the Transaction, Agnico Eagle and the Company entered into an investor rights agreement that provides Agnico Eagle with, among other things, certain rights in the event it maintains minimum ownership thresholds in the Company, including: (i) the right to participate in equity financings; (ii) a top-up right that would permit Agnico Eagle to increase its holdings in the Company to 19.9%; and (iii) the right (which Agnico Eagle has no present intention of exercising) to nominate one person to the Company's board of directors.

**Oijärvi Gold Project, Finland and Solvik Gold Project, Sweden (cont'd...)**

*Oijärvi Reservation Transaction*

On January 21, 2022, in connection with an amended to the Gold Line Project agreement, Gold Line acquired the Oijärvi exploration reservation (the “Oijärvi Reservation”) from EMX. Under the terms of the agreement, EMX also received an uncapped 3% NSR royalty on the Oijärvi Reservation. Within six years of December 31, 2021, Gold Line can exercise its right to buy down up to 1% of the royalty owed to EMX (leaving EMX with a 2% NSR) by paying EMX 2,500 ounces of gold, or the cash equivalent thereof.

EMX will also receive annual advance royalty (the “Oijärvi Extension AAR”) payments of 30 ounces of gold on the Oijärvi Extension Project, commencing on December 31, 2023, the second anniversary of December 31, 2021, until commencement of commercial production, with each AAR payment increasing by five ounces of gold per year up to a maximum of 75 ounces of gold per year. EMX will have an option to receive the AAR payments in gold bullion, a gold bullion cash equivalent, or a value equivalent in shares of Gold Line, subject to certain and agreed upon conditions.

In addition, the Oijärvi Reservation will be held by EMX, in trust for Gold Line, until such time as the Oijärvi Reservation has been converted into an exploration permit application (the “Exploration Permit Application”) registered in the name of the Gold Line. While holding the Oijärvi Reservation and the Exploration Permit Application in trust for Gold Line, Gold Line will have the right to conduct exploration and development activities on or with respect to the project area, for purposes of determining viability of the project.

**7. SHARE CAPITAL AND RESERVES**

**Authorized**

Unlimited number of common shares without par value.

**Issued**

In connection with the Arrangement, the Company closed a concurrent private placement. In January and February 2024 prior to closing of the Arrangement, the Company issued a total of 8,082,399 subscription receipts at a price of \$0.15 per unit for gross proceeds of \$1,212,360. Upon closing of the Arrangement, each subscription receipt was converted into one common share of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase one common shares of the Company at a price equal to \$0.25 per share for a period of two years. The Company paid finder’s fees of \$50,845 and issued 338,967 finder warrants. The finder warrants have the same terms as the warrants described above. The finders’ warrants were valued using the Black Scholes option pricing model and was estimated to be \$18,625.

In connection with the Transaction, the Company issued 27,954,872 common shares to Agnico Eagle at a price of \$0.36 per share for gross proceeds of \$10,063,754, which proceeds were used by the Company to immediately satisfy the remaining consideration payable to certain subsidiaries of Agnico Eagle under the Purchase Agreement. The Company paid fees of \$68,752 associated with the Transaction.

During the year, 8,571,230 stock options were exercised for a total consideration of \$2,039,720.

During the year, 9,257,555 warrants were exercised for a total consideration of \$2,785,916.



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The Company closed a private placement offering (the "Offering") for aggregate gross proceeds of \$11,500,368. The Offering consisted of the issuance of 34,849,600 units of the Company (the "Offered Units") at a price of \$0.33 per Offered Unit (the "Issue Price").

Each Offered Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company (each whole purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of \$0.45 for a period of 24 months from the closing date of the Offering.

In consideration for its services, the Company (i) paid the Underwriters a cash commission equal to 6.0% of the gross proceeds from the Offering (other than in respect of the gross proceeds raised from the issuance of Offered Units to a certain institutional investor, for which a reduced commission of 3.0% was paid), and (ii) issued to the Underwriters that number of non-transferable compensation options (the "Compensation Options") as is equal to 6.0% of the aggregate number of Offered Units sold under the Offering. Each Compensation Option is exercisable to acquire one common share of the Company at a price equal to the Issue Price for a period of 24 months from the closing date of the Offering.

### **Stock Options**

The Company has a plan to grant stock options to directors, officers, employees and consultants of the Company. Under the plan, the Board of Directors has the discretion to issue the equivalent of up to 10% of the issued and outstanding shares of the Company from time to time. Stock options are generally for a term of up to five years from the date granted and are exercisable at a price that is not less than the market price on the date granted.

Vesting terms are determined at the discretion of the board of directors. Options issued to consultants providing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the options vesting in any three-month period.

On April 6, 2023, the Company granted 575,000 stock options to an investor relations firm. The stock options have an exercise price of \$0.35 per share, expire two years from the date of grant and vest in equal quarterly instalments over 12 months. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$0.17. The following assumptions were used: risk free interest rate of 3.75%, dividend yield of 0%, expected volatility of 86.89% and expected life of 2 years.

On December 22, 2023, the Company granted 2,700,000 stock options to directors, officers and consultants. The stock options have an exercise price of \$0.17 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$0.10. The following assumptions were used: risk free interest rate of 3.23%, dividend yield of 0%, expected volatility of 89.41% and expected life of 5 years.

On February 23, 2024, the Company issued 1,550,220 options to previous option holders of Gold Line in accordance with the Arrangement (Note 4). The options are exercisable at \$0.15 per share and will expire on December 22, 2028. The options were all fully vested on the acquisition date. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$126,020. The following assumptions were used: risk free interest rate of 3.81%, dividend yield of 0%, expected volatility of 91.18% and expected life of 4.84 years.

On April 5, 2024, the Company issued 9,800,000 stock options to directors, officers and consultants. The stock options have an exercise price of \$0.20 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$1,419,070. The following assumptions were used: risk free interest rate of 3.68%, dividend yield of 0%, expected volatility of 92.14% and expected life of 5 years.

On May 27, 2024, the Company issued 1,700,000 stock options to directors, officers and consultants. The stock options have an exercise price of \$0.23 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$284,421. The following assumptions were

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used: risk free interest rate of 3.88%, dividend yield of 0%, expected volatility of 92.56% and expected life of 5 years.

On May 31, 2024, the Company issued 1,000,000 options to directors, officers and consultants. The stock options have an exercise price of \$0.25 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$177,128. The following assumptions were used: risk free interest rate of 3.66%, dividend yield of 0%, expected volatility of 92.56% and expected life of 5 years.

On July 26, 2024, the Company issued 525,000 options an officer. The stock options have an exercise price of \$0.33 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$123,600. The following assumptions were used: risk free interest rate of 3.23%, dividend yield of 0%, expected volatility of 93.34% and expected life of 5 years.

On September 16, 2024, the Company issued 1,727,500 stock options to a director and consultants. The stock options have an exercise price of \$0.36 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$450,230. The following assumptions were used: risk free interest rate of 2.68%, dividend yield of 0%, expected volatility of 91.15% and expected life of 5 years.

On September 20, 2024, the Company issued 889,542 stock options to a consultant. The stock options have an exercise price of \$0.37 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$226,802. The following assumptions were used: risk free interest rate of 2.73%, dividend yield of 0%, expected volatility of 91.14% and expected life of 5 years.

On November 26, 2024, the Company issued 2,090,976 compensatory stock options to underwriters. The stock options have an exercise price of \$0.33 per share, expire two years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the compensatory options to be \$296,410. The following assumptions were used: risk free interest rate of 3.23%, dividend yield of 0%, expected volatility of 91.12% and expected life of 2 years.

On December 12, 2024, the Company issued 267,500 stock options to a consultant. The stock options have an exercise price of \$0.37 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the compensatory options to be \$66,000. The following assumptions were used: risk free interest rate of 2.94%, dividend yield of 0%, expected volatility of 91.02% and expected life of 5 years.

The share-based payments expense for stock options granted and vested during the year ended December 31, 2024, was \$2,747,251 (2023 – \$293,824).

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Stock option transactions are summarized as follows:

	Options		Options Weighted average exercise price
Outstanding, December 31, 2022	6,575,000	\$	0.62
Expired	(2,325,000)		0.63
Granted	3,275,000		0.20
Exercised	(287,500)		0.35
Outstanding, December 31, 2023	7,237,500	\$	0.44
Issued on acquisition of Gold Line	1,550,220		0.15
Granted	18,000,518		0.25
Exercised	(8,571,230)		0.24
Expired	(1,700,000)		0.53
Forfeited	(730,420)		0.24
Outstanding, December 31, 2024	15,786,588	\$	0.30
Exercisable, December 31, 2024	15,786,588	\$	0.30

The following stock options to acquire common shares of the Company were outstanding at December 31, 2024:

Number of Shares	Exercise Price	Expiry Date
2,250,000	0.65	February 3, 2026
300,000	0.76	May 28, 2026
1,400,000	0.17	December 22, 2028
1,218,030	0.15	December 22, 2028
6,578,540	0.20	April 5, 2029
200,000	0.23	May 27, 2029
525,000	0.33	July 26, 2029
1,000,000	0.36	September 16, 2029
24,042	0.37	September 20, 2029
2,090,976	0.33	November 26, 2026
267,500	0.37	December 12, 2029
15,854,088		

### Warrants

In connection with the private placement completed in January and February 2024, the Company issued 338,967 finders' warrants. The warrants are exercisable at an average of \$0.25 per share and will expire on January 18, 2026, January 26, 2026 and February 9, 2026 respectively. The Company used the Black Scholes option pricing model to estimate the fair value of the warrants to be \$0.05. The following weighted average assumptions were used: risk free interest rate of 4.24%, dividend yield of 0%, expected volatility of 89.95% and expected life of 2 years.

On February 23, 2024, the Company issued 14,188,255 warrants to previous option holders of Gold Line Resources Ltd. in

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accordance with the Arrangement (Note 4). The warrants are exercisable at an average of \$0.73 per share and will expire on September 14, 2024, January 31, 2025, April 28, 2025 and October 27, 2025 respectively. The warrants were all fully vested on acquisition date. The Company used the Black Scholes option pricing model to estimate the fair value of the warrants to be \$237,655. The following weighted average assumptions were used: risk free interest rate of 4.23%, dividend yield of 0%, expected volatility of 101.55% and expected life of 1.1 years.

On July 8, 2024, the Company issued 3,150,631 warrants under the Warrant Incentive Program. The warrants have an exercise price of \$0.40 per share, expire two years from the date of grant and vest immediately. Under the residual value method, \$nil was attributed to the warrants.

On July 29, 2024, the Company issued 887,278 warrants under the Warrant Incentive Program. The warrants have an exercise price of \$0.40 per share, expire two years from the date of grant and vest immediately. Under the residual value method, \$nil was attributed to the warrants.

The Company closed a private placement offering for aggregate gross proceeds of \$11,500,368. The Offering consisted of the issuance of 34,849,600 units of the Company at a price of \$0.33 per Offered Unit. Each Offered Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company (each whole purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of \$0.45 for a period of 24 months from the closing date of the Offering.

Warrant transactions are summarized as follows:

	Warrants		Warrants Weighted average exercise price
Outstanding, December 31, 2022	3,849,058	\$	0.50
Granted	1,000,333		0.25
Outstanding, December 31, 2023	4,849,391		0.45
Expired	(2,589,756)		0.45
Exercised	(9,257,555)		0.30
Granted	25,842,873		0.41
Issued on acquisition of Gold Line	14,188,255		0.70
Outstanding, December 31, 2024	33,033,208	\$	0.56
Exercisable, December 31, 2024	33,033,208	\$	0.56

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The following warrants to acquire common shares of the Company were outstanding at December 31, 2024:

Number of Shares	Exercise Price	Expiry Date
833,333	\$0.25	November 17, 2025
2,616,866	0.25	January 18, 2026
1,144,377	0.25	January 26, 2026
166,371	0.25	February 9, 2026
1,891,638	0.39	January 31, 2025
668,687	0.29	April 28, 2025
110,140	0.34	April 28, 2025
4,139,087	0.27	October 27, 2025
3,150,631	0.40	July 8, 2026
887,278	0.40	July 29, 2026
17,424,800	0.45	November 26, 2026
33,033,208		

**8. CAPITAL MANAGEMENT**

The Company defines its capital as shareholder equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company may invest its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company management has been successful at raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions. There have been no changes to the Company's approach to capital management during the period.

**9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

Significant non-cash transactions during the year ended December 31, 2024 and 2023:

- a) Fair value of common shares issued for Oijarvi Gold Project \$10,063,754 (2023 - \$Nil).
- b) Fair value of common shares issued as share issuance costs \$18,625 (2023 - \$Nil).
- c) Modification of warrants - \$133,324 (2023 - \$Nil).
- d) Options exercised with a fair value of \$1,356,017 (2023 - \$47,027).
- e) Fair value of shares issued to acquire Gold Line \$4,289,726 (2023 - \$Nil), fair value of options from Gold Line transferred to options of the Company \$126,020 (2023 - \$Nil) and fair value of warrants from Gold Line transferred to warrants of the Company \$237,655 (2023 \$Nil).

