



MOROCCO STRATEGIC MINERALS CORPORATION
(Formerly GENIUS METALS INC.)

Condensed Interim Consolidated Financial Statements
(Unaudited and unreviewed by the Company's Independent Auditors)

Three-month periods ended
October 31, 2025 and 2024

MOROCCO STRATEGIC MINERALS CORPORATION

(formerly Genius Metals Inc.)

Condensed Interim Consolidated Financial Statements

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Three-month periods ended October 31, 2025 and 2024

Condensed Interim Financial Statements

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MOROCCO STRATEGIC MINERALS CORPORATION
(formerly Genius Metals Inc.)
Condensed Interim Consolidated Statements of Financial Position
As at October 31, 2025 and July 31, 2025
(in Canadian dollars)

| | Note | October 31 2025 | July 31 2025 |
|--|------|--------------------|------------------|
| | | \$ | \$ |
| Assets | | | |
| Current assets: | | | |
| Cash | 5 | 111,990 | 799,969 |
| Short-term investments | 6 | 30,000 | 30,000 |
| Marketable securities in quoted companies | 7 | 28,800 | 9,000 |
| Other receivables | 8 | 47,827 | 46,794 |
| Prepaid expenses | | 60,006 | 24,774 |
| Total current assets | | 278,623 | 910,537 |
| Non-current assets: | | | |
| Property and equipment | | 2,642 | - |
| Right-of-use assets | 9 | 73,158 | 77,966 |
| Mining properties | 10 | 1,108,236 | 1,072,356 |
| Exploration and evaluation assets | 11 | 3,999,079 | 3,916,968 |
| Total non-current assets | | 5,183,115 | 5,067,290 |
| Total assets | | 5,461,738 | 5,977,827 |
| Liabilities and Equity | | | |
| Current liabilities: | | | |
| Trade accounts payable and other liabilities | 12 | 64,536 | 302,916 |
| Lease liabilities | 13 | 18,350 | 18,023 |
| Total current liabilities | | 82,886 | 320,939 |
| Non-current liabilities: | | | |
| Lease liabilities | 13 | 52,120 | 56,835 |
| Total non-current liabilities | | 52,120 | 56,835 |
| Total liabilities | | 135,006 | 377,774 |
| Equity: | | | |
| Share capital | 14 | 12,944,842 | 12,944,842 |
| Warrants | 14 | 454,105 | 582,087 |
| Agent options | 14 | 45,563 | 45,563 |
| Share options | 15 | 262,426 | 402,148 |
| Contributed surplus | | 2,050,734 | 1,783,030 |
| Deficit | | (10,430,937) | (10,157,602) |
| Accumulated other comprehensive loss | | (1) | (15) |
| Total equity | | 5,326,732 | 5,600,053 |
| Total liabilities and equity | | 5,461,738 | 5,977,827 |

Going concern, see Note 2.

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

These financial statements were approved and authorized for issue by the Board of Directors on December 19, 2025.

(S) Guy Goulet
Director

(S) John Booth
Director

MOROCCO STRATEGIC MINERALS CORPORATION

(formerly Genius Metals Inc.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Three-month periods ended October 31, 2025 and 2024

(in Canadian dollars)

| | | Three-month period ended | |
|--|------|--------------------------|--------------------|
| | Note | October 31 2025 | October 31 2024 |
| | | \$ | \$ |
| General and administrative expenses: | | | |
| Salaries and employee benefit expense | | 79,368 | 71,312 |
| Management and consulting fees | | 51,290 | 45,192 |
| Travel, promotion and marketing | | 88,423 | 98,852 |
| Registration, listing fees and shareholders information | | 15,814 | 9,740 |
| Professional fees | | 14,550 | 56,376 |
| Supplies and office expenses | | 16,130 | 15,059 |
| Part XII.6 tax | | - | 1,048 |
| Depreciation of right-of-use assets | 9 | 4,808 | 3,188 |
| Depreciation of property and equipment | | 74 | 41 |
| Operating loss before other expenses | | 270,457 | 300,808 |
| Other expenses (revenues): | | | |
| Finance expense | 16 | 2,097 | 2,019 |
| Change in fair value of marketable securities | 7 | (19,800) | 19,800 |
| Exchange (gain) loss | | 20,581 | 15 |
| Total other expenses (revenues) | | 2,878 | 21,834 |
| Net loss | | (273,335) | (322,642) |
| Other comprehensive loss | | | |
| Items that will be reclassified subsequently to profit or loss | | | |
| Currency translation adjustment | | 14 | - |
| Other comprehensive loss net of tax | | 14 | - |
| Net loss and comprehensive loss | | (273,321) | (322,642) |
| Weighted average number of common shares outstanding | | 131,786,343 | 100,566,234 |