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The Company paid or accrued \$Nil for income taxes and interest during the year ended December 31, 2024 (2023 - \$Nil).

**10. RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2024, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include all directors and officers.

Compensation paid or payable to key management personnel for services rendered are as follows:

		Year ended December 31, 2024		Year ended December 31, 2023
Management fees	\$	819,533	\$	462,000
Share based payments		895,461		165,127
<b>Total</b>	<b>\$</b>	<b>1,714,994</b>	<b>\$</b>	<b>627,127</b>

Other related party transactions are as follows:

		Year ended December 31, 2024		Year ended December 31, 2023
Investor relations <sup>[1]</sup>	\$	40,293	\$	112,734
Office and administration <sup>[1]</sup>		200,195		224,316
Project development and support services <sup>[1]</sup>		-		62,605
Project development and support services		374,000		206,400
Share based payments		637,113		72,243
<b>Total</b>	<b>\$</b>	<b>1,251,601</b>	<b>\$</b>	<b>678,298</b>

<sup>[1]</sup>Fees paid to a management service company controlled by a director of the Company that provides a corporate secretary, investor relations, a geologist and accounting and administration staff to the Company on a shared cost basis.

Included in accounts payable and accrued liabilities as at December 31, 2024 is \$650,851 (December 2023 - \$Nil) due to directors or officers or companies controlled by directors.

**11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

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); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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**Fair value of financial instruments**

The Company has various financial instruments including cash, restricted cash, receivables, accounts payable and accrued liabilities and subscriptions received in advance. The carrying values of all these financial instruments approximate their fair values due to the short-term maturity of the financial instruments.

**Concentrations of business risk**

The Company maintains a majority of its cash with a major Canadian financial institution. Deposits held with this institution may exceed the amount of insurance provided on such deposits.

**Credit risk**

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk is low because its receivables are primarily comprised of goods and services tax, which are recoverable from the governing body in Canada.

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is exposed to liquidity risk. The Company manages liquidity risk through the management of its capital structure.

**Foreign exchange risk**

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, prepaid expenses, amounts payable and accrued liabilities that are denominated in the Swedish Krona. A 10% fluctuation in the SEK against the Canadian dollar would not result in any material change in loss for the year ended December 31, 2024.

**Interest rate risk**

The Company limits its exposure to interest rate risk by holding cash deposits at major Canadian financial institutions and accordingly is not subject to significant interest rate risk.

**Price risk**

Mineral prices, in particular gold and silver, are volatile. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.

**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)**  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024  
*(Expressed in Canadian Dollars - Unaudited)*

**12. SEGMENTED INFORMATION**

The Company's one reportable operating segment is the acquisition and exploration of mineral properties. Geographic information is as follows:

	December 31, 2024	December 31, 2023
Equity investment – exploration and evaluation assets		
Sweden	\$ 1	\$ 1
Exploration and evaluation assets		
Sweden	\$ 4,366,594	\$ -
Finland	\$ 11,918,786	\$ -

**13. RECLASSIFICATION AND COMPARATIVE AMOUNTS**

Certain comparative figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current period. This includes the reclassification relating to Project Development and Support Services, which includes expenditures incurred in connection with the Company's early-stage project activities, including general exploration, technical and geological consulting, business advisory services, project planning, and related strategic and operational support. Such reclassifications did not have any impact on previously reported net loss and comprehensive loss.

**14. SUBSEQUENT EVENTS**

The Company announced that it has closed its brokered private placement (the "Private Placement") of Swedish depository receipts ("SDRs") in conjunction with its planned listing on the Nasdaq First North Growth Market ("Nasdaq First North") in Sweden. SDRs are a financial instrument issued by a Swedish bank representing shares in a non-Swedish company. The Private Placement of SEK 7.5 million was fully subscribed and the full oversubscription allotment of SEK 2.5 million was used as well. 3,105,591 SDRs were subscribed at a price of SEK 3.22 per SDR for aggregate gross proceeds of approximately SEK 10.0 million (CDN \$1.4 million). Each subscribed SDR is underpinned by one common share of the Company (each, a "Share").



**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS CORP.)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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**MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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Dated: March 31, 2025

Management’s Responsibility for Financial Reporting:

The accompanying financial report for the year ended December 31, 2024, has been prepared by management using accounting policies consistent with International Financial Reporting Standards (“IFRS”). Other information contained in this document has also been prepared by management and is consistent with the data contained in the annual financial report.

The Company’s certifying officers, are also responsible to ensure that the financial report and the MD&A (together the “filings”) do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and the financial report together with the other financial information included in these filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in these filings.

Certain statements in this report may constitute forward-looking statements that are subject to risks and uncertainties. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they were made.

In particular, forward looking comments regarding both the Company’s plans and operations included in the “Description of Business” with respect to management’s planned exploration and other activities, and in “Liquidity”, and “Corporate Summary” regarding management’s estimated ability to fund its projected costs of exploration work and general corporate costs of operations, and its ability to raise additional funding through placement of the Company’s common shares, are plans and estimates of management only and actual results and outcomes could be materially different.

There are many external factors that can adversely affect general workforces, economies, and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

Description of Business:

**ACQUISITION OF GOLD LINE RESOURCES LTD:**

On February 23, 2024, the Company completed the acquisition of all the issued and outstanding common shares of Gold Line Resources Ltd. (“Gold Line”) whereby each Gold Line shareholder received 0.7382 common shares of the Company in exchange for one common share of Gold Line (the “Arrangement”). Pursuant to the Arrangement, the Company issued 35,747,716 common shares with a fair value of \$4,289,726. Gold Line was a Canadian exploration company listed on the TSX-V and OTC Exchange. On completion of the Arrangement, Gold Line’s common shares were delisted from the TSX-V and OTC Exchange.

## **FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

### **MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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#### ACQUISITION OF GOLD LINE RESOURCES LTD (cont'd...):

##### Description of Business (cont'd...):

As part of the Arrangement, all outstanding share options and warrants of Gold Line were exchanged for share options to acquire up to an aggregate of 1,550,220 common shares of the Company. All outstanding warrants of Gold Line are now exercisable to acquire 14,188,255 common shares of the Company.

The transaction costs associated with the Arrangement totaled \$101,043 and is comprised of legal fees and transfer agent fees.

The acquisition of Gold Line constitutes an asset acquisition and has been accounted for under the acquisition method in accordance with the guidance provided in IFRS 3, Business Combinations (“IFRS 3”). The assets acquired did not qualify as a business according to the definition in IFRS 3, and therefore the acquisition did not constitute a business combination, but rather it is treated as a payment of equity consideration for the acquisition of Gold Line and its net assets. The value of the consideration paid after allocation to the other net assets acquired, was allocated to exploration and evaluation assets, which are located in Sweden and Finland and consist of the Gold Line Project, the Klippen Gold Project, and the Oijärvi Gold Project.

##### BARSELE, PROJECT SWEDEN:

The Barsele Property is located 40 km southeast of the town of Storuman in Västerbottens Län, a regional district of northern Sweden approximately 600 km due north of Stockholm. Exploration in the project area has been ongoing for 39 years. From 1985 to 2010, a total of 398 diamond drill holes (43,609 metres) were drilled and in 2006, Northland Resources S.A. (“Northland”) completed a National Instrument 43-101 technical report which contained resource estimates of both indicated and inferred resources and was filed on SEDAR+ by Northland on April 13, 2006.

On October 27, 2010, Orex Minerals Inc. (“Orex”) announced the terms of acquisition of the Barsele Project from Northland.

At Barsele, the main gold-bearing system remains open in all directions. The structurally linked gold mineralized “lodes” occur mainly within a granodiorite host and to a lesser extent, volcanic and sedimentary rocks. Multiple parallel to sub-parallel “lodes” that vary in width from 10 metres to 100 metres, combine for a maximum known thickness (including low grade-waste islands) of 425 metres. The Avan–Central–Skiråsen zones have a strike length approaching 3.6 kilometres and that same northwest trending structural corridor contains localized bodies with gold mineralization over an additional 4.4 kilometres. The drill tested depth of the mineralized system approaches 1.0 kilometre and remains open. Gold is generally associated with arsenopyrite and low base metal content and often occurs as native metal.

The Norra Zone is a small, massive sulphide deposit. At Norra, sulphide mineralization is exposed in two open trenches in the centre of the drilled mineralized trend. The main mineralized body is 300 metres in strike-length and 50 metres in width.

In May 2011, Orex initiated a 2,500 line-kilometre airborne geophysical survey of the entire Barsele Property. SkyTEM Surveys of Denmark carried out that work. That same year, Orex engaged Finland-based SuomenMalmiOy (“SMOY”) and LeBel Geophysics of Canada to conduct ground follow-up induced polarization and electromagnetic surveys. In November of 2011, Orex commenced a 6,200-metre diamond drilling program which targeted the Central (12 holes) and Avan (4 holes) gold zones.

In October of 2013, Orex gained 100% ownership in the Barsele Project from Northland through work, cash and share offerings.

On February 23, 2015, Orex announced a Letter of Intent to joint venture the Barsele Project with Agnico Eagle Mines Ltd. of Canada. On August 6, 2015, Orex announced an arrangement agreement to spin out its interest in the Barsele Project to a wholly owned subsidiary named Barsele Minerals Corp. Orex would retain a 2% net smelter royalty on the Barsele Project.

**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

**MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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Description of Business (cont'd...):

**BARSELE PROJECT, SWEDEN (cont'd...):**

On June 11, 2015, Agnico Eagle Sweden acquired a 55% interest in the Barsele Project which included Gunnarn Mining AB and Gunnarn Exploration AB (collectively "Barsele JV") for cash payments and work considerations. The project became a joint venture between Agnico Eagle Mines Limited (55%) and Barsele Minerals Corp. (45%). As part of the joint venture arrangement, Agnico Eagle could earn an additional 15% interest in the project, through completion of a pre-feasibility study.

As of mid-October 2015, total drilling by all parties on the Barsele Project equaled 49,809 metres in 414 drill holes.

On October 28, 2015, a \$US3.25 million exploration program was approved by Agnico Eagle and Barsele, with Agnico Eagle serving as operator, under the guidance of a joint venture technical committee. Diamond drilling of 12,300 metres was planned around the existing resource areas, including down-plunge extensions of gold mineralization. Additional trenching, structural mapping, till sampling, hyperspectral imaging, plus metallurgical and environmental studies were also undertaken.

At the end of April 2016, Agnico Eagle had drilled a total of 25 holes in the Central and Skiråsen zones totaling 13,264 metres. Highlight drilling results included: Central hole CNT-15016, with 112 metres grading 2.01 g/t gold. At Skiråsen hole SKI-15001, yielded 61 metres grading 1.61 g/t gold. During this time, it was recognized that the Central and Skiråsen gold zones are interconnected, with a combined strike length of approximately 1,400 metres, and extending to a depth of at least 540 metres, and ranging in width from 10 to 150 metres.

In October of 2016 Agnico Eagle announced an increase to the Barsele 2016 exploration budget of \$US2.5 million dollars. Planned drill meterage increased from 19,000 to 36,000 metres and in November 2016 it was announced that Agnico Eagle had fulfilled its expenditure commitment of \$US7.0 million dollars, ahead of the June 11, 2018, deadline.

Highlight drill results from the final six months of 2016 include: Skiråsen hole SKI-16006 with 69.8 meters grading 1.31 g/t gold, including 25.7 meters grading 2.17 g/t gold; SKI-16007 with 33.0 meters grading 4.08 g/t gold; Avan hole AVA-16005 intersected 6.0 meters grading 16.20 g/t gold and 26.00 meters grading 2.22 g/t gold; AVA-16007 intersected 33.40 meters grading 1.68 g/t gold and 8.00 meters grading 3.23 g/t gold; Central hole CNT-16001 intersected 27.00 meters grading 1.80 g/t gold and CNT-16002 intersected 134 meters grading 1.11 g/t gold, including 39.00 meters grading 2.41 g/t gold; with CNT-16011 yielding 23.0 meters grading 7.90 g/t gold at 559 meters depth.

During February 2017, the Company announced an updated mineral resource estimate for the Barsele Project, prepared internally by Agnico Eagle.

Highlight drill result releases from the first six months of 2017 include: Skiråsen hole SKI-16010 with 6.0 metres grading 33.46 g/t gold, plus 178.0 metres grading 1.68 g/t gold; SKI-16015 with 31.0 metres grading 2.29 g/t gold; SKI-17003 yielded 8 gold intercepts, including 4.0 metres grading 60.18 g/t gold and extending Skiråsen mineralization to 595 metres depth; SKI-16002 yielded 13.0 metres grading 2.15 g/t gold and extending Skiråsen mineralization an added 100 metres to 695 metres depth; Central hole CNT-16017 yielded 31.0 metres grading 2.65 g/t gold; CNT-16032 yielded 92 metres grading 1.63 g/t gold; CNT-17006 yielded 25.0 metres grading 5.34 g/t gold. Avan hole AVA-16024 extended Avan mineralization 375 metres NW of the known Avan Zone.

## **FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

### **MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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#### Description of Business (cont'd...):

##### **BARSELE PROJECT, SWEDEN (cont'd...):**

During the summer of 2017, a regional surface till sampling program was completed. This work defined a broad area with anomalous precious and base metal responses within the northern third of the property, several kilometers to the north of existing drilling. As the Barsele Project was originally discovered using till sampling, these results were considered significant.

During October 2017 metallurgical testing results were announced by Agnico Eagle, stating approximately 92 percent gold recovery from core samples throughout the gold zones. Four diamond drilling machines were operational within the property.

Highlight drill results from the final six months of 2017 include: hole CNT-17012 that yielded 19.75 metres grading 5.07 g/t gold, indicating continuity along the 100-metre gap between the Central and Skiråsen zones; CNT-17020 yielding 21.0 metres grading 2.96 g/t gold; while drilling at the Risberget Zone, 3.7 kilometres to the east-southeast of Skiråsen, yielded four significant gold hits, with a best result of 15.3 metres grading 1.87 g/t gold.

On April 12, 2018, the Company filed on SEDAR+ an updated mineral resource estimate report entitled "NI 43-101 Technical Report and Mineral Resource Estimate on the Barsele Property" with an effective date of February 15, 2018 for the Avan-Central-Skiråsen gold zones at Barsele, and reported 15,279,000 tonnes grading 2.91 g/t gold, containing 1,427,000 Inferred ounces and 2,399,000 tonnes grading 2.50 g/t gold containing 193,000 Indicated ounces (all at a 1.75 g/t gold cut-off grade). Carl Pelletier, P. Geo., B.Sc., of InnovExplo Inc., of Val d'Or, Quebec undertook responsibility as Qualified Person for this mineral resource estimate.

As project operator, Agnico Eagle has developed a community relations program to engage the various stakeholders in the Barsele Project area. Basic environmental assessment and surface water characterization, species studies and hydrogeology studies are ongoing.

Highlight drill result releases from the first six months of 2018 include: hole RIS-17007 that yielded 32.0 metres grading 2.92 g/t gold and RIS-17005 that yielded 1.0-metre grading 248.0 g/t gold and expanding the Risberget gold potential zone from 250 meters to 1,300 meters. At the Norra VMS Zone, hole NOR-17007 yielded 9.5 metres grading 1.40 g/t gold, 10.54 g/t silver, 1.61% zinc. At Central, hole CNT-17028 yielded the deepest gold intersection to date, with 12.0 metres grading 3.61 g/t gold at a midpoint depth of 875 metres below surface; at Skiråsen, hole SKI-17009 yielded 95.0 metres grading 1.63 g/t gold, including 30.0 metres grading 2.10 g/t gold; SKI-17015 cut seven mineralized zones with highlight hits of 11.0 metres grading 4.18 g/t gold at a midpoint depth of 520 metres below surface plus 22.0 metres grading 1.88 g/t gold and 4.0 metres grading 3.96 g/t gold at a midpoint depth of 615 metres below surface. Hole SKI-17016 yielded 2.43 g/t gold, along a core length of 176.0 metres (333.00 metres to 509.00 metres downhole). At Avan, hole AVA-17034 extended two gold lodes by 150 meters with a best intercept of 12.0 metres grading 2.37 g/t gold. Four diamond drills were operational at that time.

Highlight drill result releases from the final six months of 2018 include: Avan drill hole AVA-18003, that intersected 9.0 meters grading 35.72 g/t gold uncut (5.58 g/t gold cut) at a midpoint depth of 200 metres below surface; hole AVA-18006 cut 24 metres grading 3.76 g/t gold; AVA-18001 cut four gold zones with a best hit of 17.4 metres grading 2.54 g/t gold; AVA-18013 cut 21.0 metres grading 3.68 g/t gold, and AVA-18012 cut 16.0 metres grading 2.76 g/t gold. In the Norra area, NOR18-007 along the Stentjärnen trend, parallel to Avan-Central- Skiråsen zones, cut 3.2 metres grading 2.97 g/t gold. At Skiråsen hole, SKI-18003B yielded 27.0 metres grading 4.12 g/t gold, and SKI-18002 cut six gold zones with a best hit of 9.0 metres grading 3.76 g/t gold and SKI-18003 cut 2.0 metres grading 29.17 g/t gold; SKI-18004 cut nine mineralized intervals including 26.55 metres grading 2.43 g/t gold, plus 5.0 metres grading 4.0 g/t gold, plus 14.0 metres grading 4.97 g/t gold, while SKI-18005 cut 5.0 metres grading 3.35 g/t gold; SKI-18007 intersected five mineralized intervals, including a best intercept of 15.0 metres grading 3.74 g/t gold; SKI-18009 cut 22.0 metres of semi-massive sulphides. At Central, hole CNT-18006 cut 3.0 metres grading 11.12 g/t gold; CNT-18005 cut 5.0 metres grading 4.71 g/t gold, while CNT18007B cut nine mineralized intervals, including 11.0 metres grading 2.30 g/t gold; CNT-18009, cut 57.0 metres grading 1.60 g/t gold and infill drill hole CNT-18008 intersected 58.1 metres grading 1.37 g/t gold; CNT-18012 cut 25.0 metres grading 1.79 g/t gold. At Risberget, hole RIS-18002 cut 9.0 metres grading 1.98 g/t gold.

## **FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

### **MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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#### Description of Business (cont'd...):

##### **BARSELE PROJECT, SWEDEN (cont'd...):**

Drilling during 2018 totalled 34,998 metres. Since drilling commenced by Agnico Eagle in late 2015, a total of 135,142 metres of drilling was completed.

On February 21, 2019, the Company announced an updated mineral resource estimate on the Barsele Property with an effective date of February 14, 2019. The study concluded that diamond drilling to date along the Avan-Central-Skiråsen gold zones at a 0.50 g/t gold cut-off for a pit constrained extraction mining method and a 1.50 g/t gold cut-off for a bulk underground extraction mining method and a 1.80 g/t gold cut-off for a selective underground extraction mining method, has in combination, outlined an Inferred Resource of 25,495,000 tonnes grading 2.54 g/t gold (2,086,000 ounces of contained gold) and an Indicated Resource of 5,578,000 tonnes grading 1.81 g/t gold (324,000 ounces of contained gold). Harold Brisson, P. Eng. and Carl Pelletier, P. Geo., B.Sc., both from InnovExplo Inc., of Val d'Or, Quebec assumed responsibility as Qualified Persons for this mineral resource estimate.

On April 2, 2019, the Company announced the filing of the Barsele Gold Project NI 43-101 Technical Report on SEDAR+. The report was prepared in accordance with Canadian Securities Administrators' National Instrument 43-101 standards and a copy of the report may be found under the Company's profile at [www.sedarplus.com](http://www.sedarplus.com) and on the Company's website at [www.barseleminerals.com](http://www.barseleminerals.com).

Highlight drill result releases from the first six months of 2019 include: VMS drill holes NOR-19006 cut 3.4 metres grading 9.96 g/t gold, 6.34% zinc, 1.72% copper, 94.61 g/t silver; NOR-19007 cut 5.0 metres grading 5.09 g/t gold, 41.85 g/t silver; NOR-19008 cut 12 metres grading 11.04 g/t gold, 1.44% zinc, 0.29% copper, 74.22 g/t silver; NOR-19009 cut 10.0 metres grading 8.86 g/t gold, 5.17% zinc, 1.51% copper, 78.63 g/t silver.

Highlight drill result releases from the final six months of 2019 include: hole AVA-19007 yielded 1.0-meter grading 6.57 g/t gold and extended the Avan-Central-Skiråsen gold zones, 600 metres to the northwest, for a known strike length approaching 3.6 kilometres. Regional VMS hole AVA-19005 yielded 21.55 metres grading 0.18% zinc, 2.50 g/t silver and Expansion VMS hole NOR19-022 yielded 0.80-meter grading 3.89 g/t gold, 0.12% zinc.

For the 2019-year, drilling at Barsele totalled 12,310 metres in 56 completed core holes. Since assuming management of the Project in 2015, Agnico Eagle has drilled 147,452 metres of overburden penetration and core collection from a total of 367 core holes.

The COVID-19 Pandemic was declared in March of 2020. Proposed plans for the annual exploration campaign were successfully approved by the local Saami Village and sent to the County Administration Board, the Mining Inspectorate, and affected landowners. Between January 1 and April 30, Agnico Eagle personnel and certain contractors performed office related and field specific exploration activities at several exploration sites. Base of till sampling by a contractor continued with 25 holes drilled before the end of June. Ground gravity surveying was carried out by a contractor. Ground magnetic surveying was carried out by Agnico Eagle-site personnel. Plans were made to initiate a large surface till sampling campaign. Recent drilling at the Avan Zone has outlined some new potential lodes that lie parallel and sub-parallel to the current resource. Stringent COVID-19 protocols were enforced to keep workers and people in the surrounding community safe.

## FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)

### MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended December 31, 2024

(Expressed in Canadian Dollars - Unaudited)

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#### Description of Business (cont'd...):

##### BARSELE PROJECT, SWEDEN (cont'd...):

On July 14<sup>th</sup>, 2020, the Company announced the resumption of diamond drilling, with two machines. Drilling would test for the continuity and extensions of higher-grade intercepts within and between the Avan and Central zones. In addition, early-stage spectrographic Ore/Waste studies were initiated, with 87 samples collected from the Central Zone trench, as well as select core from the Avan and Skiråsen zones. Water sampling at 18 watercourses and three lakes, plus water flow measurements in 5 creeks is a continuous procedure year over year. Cumulative base of till sampling totaled 156 holes and yielded positive results up to 2.49 g/t gold. Extensive MEFFA surface till sampling combined with automated XRF scanning of 13,758 field samples yielded numerous anomalous responses warranting follow-up and locally yielded several anomalous gold values up to 33 ppb, in an area with strong anomalous arsenic response. A total of 741 gravity stations had measurements collected in 2020. A total of 765 kilometres of magnetic surveying was completed during 2020.

Highlight drill result releases from the final six months of 2020 include: Avan hole AVA-20001 that cut 2.0 metres grading 3.41 g/t gold, plus 5.0 metres grading 2.39 g/t gold; AVA-20002 intersected 11.2 metres grading 5.36 g/t gold; AVA-18003 ext. intersected 5.0 metres grading 84.0 g/t gold, including 0.65 metre grading 647.30 g/t gold; AVA-18004 ext. yielded 11.6 metres grading 3.22 g/t gold, including 0.60 metre grading 30.30 g/t gold and 3.0 metres grading 8.30 g/t gold; AVA-20004 intersected 10.0 metres grading 2.43 g/t gold, including 3.0 metres grading 6.80 g/t gold; AVA-20008 cut 1.0 metre grading 7.80 g/t gold. *At Avan, High-Grade (Bonanza-style) expansion drilling has been successful in probing for 'Fracture Sets' outside the current Wireframe Model and recent drilling has outlined some new Potential Lodes that lie parallel and sub-parallel to the current resource.* At Central, hole CNT-20006 intersected 6.0 metres grading 4.69 g/t gold. At Risberget, RIS-20003 between Skiråsen and Risberget intersected 1.0 metre grading 4.10 g/t gold. Regional "VMS" hole SKL-20001 intersected 0.50 metre grading 3.25% zinc, 0.15% lead and 10.96 g/t silver. Scout drilling at Bastutråsk in 2020 outlined a ~300 metre by ~300 metre area, roughly 4.8 kilometres east-northeast from the Avan-Central-Skiråsen zones requiring follow-up testing. Hole BAS-20007B intersected 0.70 metres grading 32.20 g/t gold, including 0.12% nickel, 0.08% copper and 0.05% cobalt. Hole BAS-20002 intersected 1.65 metres grading 5.80 g/t gold.

Since late 2015, the joint venture completed a total of 155,345 metres of overburden penetration and core collection from a total of 404 drill holes.

On December 16, 2020, the Company filed an amended technical report, entitled "NI 43-101 Technical Report and Mineral Resource Estimate (Amended) for the Barsele Property" (the "**Amended Technical Report**") and an annual information form, for the year ended December 31, 2019 (the "**Amended AIF**"). The Amended Technical Report and the Amended AIF address comments raised by the British Columbia Securities Commission (the "**BCSC**") during a review. The Amended Technical Report contains no material differences from the original technical report filed on April 2, 2019. The Amended AIF incorporates the executive summary from the Amended Technical Report and contains no material differences to the original annual information form for the year ended December 31, 2019, filed on October 28, 2020. The BCSC review is now complete. The report has been prepared in accordance with Canadian Securities Administrators' National Instrument 43-101 and a copy of the report may be found under the Company's profile at [www.sedarplus.com](http://www.sedarplus.com). and on the Company's website at [www.barseleminerals.com](http://www.barseleminerals.com)

On March 12, 2021, the Company announced that it had executed a non-binding letter of intent ("LOI") with Agnico Eagle to acquire Agnico's indirect 55% interest in the Barsele Project (the "Proposed Transaction"). The Proposed transaction was subject to corporate and regulatory approvals including approval from the TSX Venture Exchange.

## FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)

### MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended December 31, 2024

(Expressed in Canadian Dollars - Unaudited)

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#### Description of Business (cont'd...):

##### BARSELE PROJECT, SWEDEN (cont'd...):

The LOI provided that the Company and Agnico would negotiate and enter into a definitive purchase and sale agreement containing customary terms and conditions for a transaction of its nature, whereby the Company would acquire Agnico's 55% indirect interest in Gunnarn Mining AB. The purchase price payable by the Company to Agnico would consist of the following:

- (i) a cash payment of US\$45,000,000 (the "Cash Amount"), with the option, at the Company's election, to settle a portion of the Cash Amount through a vendor-take-back note.
- (ii) the issuance of common shares of the Company such that Agnico would hold 14.9% of the Company's common shares upon the closing of the Proposed Transaction (the "Consideration Shares")
- (iii) the issuance of warrants exercisable into 6,000,000 common shares of the Company (the "Warrants"). Each Warrant would have a five-year term and would entitle Agnico to purchase one common share of the Company at an exercise price equal to the greater of:
  - i. \$1.25
  - ii. a 20% premium to the twenty-day volume weighted average price of the Company's common shares immediately prior to the date of issuance of the Warrant, and
  - iii. in the event that the Company issued convertible debt in connection with its financing of the Cash Amount, the conversion price of such convertible debt.
- (iv) a 2% net smelter return royalty on all minerals produced from the Barsele Project (the "NSR"); and
- (v) a contingent value right with respect to future gold mineral reserves and mineral resources identified at the Barsele Project

On June 2, 2021, diamond drilling was resumed at Barsele. Targets tested would include; Orogenic Gold and Massive Sulphide targets, with target selection enhanced through use of geophysics and surface till and basal till sampling. The preliminary ore sorting studies indicated: *Avan-weak, Central-medium, and Skiråsen-good ore sorting potential.*

On November 1, 2021, the Company announced the termination of the LOI in accordance with its terms. The termination of the LOI was the result of difficult market conditions at that time.

On November 10, 2021, the Company announced that effective September 30, 2021, the Swedish Geological Survey has designated the land area hosting the Avan-Central-Skiråsen "Orogenic Gold" system, as well as the land area surrounding the Norra "VMS" deposit, a land and water area of National Interest under Chapter 3, Section 7 of the Swedish Environmental Code (MB). This National Interest area comprises 685 hectares. The National Interest designation of valuable substances or materials serves as a planning instrument and provides guidance to the public and relevant planning authorities that valuable substances or materials of National Importance occur in the area, and consequently must be protected against significant encroachment or restrictions for future mining activities. This is a positive step in an evolving permitting process, with more work to be done.

Highlight drill result releases from the 2021 drilling campaign within the 34,533-hectare property include: Bastuträsk hole BAS-21001 intersected basalt with a 0.90 metre interval grading 1.66% zinc, 0.12% lead; BAS-21004 intersected mainly brecciated basalt and yielded a 0.45 meter intercept grading 1.60 g/t gold; BAS-21005 cut 0.60 metre core length of sphalerite-bearing carbonate breccia, grading 2.93% zinc; BAS-21006 yielded arsenopyrite rich vein material with visible gold and contained a 0.45 metre core length grading 8.20 g/t gold; BAS-21007 cut a zone logged as a mafic dyke, that yielded 0.80 metre core length grading 6.20 g/t gold; BAS-20007B cut massive sulphide/meta gabbro, that yielded 4.00 metres core length grading 0.29 g/t gold, 0.07% nickel, 0.12% copper, plus an andesitic dyke that assayed 1.0 metre grading 1.61 g/t gold. At Norra, NOR-21003, intersected volcanics with banded iron formation at the beginning of the hole, followed by mafic intrusive. Narrow zones of arsenopyrite-bearing mineralization yielded 1.00 metre core length grading 1.03 g/t gold, plus 0.90 metre core length grading 6.10 g/t gold; NOR-21005 cut 1.00 metre

## **FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

### **MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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#### Description of Business (cont'd...):

##### **BARSELE PROJECT, SWEDEN (cont'd...):**

grading 0.75 g/t gold, 22.3 g/t silver, and 0.18% copper, plus anomalous zinc. At Sjöleden, SJO-21001, cut 1.0 metre grading 1.64 g/t gold. At Risberget, RIS-21001 cut 2.0 metres of graphite breccia grading 0.93 g/t gold.

In January 2022, the Company announced that regional exploration at Barsele led to the discovery of a new high-grade gold bearing boulder. A mineralized boulder trail discovered in 2016 and lying to the southeast of the trend of the Avan-Central-Skiråsen zones was followed up by additional work, including MEFFA soil sampling and boulder prospecting in late 2021. Another high-grade boulder assaying 90.8 g/t gold was found about 150 meters up-ice to the northwest of previous boulder discoveries. This new boulder was over one meter in diameter and was subrounded to rounded and composed of quartz-sulphide (mainly pyrrhotite with some arsenopyrite) breccia in fine-grained granodioritic host rock. Preliminary multi element fine fraction analysis of soils indicates discontinuous arsenic anomalies in the area. The possible sources of the boulders could be either the area of the disappearance of the arsenic anomaly approximately 100 meters northwest from the high-grade boulder, or the Barsele gold deposit itself.

On June 3, 2022, the Company announced initiation of what became a 4,252-meter drill campaign in 14 holes. Various targets to be tested included both Orogenic Gold and Massive Sulphide, with target selection enhanced through use of surface mapping and sampling, geophysics, and surface till and basal till sampling. Drilling was planned for Risberget, Avan, Skiråsen, Bastuträsk, and Södra Sundträsket. Drilling was terminated on September 19th.

In mid-January 2023, the Company announced the analytical results from the 2022 diamond drilling campaign. Best results include: Avan Expansion hole AVA-22002 that yielded 8.0 metres grading 2.24 g/t gold, within 11.0 metres grading 1.78 g/t gold. Expansion hole AVA-22003 intersected 3.0 metres grading 1.95 g/t gold. Expansion hole AVA-22004 yielded 1.0 metre grading 10.10 g/t gold, plus 1.0 metre grading 4.70 g/t gold, plus 1.0 metre grading 4.20 g/t gold. At Risberget, Regional hole RIS-22002 cut 3.0 metres grading 2.75 g/t gold.

As of mid-April 2023, ongoing activities by Agnico Eagle personnel included evaluation of the 2022 MEFFA sampling results, plus tabulation of analytical results from the base of till (BOT) winter sampling campaign and firming up plans for the spring BOT campaign, plus ongoing geophysical surveying. All this work was preparatory to a future drilling campaign. In addition, the Barsele personnel have undergone training in fire suppression, first aid, and safe work practises. QA/QC reporting in process with results expected by the end of April.

On June 14th, 2023, the company announced the start what would become a 3,245.5 metre-17-hole drilling campaign. The drill would probe Intrusive-hosted "Orogenic Gold" and "Volcanogenic Massive Sulphides." At Risberget, altered and mineralized zones were encountered in each hole. Subsequently the drill was moved to the Skiråsen area to test a ground magnetic anomaly-a possible source of a high-grade boulder. Results were inconclusive. Drilling was paused for a summer break and resumed on July 24<sup>th</sup>. The next target tested was the Stentjärn Lake VMS target, hosting strong MEFFA arsenic anomalies in an area of folding of strata, with the drill testing the downward plunge of a potential mineral lineation, like Norra. Subsequently three holes were drilled southeast of Norra. Subsequently, the drill tested the area along the northwesterly trend of the Avan Zone with three holes planned in areas where high-grade gold values have been encountered in prior holes. The Risberget area would next be tested. Drilling terminated September 8<sup>th</sup>.

On October 4, 2023, the Company provided a preliminary summary of drilling activities. Diamond drilling since 2015 within the 33,466-hectare property totals 165,936.52 metres from 453 drill holes. Drilling was carried out by NTK Drilling of Finland. Five target areas were tested: namely Risberget (4), Skiråsen (1), Norra SE Extension (3), Norra NW Extension (Stentjärn) (2), Avan (4), Risberget North Quarry (3). One Avan hole was abandoned short of target depth.



## FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)

### MANAGEMENT DISCUSSION & ANALYSIS

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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#### Description of Business (cont'd...):

##### BARSELE PROJECT, SWEDEN (cont'd...):

The 2023 drill results outline an extensive, highly significant, volume of altered and mineralized rock that occurs between 2.0 and 2.5 kilometres southeastward, along the same structural corridor as the Avan–Central–Skiråsen gold zones. Hole RIS-23001 intersected strongly albitized andesite, containing gold and arsenopyrite mineralization between 66 and 152 metres down hole. This hole extends the anomalous gold mineralized trend over 250 metres along a north-easterly projection. Assay results include 8.2 metres grading 0.39 g/t Au, 1.0-metre grading 1.49 g/t Au, 4.0 metres grading 0.55 g/t Au, 3.0 metres grading 0.44 g/t Au and 1.0 metre grading 1.21 g/t Au. Hole RIS-23002 intersected a broader and stronger zone of albitized and gold and arsenopyrite mineralized andesite. Gold mineralization occurs between 46 and 97 metres down hole and includes anomalous zones of 12 metres grading 0.40 g/t Au, including 1.0 metre grading 1.24 g/t Au, plus 2.95 metres grading 0.30 g/t Au, plus 2.4 metres grading 0.39 g/t Au plus 5.0 metres grading 0.38 g/t Au. Hole RIS-23003 intersected the strongly altered zone of albitized and gold and arsenopyrite mineralized andesite between 37 and 178 metres down hole. This drill hole tested rock approximately 50 metres beneath hole RIS-23002. The hole cut a discrete zone of arsenopyrite mineralization and quartz veining related to regionally important D-3 brittle ductile deformation. Analysis of the core yielded 4.0 metres grading 0.68 g/t Au, plus 11.0 metres grading 1.12 g/t Au, including 6.0 metres grading 1.8 g/t Au, plus 10.1 metres grading 0.51 g/t Au, plus 1.0 metre grading 1.62 g/t Au. RIS-23004 cut 3.0 metres grading 0.60 g/t gold. RIS-23005 cut 3.0 metres grading 0.57 g/t Au. RIS-23006 cut 0.50 metres grading 0.59 g/t Au. At Skiråsen, hole SKI-23001 cut 4.0 metres grading 5.08 g/t silver, 0.38% zinc, plus 6.8 metres grading 4.2 g/t Ag, 0.12% zinc. At Norra, Holes NOR-23001, NOR-23002, NOR-23003, NOR-23004 and NOR 23-005 did not intersect any anomalous gold or base metals.

At Avan, four holes were drilled to test the northwestward extension of the known wireframed lodes. The drilling partially tested an extension area of 400 metres east-west, by 250 metres north-south. Hole AVA-23001 was drilled southwesterly and hit the favourable granodiorite unit GD-II at 58.0 metres. Visible gold was observed at 142.6 metres, 185.2 metres and 213.2 metres down hole. Favourable quartz veining and arsenopyrite mineralization were observed throughout the entire GD II portion of the hole. This drilling extends the gold mineralized Avan Zone, 300 metres to the northwest from the end of the Avan resource wireframes. Hole AVA-23002 was drilled in a southwesterly direction and intersected massive sulphide rock, in the form of 5-15 percent sulphide mud rock (pyrrhotite) that locally contains 0.5% to 2% sphalerite and/or chalcopyrite, between near surface and 192 metres down hole. Beyond this, the favourable Orogenic Gold GD II granodiorite rock was encountered, and observed to include multiple zones with quartz/arsenopyrite mineralization, with a visible gold occurrence at 267.65 metres. Hole AVA-23003 drilled southwesterly, intersected basalt and dyke rock to 142 metres depth. Beyond this, the hole cut favourable GD II granodiorite, polymetallic breccia with quartz, arsenopyrite, sphalerite and galena to 200 metres down hole. Of the first three Avan holes, this drill hole lies nearest at 75-100 metres from the Avan resource wireframes. Hole AVA-23004 intercepted a strongly sericitized zone containing six intervals with sulphide mineralization and quartz veining, with visible gold and scheelite (often associated with gold) at 12.5 metres depth. The hole was lost at 183 metres, short of the planned depth of 300 metres. At Avan hole AVA-23001 cut 9 gold bearing intervals between 64.0 metres and 215.0 metres with a best hit of 4.0 metres grading 1.52 g/t gold. AVA-23002 cut 13 distinct precious/base metal zones between 29.0 metres and 268 metres, with a best gold hit of 1.0-metre grading 2.03 g/t Au, 8.15 metres grading 0.19% zinc, 3.0 metres grading 0.14% copper. AVA-23003 cut four gold bearing intervals between 169.0 and 218.0 metres with a best hit of 1.0-metre grading 0.92 g/t Au and AVA-23004 cut four gold bearing intervals between 4.0 metres and 180.0 metres with a best hit 1.0-metre grading 2.15 g/t Au.

In early 2024, Agnico Eagle has continued project work at Barsele, preparatory to a summer diamond drilling campaign.

**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

**MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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Description of Business (cont'd...):

**BARSELE and GOLD LINE COMBINED PROJECTS, SWEDEN/FINLAND:**

On December 13, 2023, Barsele Minerals Corp., and Gold Line., announced entry into a plan of arrangement agreement dated December 12, 2023, pursuant to which Barsele would acquire all the issued and outstanding common shares of Gold Line in exchange for common shares of Barsele.