MOROCCO STRATEGIC MINERALS CORPORATION
(formerly Genius Metals Inc.)
Condensed Interim Consolidated Statements of Changes in Equity
Three-month periods ended October 31, 2025 and 2024
(in Canadian dollars)

| | | Number of shares outstanding | Share capital | Warrants | Agent Options | Share Options | Contributed surplus | Accumulated other comprehensive loss | Total equity |
|--|------|------------------------------------|------------------|-----------|------------------|------------------|------------------------|---|-----------------|
| | Note | | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at July 31, 2025 | | 131,786,343 | 12,944,842 | 582,087 | 45,563 | 402,148 | 1,783,030 | (10,157,602) | 5,600,053 |
| Warrants expired | 14 | | | (127,982) | | | 127,982 | | - |
| Share options expired | 15 | | | | | (139,722) | 139,722 | | - |
| Transaction with owners | | 131,786,343 | 12,944,842 | 454,105 | 45,563 | 262,426 | 2,050,734 | (10,157,602) | 5,600,053 |
| Net loss and comprehensive loss for the period | | | | | | | | (273,335) | (273,321) |
| Balance as at October 31, 2025 | | 131,786,343 | 12,944,842 | 454,105 | 45,563 | 262,426 | 2,050,734 | (10,430,937) | 5,326,732 |
| Balance as at July 31, 2024 | | 97,686,343 | 10,551,587 | 334,942 | - | 495,915 | 1,547,156 | (7,099,084) | 5,830,516 |
| Units issued: | | | | | | | | | |
| Private placements | 14 | 9,462,500 | 647,285 | 109,715 | | | | | 757,000 |
| Share issuance costs | 14 | | (24,171) | | | | | | (24,171) |
| Share options expired | 15 | | | | | (93,767) | 93,767 | | - |
| Transaction with owners | | 107,148,843 | 11,174,701 | 444,657 | - | 402,148 | 1,640,923 | (7,099,084) | 6,563,345 |
| Net loss and comprehensive loss for the period | | | | | | | | (322,642) | (322,642) |
| Balance as at October 31, 2024 | | 107,148,843 | 11,174,701 | 444,657 | - | 402,148 | 1,640,923 | (7,421,726) | 6,240,703 |

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

MOROCCO STRATEGIC MINERALS CORPORATION

(formerly Genius Metals Inc.)

Condensed Interim Consolidated Statements of Cash Flows

Three-month periods ended October 31, 2025 and 2024

(in Canadian dollars)

| | Three-month period ended | |
|--|--------------------------|------------------|
| | October 31 | October 31 |
| Note | 2025 | 2024 |
| | \$ | \$ |
| Operating activities: | | |
| Net loss | (273,335) | (322,642) |
| Adjustments for: | | |
| Change in fair value of marketable securities | (19,800) | 19,800 |
| Interest on lease liabilities | 1,293 | 1,587 |
| Depreciation of right-of-use assets | 4,808 | 3,188 |
| Depreciation of property and equipment | 74 | 41 |
| Operating activities before changes in working capital items | (286,960) | (298,026) |
| Change in other receivables | (1,105) | (344) |
| Change in prepaid expenses | (35,232) | 6,243 |
| Change in trade accounts payable and other liabilities | 11,076 | (29,938) |
| Change in working capital items | (25,261) | (24,039) |
| Cash flows used for operating activities | (312,221) | (322,065) |
| Financing activities: | | |
| Lease liabilities repayments | (5,681) | (1,893) |
| Proceeds from private placements | - | 757,000 |
| Share issuance costs | - | (16,723) |
| Cash flows (used for) from financing activities | (5,681) | 738,384 |
| Investing activities: | | |
| Upfront payments for right-of-use assets | - | (7,574) |
| Acquisition of equipment | (2,716) | - |
| Acquisition of mining properties | (37,874) | (50,255) |
| Increase in deposits related to exploration and evaluation activities | - | (103,625) |
| Increase in exploration and evaluation assets | (330,065) | (152,333) |
| Cash flows used for investing activities | (370,655) | (313,787) |
| Net change in cash | (688,557) | 102,532 |
| Cash, beginning of period | 799,969 | 177,194 |
| Effect of exchange rate fluctuations on cash held in foreign currencies | 578 | - |
| Cash, end of period | 111,990 | 279,726 |