The Transaction would create a company with a leading precious and base metal portfolio of projects underpinned by the advanced stage Barsele gold project, a joint venture with Agnico Eagle Mines Limited.

The Transaction would consolidate a large and prospective gold exploration portfolio in Sweden and Finland that includes a district-scale property package situated along the prolific Gold Line Mineral Belt in Sweden, as well as the Oijärvi gold project located in the Oijärvi Greenstone Belt of Finland. The combined exploration portfolio totals over 104,000 hectares across 41 semi-contiguous exploration permits and will be one of the largest land holdings in Scandinavia.

The Barsele Project lies in the heart of the district with an open pit and underground Indicated Resource of 324 koz gold and an Inferred resource of 2.086 Moz gold. Gold Line's flagship projects, Paubäcken and Storjuktan are located to the immediate south and immediate north of the Barsele Project, and the combined total belt position exceeds 100 kilometres.

The commanding land position will cover the majority of the underexplored and highly prospective Paleoproterozoic Gold Line greenstone belt. This belt is host to the development stage +1 Moz Faboliden deposit, and past-producing Svartliden and Blaiken deposits. Exploration work undertaken by Gold Line on the 100%-owned Paubäcken and Storjuktan projects has continued to demonstrate the potential of the belt, yielding positive drill results. At Paubäcken recent drill results include 22.5 metres of 2.4g/t gold at 45 metres depth and 14.6 metres of 2.5 g/t gold at 142 metres depth. At Paubäcken only 600 metres of a 5.0-kilometre structure has been tested.

In addition, the high grade Oijärvi Project located in the Oijärvi Greenstone Belt of Finland presents a stand-alone belt-scale opportunity for First Nordic Metals Corp. The Oijärvi Project includes the Kylmäkangas gold-silver underground deposit with an Indicated Resource of 159,000 ounces grading 4.6 g/t AuEq and an Inferred Resource of 152,000 ounces grading 2.9 g/t AuEq. The Oijärvi Project was purchased from Agnico Eagle in 2021 and a significant opportunity exists for resource expansion and additional regional discoveries.

This corporate combination will deliver cost efficiencies and will eliminate cost duplication by optimizing resources and providing for more efficient advancement of the combined companies assets as a single portfolio, with a focus on delivering maximum value for shareholders.

**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)****MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*Description of Business (cont'd...):

BARSELE and GOLD LINE COMBINED PROJECTS, SWEDEN/FINLAND (cont'd...):

**The Gold Line Acquisition Assets**

As part of the acquisition of Gold Line the Company acquired its exploration and evaluation assets. The following tables summarize the capitalized costs associated with the Company's exploration and evaluation assets:

	Gold Line Project	Klippen Gold Project	Oijärvi Gold Project	Total
<b>Acquisition Costs</b>				
February 23, 2024	\$ 3,522,377	\$ 844,217	\$ 1,855,032	\$ 6,221,626
Shares issued for mineral property acquisition	-	-	10,063,754	10,063,754
Balance, December 31, 2024	\$ 3,522,377	\$ 844,217	\$ 11,918,786	\$ 16,285,380

**Gold Line Project, Sweden**

As part of the acquisition of Gold Line (Note 4), the Company acquired its Gold Line Project located in Sweden. The Gold Line Project consist of mineral property licenses in the Gold Line of Northern Sweden and includes the Långtjärn Property, Blåbärliden Property, Paubäcken Property, and the Kankberg Norra Property.

The project was acquired from EMX Royalty Corporation ("EMX") who under the terms of the original agreement will have the right to participate pro-rata in future financings at its own cost to maintain its interest in Gold Line (the "Pre-Emptive Right") until EMX's interest becomes less than 5%. In addition, the following royalty agreements are associated with the Project.

**EMSAB Royalty:**

Gold Line entered into a royalty agreement with EMSAB dated April 1, 2019, pursuant to which Gold Line is required to pay an annual advance royalty (the "Gold Line AAR") payments of 30 ounces of gold, or its value equivalent in USD or issuance of shares, on or before April 1, 2022, the third anniversary of the closing date. This royalty payment will then increase by 5 ounces per year up to a maximum of 75 ounces of gold per year until commencement of commercial production. In December 2024, the Company paid the Gold Line AAR payment for a total of \$445,630.

**AOI Royalty:**

Certain additional licenses were staked subsequent to the original agreement with EMX. Per the terms of the original agreement, all licenses staked within the agreed upon area of interest (the "AOI") or subsequently acquired by Gold Line before April 1, 2024 will also be subject to a 1% net smelter return royalty in production from the AOI interest.

**Failure to Comply:**

If Gold Line delivers a relinquishment notice to EMX, fails to make the required payment of royalties or annual advance royalties EMX will have the right to demand GLR transfer the Gold Line Project back to EMX for no further consideration.

## **FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

### **MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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#### Description of Business (cont'd...):

GOLD LINE PROJECTS, SWEDEN, FINLAND (cont'd...):

#### **Klippen Gold Project**

As part of the acquisition of Gold Line, the Company acquired the Klippen Gold Project. The Klippen Gold Project consists of an exploration license located in the Kingdom of Sweden.

#### **Oijärvi Gold Project, Finland and Solvik Gold Project, Sweden**

As part of the acquisition of Gold Line, the Company acquired its Oijärvi Gold Project located in central Finland and the Solvik Gold Project located in southern Sweden. Gold Line and EMX previously entered into a definitive agreement (the "AEM Agreement") with Agnico Eagle Mines Limited (NYSE and TSX: AEM; "Agnico") pursuant to which Gold Line will acquire a 100% interest in Agnico's Oijärvi Gold Project and the Solvik Gold Project (the "AEM Transaction"). Agnico will retain a 2% net smelter return ("NSR") royalty on the projects, 1% of which may be purchased at any time by EMX for US\$1,000,000.

On May 1, 2023, Gold Line entered into an amending agreement to the AEM Agreement.

In connection with the amending agreement, Gold Line issued 1,327,989 common shares (issued) on May 1, 2023 and was required to make a cash payment in the amount of US\$87,500 on or before June 30, 2023 (not paid).

#### **Paubäcken Project, Sweden**

The Paubäcken Project consists of 3 licenses (17,097 ha) that cover the central part of the "Gold Line Belt".

Diamond drilling totaling 670 metres was completed at Paubäcken in early November 2021, with multiple, prioritized drill targets having been defined by exploration in 2020 and 2021. The best result from this drilling program was 22.4m @ 2.4 g/t gold in hole PAU-21-003.

The 2021 drill program focused on the "Aida" target area at Paubäcken, where top of bedrock drilling intersected numerous zones of gold enrichment, including one top of bedrock sample of 3 meters grading 3.9 g/t gold (the entire sampled interval was mineralized). Another > 1 g/t gold top of bedrock sample was also collected from the area, and these zones of documented gold mineralization in bedrock will be targeted in future drill campaigns.

In May 2022 the existing airborne magnetic data was reinterpreted by Perry Eaton. The interpretation identified a clear geophysical trend possibly corresponding to a structural corridor.

A follow up drilling program at the Aida Target was initiated in September 2022 with the aim of expanding on the 2021 results. The program was completed in November 2022 and consisted of 822.15 metres of drilling in 6 holes. The program tested 650 metres of the >5 km Aida structural corridor identified using airborne magnetic geophysics with wide spaced step outs. The 2022 drilling tested down dip and along strike of mineralization encountered in the 2021 discovery hole (22.5 m @ 2.4 g/t Au in PAU-21003). Mineralization is hosted within a sheared and altered mafic volcanic unit located within the structural corridor. Hanging wall and footwall units consist of black shale and greywacke metasedimentary rocks. Mineralization within the volcanic unit has been encountered over 250 metres along strike and remains open to depth and along strike in both directions. Intercepts encountered include 14.55 metres grading 2.44 g/t gold in 2022-AID001, 9.75 metres grading 0.78 g/t Au in 2022-AID002; 3.35 metres grading 1.61 g/t gold and 4.7 metres grading 2.12 g/t gold in 2022-AID-003; and 7.2 metres grading 1.35 g/t gold in 2022-AID-006. Drill hole locations are shown in Figure 1 and a section through PAU-21-003 and 2022-AID-001 is shown in Figure 2.

Drill hole 2022-AID-005 was drilled a further 460 metres along strike to the northwest and encountered 1.0-meter grading 1.04 g/t gold within an alteration envelope of 18 metres grading 0.29 g/t gold. No significant intercepts were encountered in 2022-AID-004

**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

**MANAGEMENT DISCUSSION & ANALYSIS**

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*

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Description of Business (cont'd...):

GOLD LINE PROJECTS, SWEDEN, FINLAND (cont'd...):

although it did cut into the Aida structural corridor. Mineralization in this area is hosted within a sheared and altered greywacke metasediment.

Initially planned for 1,500 metres, and only testing 800 metres of the structural corridor, the program was cut short due to delays caused by winter weather conditions and expiry of seasonal permit agreements with the Sami Nation to make way for seasonal migration of the reindeer herds.

Up to December 31, 2021, Gold Line aggressively explored the Paubäcken area with:

- 2,399 surface till/soil samples were collected and analyzed.
- 270-line km of geophysical surveys were completed.
- 185 rock chip samples were collected and analyzed.
- 201 base of till/top of bedrock drill holes were completed.
- 17 channel samples collected.
- 5,200 meters of historic drill core was relogged with 252 additional samples analyzed from the historic drill core.
- 670 metres of diamond drilling

Up to December 31, 2022, the company completed the following exploration work at Paubäcken:

- Reinterpretation of existing airborne magnetic data.
- 3,718 surface till samples collected and analyzed.
- 822.15 metres of diamond drilling on the Aida target structural corridor.

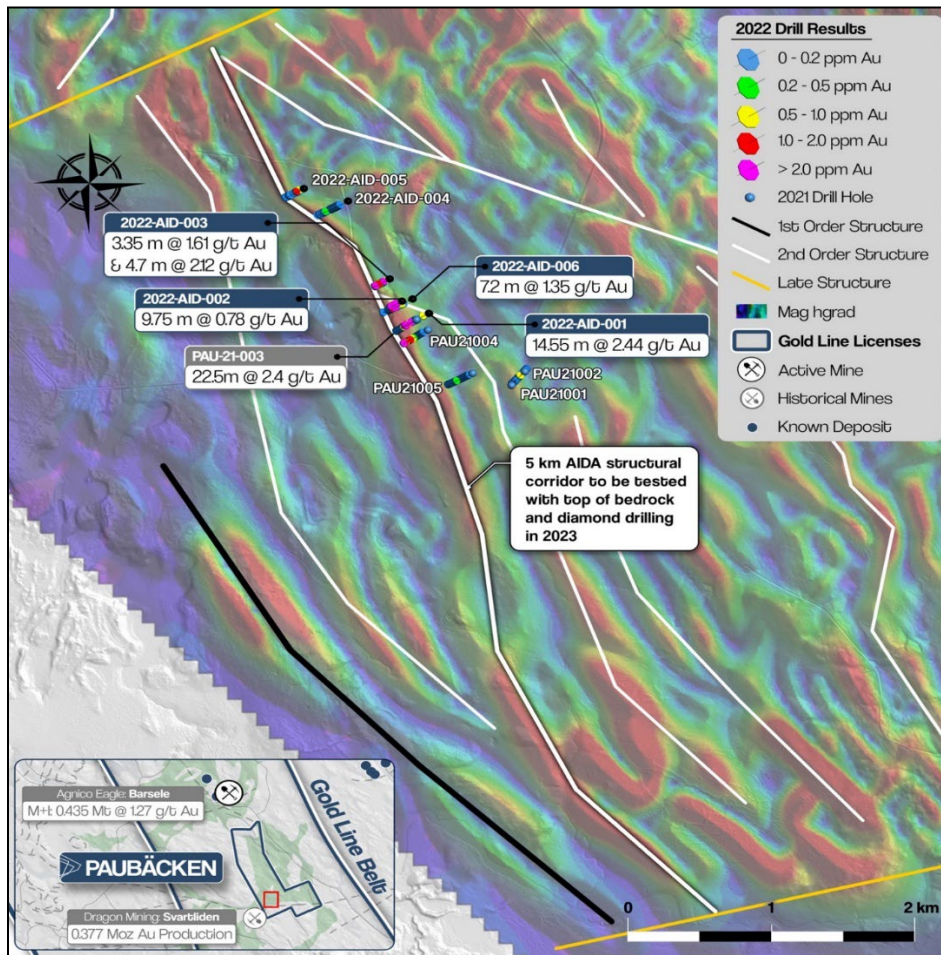
At Paubäcken, exploration in 2023 included 1,181 metres in 71 base of till holes, at the Aida Zone. These holes were designed to test for hydrothermal alteration and mineralization along prospective structural corridors near Aida, in an attempt to define additional drill targets. In total, 1.8 kilometres of terrain was tested. In addition, 3,050 regional B Horizon till samples were collected in an area of 1,350 hectares over a 12-kilometer strike length of the northern extent of the first order Gold Line Belt structural corridor and related second order structures within the Paubäcken exploration permit.