Additional disclosures of cash flows information (Note 17).

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

MOROCCO STRATEGIC MINERALS CORPORATION

(formerly Genius Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three-month periods ended October 31, 2025 and 2024

(in Canadian dollars)

1. Reporting entity, change of name and nature of operations:

Morocco Strategic Minerals Corporation and its subsidiary (hereafter the "Company" or "Morocco Strategic Minerals" or "MCC") is engaged in the acquisition and exploration of mineral properties.

On January 31, 2025, Genius Metals Inc. changed its name to Morocco Strategic Minerals Corporation. Morocco Strategic Minerals is a company domiciled in Canada. The Company was incorporated on May 25, 2018 under the *Canada Business Corporations Act*. Morocco Strategic Minerals is a public company listed on the TSX.V Stock Exchange ("TSXV") trading under the symbol "GENI" and is also trading under the symbol "GNSMF" on the OTC Pink Market. Since January 31, 2025, Morocco Strategic Minerals Corporation is trading on the TSXV under symbol "MCC".

The Company's head office, which is also the main establishment is located at 68 de la Gare Avenue, suite 205, Saint-Sauveur, Québec, Canada J0R 1R0 and its web site is www.morocco-sm.com.

2. Going concern:

The accompanying financial statements have been prepared on the basis of the going concern assumption meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt on the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the three-month period ended October 31, 2025, the Company recorded a net loss of \$273,335 (\$322,642 for the three-month period ended October 31, 2024) and had negative cash flows from operations of \$312,221 (\$322,065 for the three-month period ended October 31, 2024). In addition, the Company had accumulated deficit of \$10,430,937 as at October 31, 2025. Besides the usual needs for working capital, the Company must obtain funds to enable it to meet the timelines of its exploration programs and to pay its overhead and administrative costs. As at October 31, 2025, the Company had a working capital (total current assets less total current liabilities) of \$195,737 (a working capital of \$589,598 as at July 31, 2025) including cash of \$111,990 (\$799,969 in cash as at July 31, 2025). Management believes that these funds will not be sufficient to meet the obligations and liabilities of the Company. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. Any funding shortfall may be met in the future in a number of ways, including but not limited to, the issuance of new equity instruments. Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income nor cash flows from its operations. The recovery of the cost of exploration and evaluation assets as well as other tangible and intangible assets, is subject to certain conditions: the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to continue the exploration, evaluation, development, construction and ultimately disposal of these assets. During the three-month period ended October 31, 2025, the Company did not raised funds (\$2,696,000 during the year ended July 31, 2025) from private placements to fund exploration works and working capital. There is no assurance that it will succeed in obtaining additional financing in the future.

3. Basis of preparation:

3.1 Statement of compliance:

These condensed interim consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board (hereafter "IFRS Accounting Standards") in accordance with IAS 34, Interim Financial Reporting.

Certain information, in particular the accompanying notes, normally included in the audited annual consolidated financial statements prepared in accordance with IFRS Accounting Standards has been omitted or condensed. Accordingly, these unaudited condensed interim consolidated financial statements do not include all the information required for full annual financial statements, and, therefore, should be read in conjunction with the audited annual consolidated financial statements of the Company and the notes thereto for the year ended July 31, 2025.

MOROCCO STRATEGIC MINERALS CORPORATION

(formerly Genius Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (continued)

Three-month periods ended October 31, 2025 and 2024

(in Canadian dollars)

3. Basis of preparation (continued):

3.2 Basis of measurement:

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for where IFRS Accounting Standards requires recognition at fair value.