**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
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Description of Business (cont'd...):

**BARSELE - GOLD LINE PROJECTS, SWEDEN, FINLAND (cont'd...):**

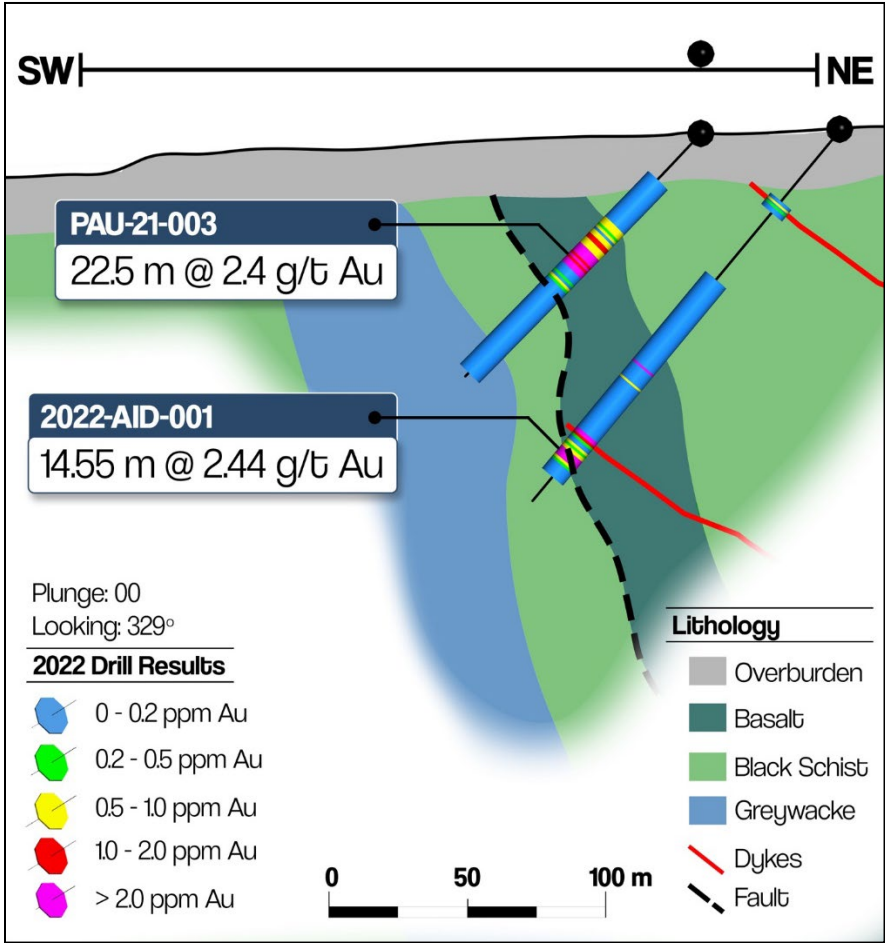
Figure 1: Paubäcken drilling Aida Zone and Structural Trends



Description of Business (cont'd...):

BARSELE - GOLD LINE PROJECTS, SWEDEN, FINLAND (cont'd...):

Figure 2: Geological section through PAU-21-003 and 2022-AID-001



**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

## MANAGEMENT DISCUSSION &amp; ANALYSIS

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*Description of Business (cont'd...):

## GOLD LINE PROJECTS, SWEDEN, FINLAND (cont'd...):

In 2024, the Company plans to continue to systematically explore and develop multiple targets within the Paubäcken Project, including the possibility of new diamond drilling at the Aida Target. Exploration activities will be focused on exploring

prospective structural corridors and targets identified from geophysical and mapping data and corroborated with encouraging base of till and top of bedrock sampling results. Permitting is planned for several newly recognized anomalies/targets.

**Storjuktan Project, Sweden**

The Storjuktan project is a large, early-stage project, strategically positioned to the north of the Barsele deposit. It consists of seven contiguous permits covering 30,000 hectares located in the northern portion of the Gold Line Belt. The project contains multiple prospective structures estimated to total 60 kilometres in combined length. All mineralization discovered to date is spatially related to these structures, noted to occur mainly associated with second and third order splays.

At Storjuktan, exploration in 2023 included the collection of 4,357 regional B Horizon till samples covering approximately 2,000 hectares over multiple untested structural corridors within the central portion of the 25,000-hectare project area. This work was designed to identify additional areas of hydrothermal anomalism, toward definition of future diamond drill targets.

**Oijärvi Gold Project, Finland and Solvik Gold Project, Sweden**

As part of the acquisition of Gold Line, the Company acquired its Oijärvi Gold Project located in central Finland and the Solvik Gold Project located in southern Sweden. Gold Line and EMX previously entered into a definitive agreement (the “AEM Agreement”) with Agnico Eagle Mines Limited (NYSE and TSX: AEM; “Agnico”) pursuant to which Gold Line will acquire a 100% interest in Agnico’s Oijärvi Gold Project and the Solvik Gold Project (the “AEM Transaction”). Agnico will retain a 2% net smelter return (“NSR”) royalty on the projects, 1% of which may be purchased at any time by EMX for US\$1,000,000.

On May 1, 2023, Gold Line entered into an amending agreement to the AEM Agreement (the “Amending Agreement”).

In connection with the Amending Agreement, Gold Line issued 1,327,989 common shares (issued) on May 1, 2023 and was required to make a cash payment in the amount of US\$87,500 on or before June 30, 2023 (not paid).

As a result of the Amending Agreement, total consideration for the transaction would be US\$10,175,000, comprised of US\$7,087,500 in cash, US\$1,500,000 in common shares of EMX and US\$1,587,500 in common shares of Gold Line, which was required to be paid (or had been paid) to Agnico as follows:

<b>Date</b>	<b>Cash Payments (USD)</b>	<b>EMX Shares (USD)</b>	<b>Gold Line Shares (USD)</b>
Upon TSXV approval	\$750,000 (paid)	\$375,000 (issued)	\$375,000 (issued)
On the first anniversary of the AEM Agreement (March 19, 2022)	\$1,500,000 (paid)	\$500,000 (issued)	\$500,000 (issued)
On the second anniversary of the AEM Agreement (March 19, 2023)	\$87,500 (not paid)	-	\$87,500 (issued)
On the third anniversary of the AEM Agreement (March 19, 2024)	\$4,750,000 (not paid)	\$625,000 (not issued)	\$625,000 (not issued)
<b>Total</b>	<b>\$7,087,500</b>	<b>\$1,500,000</b>	<b>\$1,587,500</b>



**FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

## MANAGEMENT DISCUSSION &amp; ANALYSIS

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*Description of Business (cont'd...):

## GOLD LINE PROJECTS, SWEDEN, FINLAND (cont'd...):

As part of the AEM Agreement, EMX would receive cash and share payments from the Gold Line as set out in the revised table below, as well as the purchase right of 1% of Agnico's 2% NSR royalty.

<b>Date</b>	<b>Cash Payments (USD)</b>	<b>Gold Line Shares Issued to EMX (USD)</b>
Upon TSXV approval	-	\$375,000 (issued)
On the first anniversary of the AEM Agreement (March 19, 2022)	\$250,000 (paid)	\$250,000 (issued)
On the third anniversary of the AEM Agreement (March 19, 2024)	\$312,500 (not paid)	\$312,500 (not issued)

After completion of the Arrangement, on July 15, 2024, the Company entered into a transaction with Agnico that will result in Agnico Eagle holding, after giving effect to the transaction, 13.3% of the issued and outstanding common shares of the Company, subject to the receipt of certain regulatory approvals and the satisfaction of other conditions.

**Oijärvi Gold Project, Finland and Solvik Gold Project, Sweden**

Agnico Eagle has agreed to exchange amounts that remained due under the amended AEM Agreement between certain subsidiaries of the Company, certain subsidiaries of Agnico Eagle and EMX for 27,954,872 common shares of the Company (the "Transaction"). The Transaction is being effected by way of a subscription agreement between the Company and Agnico Eagle. The Transaction provided for the acquisition of, among other things, the Oijärvi Gold Project ("Oijärvi" or the "Project"). The Oijärvi is a greenstone belt land package that includes the Kylmäkangas gold deposit

On July 31, 2024, the Company completed the Transaction to acquire the Oijärvi Gold Project. The Company issued 27,954,872 common shares to Agnico Eagle at a fair value of \$10,063,754. The common shares were valued using the trading price on the date of issuance.

In connection with the Transaction, Agnico Eagle and the Company entered into an investor rights agreement that provides Agnico Eagle with, among other things, certain rights in the event it maintains minimum ownership thresholds in the Company, including: (i) the right to participate in equity financings; (ii) a top-up right that would permit Agnico Eagle to increase its holdings in the Company to 19.9%; and (iii) the right (which Agnico Eagle has no present intention of exercising) to nominate one person to the Company's board of directors.

**Oijärvi Reservation Transaction:**

On January 21, 2022, in connection with an amended to the Gold Line Project agreement, Gold Line acquired the Oijärvi exploration reservation (the "Oijärvi Reservation") from EMX. Under the terms of the agreement, EMX also received an uncapped 3% NSR royalty on the Oijärvi Reservation. Within six years of December 31, 2021, Gold Line can exercise its right to buy down up to 1% of the royalty owed to EMX (leaving EMX with a 2% NSR) by paying EMX 2,500 ounces of gold, or the cash equivalent thereof.

EMX will also receive annual advance royalty (the "Oijärvi Extension AAR") payments of 30 ounces of gold on the Oijärvi Extension Project, commencing on December 31, 2023, the second anniversary of December 31, 2021, until commencement of commercial production, with each AAR payment increasing by five ounces of gold per year up to a maximum of 75 ounces of gold per year. EMX will have an option to receive the AAR payments in gold bullion, a gold bullion cash equivalent, or a value equivalent in shares of Gold Line, subject to certain and agreed upon conditions.

## **FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

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#### Description of Business (cont'd...):

##### **GOLD LINE PROJECTS, SWEDEN, FINLAND (cont'd...):**

In addition, the Oijärvi Reservation will be held by EMX, in trust for Gold Line, until such time as the Oijärvi Reservation has been converted into an exploration permit application (the "Exploration Permit Application") registered in the name of the Gold Line. While holding the Oijärvi Reservation and the Exploration Permit Application in trust for Gold Line, Gold Line will have the right to conduct exploration and development activities on or with respect to the project area, for purposes of determining viability of the project.

#### **Klippen Gold Project**

As part of the acquisition of Gold Line the Company acquired its Klippen Gold Project. The Klippen Gold Project consists of an exploration license located in the Kingdom of Sweden.

Art Freeze, P.Geo., is the Qualified Person, with respect to the Barsele Project and Benjamin Gelber, M.Sc., P.Geo. is the Qualified Person with respect to the Gold Line Projects as defined in National Instrument 43-101, and they take responsibility for the technical disclosures in this report.

#### Results of Operations for the Three-Month Period Ended December 31, 2024 and 2023:

Operating costs totaled \$3,309,090 (2023 - \$670,643) for the three-month period ended December 31, 2024. These costs include project development and support services of \$1,538,868 (2023 - \$57,600), foreign exchange gain of \$62,922 (2023 - loss of \$1,310), investor relations of \$213,345 (2023 - \$47,292), management fees of \$393,546 (2023 - \$115,500), office and administrative fees of \$404,742 (2023 - \$54,281), professional fees of \$201,845 (2023 - \$158,480), royalty expense for \$448,432 (2023-\$nil), stock-based payments of \$66,000 (2023 - \$225,415) and transfer agent and filing fees of \$106,762 (2023 - \$10,765). General operating costs were comparable other than project development and support services, foreign exchange gain, investor relations, office and administrative, professional fees, royalty expense and stock-based payments expense. Project development and support services increased from \$57,600 in the three months ended December 31, 2023 to \$1,538,868 in the three months ended December 31, 2024 due to increased activity incurred by the Company in the current period. Project Development and Support Services includes expenditures incurred in connection with the Company's early-stage project activities, including general exploration, technical and geological consulting, business advisory services, project planning, and related strategic and operational support. Foreign exchange gain increased from \$1,310 loss in the three months ended December 31, 2023 to \$62,922 gain in the three months ended December 31, 2024 due to fluctuating exchange rate of the Swedish Krona to the Canadian dollar. Investor relations increased from \$47,292 in the three months ended December 31, 2023 to \$213,345 in the three months ended December 31, 2024 due to increased investor relation needs. Office and administrative increased from \$54,281 for the three months ended December 31, 2023 to \$404,742 in the three months ended December 31, 2024 due to increase in office and administrative costs to the company and timing of invoices. Professional fees increased from \$158,480 in the three months ended December 31, 2023 to \$201,845 in the three months ended December 31, 2024 due to timing of invoices. Stock-based payments decreased from \$225,415 for the three months ended December 31, 2023 to \$66,000 in the three months ended December 31, 2024 due to decrease in options granted in the period.

In summary, the loss in the three-month period ended December 31, 2024 amounted to \$3,309,090 (2023 - \$670,643) or \$0.01 (2023 - \$0.00) per share.