3.3 Basis of consolidation:

A subsidiary is an entity over which the Company has control. The Company controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A subsidiary is fully consolidated from the date on which control is acquired and de-consolidated from the date that control ceases.

The financial statements of the subsidiary is prepared for the same reporting period as the Company, using consistent accounting policies. The subsidiary has a reporting date of December 31. The Company attributes total comprehensive loss of subsidiary between the owners of the parent and the non-controlling interests based on their respective ownership interests. All intra-group transactions and balances are eliminated in full on consolidation.

| Subsidiary | Status | Status | Jurisdiction of Incorporation | % of Ownership |
|------------------------------|--------|--------|-------------------------------|----------------|
| Kenz Copper and Gold SARL AU | Active | Active | Morocco | 100% |

3.4 Functional and presentation currency:

The condensed interim consolidated financial statements are presented in Canadian dollars. The functional currency of Morocco Strategic Minerals is the Canadian dollars. The functional currency of Kenz Copper and Gold SARL AU is the Moroccan dirham.

3.5 Use of estimates and judgements:

Critical judgments in applying the accounting policies of the Company in the preparation of these condensed interim consolidated financial statements and key assumptions related to these estimation uncertainties are the same as the ones listed and described in Note 3.5 of the annual audited consolidated financial statements of the Company as at July 31, 2025.

4. Material accounting policies:

These condensed interim consolidated financial statements have been prepared following the same accounting policies used in Note 5 of the annual audited consolidated financial statements for the year ended July 31, 2025.

4.1 Adoption of new accounting standard:

There was no adoption of new accounting policies in preparing the condensed interim consolidated financial statements as at October 31, 2025.

4.2 New standards and interpretations that are not yet effective and have not been adopted:

At the date of authorization of these consolidated financial statements, there were no new standards and interpretations applicable to the Company that were issued but not yet effective, except for:

(i) IFRS 18 Presentation and disclosure in financial statements

In April 2024, the International Accounting Standards Board (IASB) issued the new standard *IFRS 18 Presentation and Disclosure in Financial Statements*, which sets out the requirements for the presentation and disclosure of information in general-purpose financial statements. The requirements aim to help ensure the financial statements provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

The key requirements in *IFRS 18* include:

- presentation of two new defined subtotals in the statement of profit or loss: (1) Operating profit; and (2) Profit before financing and income taxes;
- required disclosures in the notes to the financial statements of management-defined performance measures; and
- enhanced principles on the aggregation and disaggregation of information which apply to the financial statements and notes to the financial statements.

MOROCCO STRATEGIC MINERALS CORPORATION

(formerly Genius Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (continued)

Three-month periods ended October 31, 2025 and 2024

(in Canadian dollars)

4. Material accounting policies (continued):

4.2 New standards and interpretations that are not yet effective and have not been adopted (continued):

(i) IFRS 18 Presentation and disclosure in financial statements (continued)

IFRS 18 applies to all entities that comply with IFRS Accounting Standards and replaces IAS 1 Presentation of Financial

IFRS 18 is effective for annual periods beginning on or after January 1, 2027 and will be applied retroactively. The Company is currently evaluating the impact of adopting IFRS 18 on the consolidated financial statements.

(ii) IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In August 2024, the International Accounting Standards Board (IASB) issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) to provide guidance in IFRS 9:

- on when a financial liability should be derecognized when it is settled by electronic payment; and
- to help an entity assess whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement.

IFRS 9 has also been updated to provide additional guidance to clarify the characteristics of contractually linked instruments as well as the definition of the underlying pool used to assess whether a transaction contains contractually linked instruments. The amendments also specify that transactions that contain multiple debt instruments are not automatically contracts with multiple contractually linked instruments.

The amendments to IFRS 7 add new required disclosures for:

- any investments in equity instruments designated at fair value through other comprehensive income;
- each class of financial asset measured at amortized cost or fair value through other comprehensive income, as well as financial liabilities measured at amortized cost.

The amendments are effective January 1, 2026, with early adoption permitted. The Company is currently evaluating the impact of these amendments on the consolidated financial statements.