#### Results of Operations for the Year Ended December 31, 2024 and 2023:

Operating costs totaled \$10,020,098 (2023 - \$1,546,521) for the year ended December 31, 2024. These costs primarily included project development and support services of \$3,461,259 (2023 - \$293,005), foreign exchange gain of \$31,288 (2023 - loss of \$1,067), investor relations of \$1,300,993 (2023 - \$263,204), management fees of \$819,533 (2023 - \$462,000), office and administrative fees of \$697,481 (2023 - \$260,555), professional fees of \$405,286 (2023 - \$194,068), royalty expense for \$448,432 (2023-\$nil), share-based payments of \$2,747,251 (2023 - \$293,824) and transfer agent and filing fees of \$172,685 (2023 - \$59,231). Operating costs were comparable other than project development and support services, investor relations, office and administrative,

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professional fees, royalty expense and share-based payments. Project development and support services increased from \$293,005 in the year ended December 31, 2023 to \$3,461,259 in the year ended December 31, 2024 due to increased activity incurred by the Company in the current period. Investor relations increased from \$263,204 in the year ended December 31, 2023 to \$1,300,993 in the year ended December 31, 2024 due to increased investor relation needs. Investor relations expenses include a) Investor communication and press releases; b) Investor roadshows and conferences; c) Shareholder services; d) payments to external IR firms or consultants; e) Market awareness and advertising; f) stock exchange and regulatory fees; and g) IR related travel and expenses. Professional fees increased from \$194,068 in the year ended December 31, 2023 to \$405,286 in the year ended December 31, 2024 due to increased professional services needs and timing of invoices. During the year ended December 31, 2024, options were granted and vested resulting in a fair value of \$2,747,251 in share-based payments recognized using the Black-Scholes Model. Share-based payments were \$293,824 for the year ended December 31, 2023.

In summary, the loss in the year ended December 31, 2024 amounted to \$10,020,098 (2023 - \$1,827,526) or \$0.04 (2023 - \$0.01) per share.

Selected Annual Financial Information:

	For the Year Ended December 31, 2024	For the Year Ended December 31, 2023	For the Year Ended December 31, 2022
Total revenues	\$ Nil	\$ Nil	\$ Nil
Loss and comprehensive loss for the year:			
(i) total for the year	10,020,098	1,827,526	1,665,625
(ii) loss per share – basic and diluted	(0.04)	(0.01)	(0.01)
Net loss:			
(i) total for the year	10,020,098	1,827,526	1,665,625
(ii) loss per share – basic and diluted	(0.04)	(0.01)	(0.01)
Total assets	27,386,338	503,098	1,330,267
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per-share	\$ Nil	\$ Nil	\$ Nil

Selected Quarterly Financial Information:

	Revenues	Loss for the period	Loss per share
4 <sup>th</sup> Quarter ended December 31, 2024	\$Nil	\$(3,309,090)	\$(0.01)
3 <sup>rd</sup> Quarter ended September 30, 2024	\$Nil	\$(2,984,331)	\$(0.02)
2 <sup>nd</sup> Quarter ended June 30, 2024	\$Nil	\$(3,199,687)	\$(0.02)
1 <sup>st</sup> Quarter ended March 31, 2024	\$Nil	\$(526,990)	\$(0.00)
4 <sup>th</sup> Quarter ended December 31, 2023	\$Nil	\$(670,643)	\$(0.00)
3 <sup>rd</sup> Quarter ended September 30, 2023	\$Nil	\$(361,002)	\$(0.00)
2 <sup>nd</sup> Quarter ended June 30, 2023	\$Nil	\$(451,743)	\$(0.00)
1 <sup>st</sup> Quarter ended March 31, 2023	\$Nil	\$(344,138)	\$(0.00)

During the three-month period ended December 31, 2024, Operating costs totaled \$3,309,090 and \$2,984,331 during the three months ended September 30, 2024.

During the three-month period ended September 30, 2024, Operating costs totaled \$2,984,331 and \$3,199,687 during the three months ended June 30, 2024.

During the three-month period ended June 30, 2024, Operating costs totaled \$3,199,687 and 526,990 during the three months ended March 31, 2024. The increase in operating expenses was mainly due to stock-based payments recognized due to options

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granted and vested in the three months ended June 30, 2024.

During the three-month period ended March 31, 2024, Operating costs totaled \$526,990 and 670,643 during the three months ended December 31, 2023. The increase in operating expenses was mainly due to stock-based payments recognized due to options granted and vested in the three months ended June 30, 2024. The decrease in operating expenses was mainly due to stock-based payments recognized due to options granted and vested in the three months ended December 31, 2023.

During the three-month period ended December 31, 2024, Operating costs totaled \$670,643 and 361,002 during the three months ended September 30, 2023. The increase in operating expenses was mainly due to increased legal service requirement and stock-based payments recognized due to options granted and vested in the three months ended December 31, 2023.

During the three-month period ended September 30, 2023, Operating costs totaled \$361,002 and 451,743 during the three months ended June 30, 2023. The decrease in operating expenses was mainly due to decreased investor relation needs in the three months ended September 30, 2023.

During the three-month period ended June 30, 2023, Operating costs totaled \$451,743 and 344,138 during the three months ended March 31, 2023. The increase in operating expenses was mainly due to increased investor relation needs and stock-based payments recognized due to options granted and vested in the three months ended June 30, 2023.

#### Liquidity:

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company.

The operating loss for the year ended December 31, 2024 is \$10,020,098 (2023 - \$1,827,526), but after changes in other working capital balances, cash used in operating activities was \$6,813,354 (2023 - \$1,509,392).

Total cash used in investing activities due to acquisition of Gold Line Resources Ltd. was \$86,917 (2023 - \$Nil).

Cash from financing activities consisted of gross proceeds from a private placement of \$12,712,728 (2023 - \$300,100), less share issuance costs paid of \$983,916 (2023 - \$16,444), proceeds from an exercise of options of \$2,039,720 (2023 - \$100,624), proceeds from warrants exercised of \$2,785,916 (2023 - \$Nil) and deferred finance cost expense for \$213,742 (2023-\$Nil). Total cash received from financing activities was \$16,349,706 (2023 - \$384,280).

As a consequence, the Company's cash position increased from an opening level of \$128,236 at the beginning of the period to \$9,568,671.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. The Company continues to use various strategies to minimize its dependence on equity capital, included the securing of joint venture partners where appropriate.

#### Capital Resources:

The Company considers its capital structure to be shareholder equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is unable to finance its operations from cash flow and relies primarily on the funds derived from the spin-out and future equity financings to meet its capital requirements.

There can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

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## MANAGEMENT DISCUSSION &amp; ANALYSIS

For the Year Ended December 31, 2024

*(Expressed in Canadian Dollars - Unaudited)*Equity investment - exploration and evaluation assets:

On September 25, 2015, a 45% interest in the Barsele Project which includes Gunnarn Mining AB and Gunnarn Exploration AB (collectively “Barsele JV”) was transferred from Orex Minerals Inc. (“Orex”) to the Company pursuant to a plan of arrangement. The Barsele Project is now a joint venture with Agnico Eagle Mines Limited (“Agnico”). As part of the joint venture agreement, Agnico committed to spend US \$7 million on Project expenditures over three years and can earn an additional 15% interest in Gunnarn Mining AB, which owns the Barsele Project, if it completes a pre-feasibility study.

As Agnico has elected to solely-fund the expenditures on behalf of the Barsele JV until completion of the pre-feasibility study, the Company does not have any responsibility for expenditures or net liabilities of the Barsele JV until such point that Agnico has earned its additional 15% interest. Summarized financial information for the Barsele JV is as follows:

	December 31, 2024		December 31, 2023	
Current assets	\$	804,727	\$	593,960
Non-current assets		6,354,471		6,444,805
Current liabilities		5,806,612		3,243,546
Loss/(gain) for the period		2,384,202		2,761,229
Comprehensive loss/(gain) for the period		1,719,136		2,064,586
The Company’s ownership %		45%		45%
The Company’s share of loss for the period	\$	Nil	\$	Nil

As at December 31, 2024 and 2023, the Company’s investment in Barsele JV was \$1. The Company’s unrecognized share of the loss for the year ended December 31, 2024 was approximately \$1,072,891 (2023 – \$1,242,553). The Company has a minority position on the board of its associated company Gunnarn Mining AB and does not control operational decisions. The Company’s judgment is that it has significant influence, but not control and therefore equity accounting is appropriate.

Exploration expenses reported for the year ended December 31, 2024 of \$231,542 (2023 - \$281,005) were incurred to meet the Company’s reporting obligations, and to monitor its interest in the Barsele JV, and are non-recoverable.

Related Party Transactions:

During the year ended December 31, 2024, the Company entered into the following transactions with related parties, directors and key management personnel. Key management personnel are individuals responsible for planning, directing and controlling the activities of the Company and include all directors and officers.

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Compensation paid or payable to key management personnel for services rendered are as follows:

		Year ended December 31, 2024		Year ended December 31, 2023
Management fees	\$	819,533	\$	462,000
Share based payments		895,461		165,127
Total	\$	1,714,994	\$	627,127

Other related party transactions are as follows:

		Year ended December 31, 2024		Year ended December 31, 2023
Investor relations <sup>[1]</sup>	\$	40,293	\$	112,734
Office and administration <sup>[1]</sup>		200,195		224,316
Project development and support services <sup>[1]</sup>		-		62,605
Project development and support services		374,000		206,400
Share based payments		637,113		72,243
Total	\$	1,251,601	\$	678,298

<sup>[1]</sup> Fees paid to a management service company controlled by a director of the Company that provides a corporate secretary, investor relations, a geologist and accounting and administration staff to the Company on a shared cost basis.

Included in accounts payable and accrued liabilities as at December 31, 2024 is \$650,851 (December 2023 - \$Nil) due to directors or officers or companies controlled by directors.

Off Balance Sheet Arrangements:

The Company has no material off balance sheet arrangements in place.

Proposed Transactions:

The Company has no proposed transactions as of March 31, 2025, the date of this MD&A.

Changes in Accounting Policies Including Initial Adoption:**New standards adopted by the Company**

The following amendments have been effective for annual reporting periods beginning on or after January 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

Definition of Accounting Estimates (Amendments to IAS 8) – the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that

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### **MANAGEMENT DISCUSSION & ANALYSIS**

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a change in accounting estimate that results from new information or new developments is not the correction of an error.

The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the consolidated financial statements.

#### **Future accounting changes**

Effective October 1, 2027, the Company is required to adopt IFRS 18, Presentation and Disclosure in Financial Statements, with early adoption permitted. IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7, Statement of Cash Flows. The Company is assessing the potential impact of the application of the standards.

#### Capital Management:

The Company defines its capital as shareholder equity. The Board of Directors does not establish quantitative return on capital criteria for management due to the nature of the Company's business. The Company may invest its capital in liquid investments to obtain adequate returns. The investment decision is based on cash management to ensure working capital is available to meet the Company's short-term obligations while maximizing liquidity and returns on unused capital. The Company does not pay dividends. The Company is not subject to any externally imposed capital requirements.

The Company raises capital to fund its corporate and exploration costs and other obligations through the sale of its common shares or units consisting of common shares and warrants in order to operate its business and safeguard its ability to continue as a going concern. Although the Company management has been successful at raising funds in the past through issuance of share capital, it is uncertain whether it will continue this financing due to uncertain economic conditions. There have been no changes to the Company's approach to capital management during the period.

## **RISKS AND UNCERTAINTIES**

#### Operational Risk Management

The Company is exposed to numerous risks by virtue of its operations as a mineral explorer, both of an operational and a financial nature. Operational exposures include the risks in acquisition of property rights and access, the actual surface exploration work, surveying the property and sampling, undertaking a drilling program, assaying the drill cores recovered, the evaluation of the results of these determinations and the technical assessments from all of these steps to identify mineralization initially, and then the determination of commercial viability of the mineralization. These various procedures involve the work of staff and consultants or contractors, which introduce risks of damage to the property sites and surrounding areas and harm to those workers involved in the project work. Also, this project work introduces environmental exposures, in particular from drilling, of contamination on site to the air, to the water and to the biodiversity, and equally to the communities in proximity to the project site.

The Company has developed a number of policies to address the ethical elements of its interaction with staff, contractors and communities and its full compliance with governmental laws, rules and guidelines. It has also developed policies addressing Environmental, Social and Governance ("ESG") requirements to guide its staff and others in the conduct of its business on site and elsewhere, and requires all workers to commit regularly to their adherence to the policies.

#### Climate Change

More recently, the effects of climate change to project work sites has introduced added risk to the success of the site work and the overall viability of the Company's exploration plans. Climate changes can make the project site more difficult for workers due to extreme temperatures or heavy rains or flooding, all adding greater risk of injury or damage. Climate changes can change the costs

## **FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

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of fuels and supplies, the availability of water for drilling, and costs for site preparation and maintenance. The impact of climate change has already caused changes to past project work, and there is expected to be future program changes necessitated by additional weather events and changes, which will alter the Company's plans, performance and success going forward.

#### Financial and Risk Management:

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are described below.

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); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### (a) Fair value of financial instruments

The Company has various financial instruments including cash, restricted cash, receivables, accounts payable and accrued liabilities, and subscriptions received in advance. The carrying value of all these financial instruments approximate their fair values due to the short-term maturity of the financial instrument.

#### (b) Concentrations of business risk

The Company maintains a majority of its cash with a major Canadian financial institution. Deposits held with this institution may exceed the amount of insurance provided on such deposits.

#### (c) Credit risk

The Company is exposed to credit risk only with respect to uncertainties as to timing and amount of collectability of receivables. The Company believes its credit risk is low because its receivables are primarily comprised of goods and services tax (GST), which are recoverable from the governing body in Canada.

#### (d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is exposed to liquidity risk. The Company manages liquidity risk through the management of its capital structure.

#### (e) Foreign exchange risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables, prepaid expenses, amounts payable and accrued liabilities that are denominated in the Swedish Krona. A 10% fluctuation in the SEK against the Canadian dollar would not result in any material change in loss for the year ended December 31, 2024.

#### (f) Interest rate risk

The Company limits its exposure to interest rate risk by holding cash deposits at major Canadian financial institutions and accordingly is not subject to significant interest rate risk.

#### (g) Price risk

Mineral prices, in particular gold and silver, are volatile. The prices are subject to market supply and demand, political and economic factors, and commodity speculation, all of which can interact with one another to cause significant price movement from day to day and hour to hour. These price movements can affect the Company's ability to operate and to raise financing through the sale of its common shares.



## **FIRST NORDIC METALS CORP. (FORMERLY BARSELE MINERALS)**

### **MANAGEMENT DISCUSSION & ANALYSIS**

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#### Outstanding Share Data:

The Company had 264,047,199 common shares issued and outstanding as of December 31, 2024.

#### **Issued**

In connection with the Arrangement, the Company closed a concurrent private placement. In January and February 2024 prior to closing of the Arrangement, the Company issued a total of 8,082,399 subscription receipts at a price of \$0.15 per unit for gross proceeds of \$1,212,360. Upon closing of the Arrangement, each subscription receipt was converted into one common share of the Company and one-half of one common share purchase warrant. Each full warrant entitles the holder to purchase one common shares of the Company at a price equal to \$0.25 per share for a period of two years. The Company paid finder's fees of \$50,845 and issued 338,967 finder warrants. The finder warrants have the same terms as the warrants described above. The finders' warrants were valued using the Black Scholes option pricing model and was estimated to be \$18,625.

In connection with the Transaction, the Company issued 27,954,872 common shares to Agnico Eagle at a price of \$0.36 per share for gross proceeds of \$10,063,754, which proceeds were used by the Company to immediately satisfy the remaining consideration payable to certain subsidiaries of Agnico Eagle under the Purchase Agreement. The Company paid fees of \$68,752 associated with the Transaction.

During the year, 8,571,230 stock options were exercised for a total consideration of \$2,039,720.

During the year, 9,257,555 warrants were exercised for a total consideration of \$2,785,916.

The Company closed a private placement offering (the "Offering") for aggregate gross proceeds of \$11,500,368. The Offering consisted of the issuance of 34,849,600 units of the Company (the "Offered Units") at a price of \$0.33 per Offered Unit (the "Issue Price").

Each Offered Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company (each whole purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of \$0.45 for a period of 24 months from the closing date of the Offering.

In consideration for its services, the Company (i) paid the Underwriters a cash commission equal to 6.0% of the gross proceeds from the Offering (other than in respect of the gross proceeds raised from the issuance of Offered Units to a certain institutional investor, for which a reduced commission of 3.0% was paid), and (ii) issued to the Underwriters that number of non-transferable compensation options (the "Compensation Options") as is equal to 6.0% of the aggregate number of Offered Units sold under the Offering. Each Compensation Option is exercisable to acquire one common share of the Company at a price equal to the Issue Price for a period of 24 months from the closing date of the Offering.

#### **Stock Options**

The Company has a plan to grant stock options to directors, officers, employees and consultants of the Company. Under the plan, the Board of Directors has the discretion to issue the equivalent of up to 10% of the issued and outstanding shares of the Company from time to time. Stock options are generally for a term of up to five years from the date granted and are exercisable at a price that is not less than the market price on the date granted.

Vesting terms are determined at the discretion of the board of directors. Options issued to consultants providing investor relations services must vest in stages over a minimum of 12 months with no more than one-quarter of the options vesting in any three-month period.

On April 6, 2023, the Company granted 575,000 stock options to an investor relations firm. The stock options have an exercise price of \$0.35 per share, expire two years from the date of grant and vest in equal quarterly instalments over 12 months.

The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$0.17. The following

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assumptions were used: risk free interest rate of 3.75%, dividend yield of 0%, expected volatility of 86.89% and expected life of 2 years.

On December 22, 2023, the Company granted 2,700,000 stock options to directors, officers and consultants. The stock options have an exercise price of \$0.17 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$0.10. The following assumptions were used: risk free interest rate of 3.23%, dividend yield of 0%, expected volatility of 89.41% and expected life of 5 years.

On February 23, 2024, the Company issued 1,550,220 options to previous option holders of Gold Line in accordance with the Arrangement (Note 4). The options are exercisable at \$0.15 per share and will expire on December 22, 2028. The options were all fully vested on the acquisition date. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$126,020. The following assumptions were used: risk free interest rate of 3.81%, dividend yield of 0%, expected volatility of 91.18% and expected life of 4.84 years.

On April 5, 2024, the Company issued 9,800,000 stock options to directors, officers and consultants. The stock options have an exercise price of \$0.20 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$1,419,070. The following assumptions were used: risk free interest rate of 3.68%, dividend yield of 0%, expected volatility of 92.14% and expected life of 5 years.

On May 27, 2024, the Company issued 1,700,000 stock options to directors, officers and consultants. The stock options have an exercise price of \$0.23 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$284,421. The following assumptions were used: risk free interest rate of 3.88%, dividend yield of 0%, expected volatility of 92.56% and expected life of 5 years.

On May 31, 2024, the Company issued 1,000,000 options to directors, officers and consultants. The stock options have an exercise price of \$0.25 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$177,128. The following assumptions were used: risk free interest rate of 3.66%, dividend yield of 0%, expected volatility of 92.56% and expected life of 5 years.

On July 26, 2024, the Company issued 525,000 options an officer. The stock options have an exercise price of \$0.33 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$123,600. The following assumptions were used: risk free interest rate of 3.23%, dividend yield of 0%, expected volatility of 93.34% and expected life of 5 years.

On September 16, 2024, the Company issued 1,727,500 stock options to a director and consultants. The stock options have an exercise price of \$0.36 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$450,230. The following assumptions were used: risk free interest rate of 2.68%, dividend yield of 0%, expected volatility of 91.15% and expected life of 5 years.

On September 20, 2024, the Company issued 889,542 stock options to a consultant. The stock options have an exercise price of \$0.37 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the options to be \$226,802. The following assumptions were used: risk free interest rate of 2.73%, dividend yield of 0%, expected volatility of 91.14% and expected life of 5 years.

On November 26, 2024, the Company issued 2,090,976 compensatory stock options to underwriters. The stock options have an exercise price of \$0.33 per share, expire two years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the compensatory options to be \$296,410. The following assumptions were used: risk free interest rate of 3.23%, dividend yield of 0%, expected volatility of 91.12% and expected life of 2 years.

On December 12, 2024, the Company issued 267,500 stock options to a consultant. The stock options have an exercise price of \$0.37 per share, expire five years from the date of grant and vest immediately. The Company used the Black Scholes option pricing model to estimate the fair value of the compensatory options to be \$66,000. The following assumptions were used: risk free interest rate of 2.94%, dividend yield of 0%, expected volatility of 91.02% and expected life of 5 years.

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The share-based payments expense for stock options granted and vested during the year ended December 31, 2024, was \$2,747,251 (2023 – \$293,824).

Stock option transactions are summarized as follows:

	Options		Options Weighted average exercise price
Outstanding, December 31, 2022	6,575,000	\$	0.62
Expired	(2,325,000)		0.63
Granted	3,275,000		0.20
Exercised	(287,500)		0.35
Outstanding, December 31, 2023	7,237,500	\$	0.44
Issued on acquisition of Gold Line	1,550,220		0.15
Granted	18,000,518		0.25
Exercised	(8,571,230)		0.24
Expired	(1,700,000)		0.53
Forfeited	(730,420)		0.24
Outstanding, December 31, 2024	15,786,588	\$	0.30
Exercisable, December 31, 2024	15,786,588	\$	0.30

The following stock options to acquire common shares of the Company were outstanding at December 31, 2024:

Number of Shares	Exercise Price	Expiry Date
2,250,000	0.65	February 3, 2026
300,000	0.76	May 28, 2026
1,400,000	0.17	December 22, 2028
1,218,030	0.15	December 22, 2028
6,578,540	0.20	April 5, 2029
200,000	0.23	May 27, 2029
525,000	0.33	July 26, 2029
1,000,000	0.36	September 16, 2029
24,042	0.37	September 20, 2029
2,090,976	0.33	November 26, 2026
267,500	0.37	December 12, 2029
15,854,088		

**Warrants**

In connection with the private placement completed in January and February 2024, the Company issued 338,967 finders' warrants. The warrants are exercisable at an average of \$0.25 per share and will expire on January 18, 2026, January 26, 2026 and February 9, 2026 respectively. The Company used the Black Scholes option pricing model to estimate the fair value of the warrants to be \$0.05. The following weighted average assumptions were used: risk free interest rate of 4.24%, dividend yield of 0%, expected volatility of 89.95% and expected life of 2 years.

On February 23, 2024, the Company issued 14,188,255 warrants to previous option holders of Gold Line Resources Ltd. in accordance with the Arrangement (Note 4). The warrants are exercisable at an average of \$0.73 per share and will expire on

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September 14, 2024, January 31, 2025, April 28, 2025 and October 27, 2025 respectively. The warrants were all fully vested on acquisition date. The Company used the Black Scholes option pricing model to estimate the fair value of the warrants to be \$237,655. The following weighted average assumptions were used: risk free interest rate of 4.23%, dividend yield of 0%, expected volatility of 101.55% and expected life of 1.1 years.

On July 8, 2024, the Company issued 3,150,631 warrants under the Warrant Incentive Program. The warrants have an exercise price of \$0.40 per share, expire two years from the date of grant and vest immediately. Under the residual value method, \$nil was attributed to the warrants.

On July 29, 2024, the Company issued 887,278 warrants under the Warrant Incentive Program. The warrants have an exercise price of \$0.40 per share, expire two years from the date of grant and vest immediately. Under the residual value method, \$nil was attributed to the warrants.

The Company closed a private placement offering for aggregate gross proceeds of \$11,500,368. The Offering consisted of the issuance of 34,849,600 units of the Company at a price of \$0.33 per Offered Unit. Each Offered Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company (each whole purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one common share in the capital of the Company at a price of \$0.45 for a period of 24 months from the closing date of the Offering.

Warrant transactions are summarized as follows:

	Warrants	Warrants Weighted average exercise price
Outstanding, December 31, 2022	3,849,058	\$ 0.50
Granted	1,000,333	0.25
Outstanding, December 31, 2023	4,849,391	0.45
Expired	(2,589,756)	0.45
Exercised	(9,257,555)	0.30
Granted	25,842,873	0.41
Issued on acquisition of Gold Line	14,188,255	0.70
Outstanding, December 31, 2024	33,033,208	\$ 0.56
Exercisable, December 31, 2024	33,033,208	\$ 0.56

The following warrants to acquire common shares of the Company were outstanding at December 31, 2024:

Number of Shares	Exercise Price	Expiry Date
833,333	\$0.25	November 17, 2025
2,616,866	0.25	January 18, 2026
1,144,377	0.25	January 26, 2026
166,371	0.25	February 9, 2026
1,891,638	0.39	January 31, 2025
668,687	0.29	April 28, 2025
110,140	0.34	April 28, 2025
4,139,087	0.27	October 27, 2025
3,150,631	0.40	July 8, 2026
887,278	0.40	July 29, 2026
17,424,800	0.45	November 26, 2026
33,033,208		

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Subsequent Events:

The Company announced that it has closed its brokered private placement (the “Private Placement”) of Swedish depository receipts (“SDRs”) in conjunction with its planned listing on the Nasdaq First North Growth Market (“Nasdaq First North”) in Sweden. SDRs are a financial instrument issued by a Swedish bank representing shares in a non-Swedish company. The Private Placement of SEK 7.5 million was fully subscribed and the full oversubscription allotment of SEK 2.5 million was used as well. 3,105,591 SDRs were subscribed at a price of SEK 3.22 per SDR for aggregate gross proceeds of approximately SEK 10.0 million (CDN \$1.4 million). Each subscribed SDR is underpinned by one common share of the Company (each, a “Share”).

Additional Information:

Additional information relating to the Company may be accessed on the System for Electronic Document Analysis and Retrieval (SEDAR+) at [www.sedarplus.com](http://www.sedarplus.com).