5. Cash:

| | October 31 2025 | July 31 2025 |
|------|--------------------|-----------------|
| | \$ | \$ |
| Cash | 111,990 | 799,969 |
| | 111,990 | 799,969 |

Obligations related to flow-through private placements:

On June 29, 2023, the Company completed a flow-through private placement of \$243,320. The Company has until December 31, 2024 to incur eligible exploration and evaluation expenditures in order to comply with the requirements of flow-through private placement. As at July 31, 2025, the Company has fulfilled its obligation by incurring an amount of \$243,320 in exploration and evaluation expenditures before December 31, 2024 (completed during the quarter ended October 31, 2024).

There is no guarantee that the Company's exploration and evaluation expenditures will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

6. Short-term investments:

| | October 31 2025 | July 31 2025 |
|--|--------------------|-----------------|
| | \$ | \$ |
| Guaranteed investment certificate, 2.00 % maturing in October 2026 is used as guarantee for credit cards | 30,000 | - |
| Guaranteed investment certificate, 2.25 % maturing in October 2025 is used as guarantee for credit cards | - | 30,000 |
| | 30,000 | 30,000 |

MOROCCO STRATEGIC MINERALS CORPORATION

(formerly Genius Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (continued)

Three-month periods ended October 31, 2025 and 2024

(in Canadian dollars)

7. Marketable securities in quoted companies:

| Number of shares | | | | | Carrying value | | | | |
|---------------------|---------|-------------|-------------|------------|----------------|-------------|-------------|---------------|------------|
| | July 31 | | | October 31 | July 31 | | | Change | October 31 |
| | 2025 | Acquisition | Disposition | 2025 | 2025 | Acquisition | Disposition | in fair value | 2025 |
| | | | | | \$ | \$ | \$ | \$ | \$ |
| Shares | | | | | | | | | |
| NSAU ⁽¹⁾ | 250,000 | - | - | 250,000 | - | - | - | - | - |
| CMET ⁽²⁾ | 360,000 | - | - | 360,000 | 9,000 | - | - | 19,800 | 28,800 |
| | 610,000 | - | - | 610,000 | 9,000 | - | - | 19,800 | 28,800 |

| Number of shares | | | | | Carrying value | | | | |
|---------------------|---------|-------------|-------------|---------|----------------|-------------|-------------|---------------|---------|
| | July 31 | | | July 31 | July 31 | | | Change | July 31 |
| | 2024 | Acquisition | Disposition | 2025 | 2024 | Acquisition | Disposition | in fair value | 2025 |
| | | | | | \$ | \$ | \$ | \$ | \$ |
| Shares | | | | | | | | | |
| NSAU ⁽¹⁾ | 250,000 | - | - | 250,000 | - | - | - | - | - |
| CMET ⁽²⁾ | 360,000 | - | - | 360,000 | 30,600 | - | - | (21,600) | 9,000 |
| | 610,000 | - | - | 610,000 | 30,600 | - | - | (21,600) | 9,000 |

(1) MegumaGold Corp. - CNSX - Symbol "NSAU". On November 16, 2022, the shares of MegumaGold Corp. have been delisted from the Canadian Stock Exchange.

(2) Clarity Metals Corp. - CNSX - Symbol "CMET"

8. Other receivables:

| | October 31 | July 31 |
|---|------------|---------|
| | 2025 | 2025 |
| | \$ | \$ |
| Sales tax receivable | 33,150 | 32,117 |
| Mining tax credits receivable | 2,450 | 2,450 |
| Tax credits related to resources receivable | 12,227 | 12,227 |
| | 47,827 | 46,794 |

9. Right-of-use assets:

| | Office spaces |
|---------------------------------|---------------|
| | \$ |
| Cost | |
| As at July 31, 2024 | - |
| Acquisitions | 95,421 |
| As at July 31, 2025 | 95,421 |
| Acquisitions | - |
| As at October 31, 2025 | 95,421 |
| Accumulated depreciation | |
| As at July 31, 2024 | - |
| Depreciation | 17,455 |
| As at July 31, 2025 | 17,455 |
| Depreciation | 4,808 |
| As at October 31, 2025 | 22,263 |
| Net book value | |
| As at July 31, 2025 | 77,966 |
| As at October 31, 2025 | 73,158 |

MOROCCO STRATEGIC MINERALS CORPORATION

(formerly Genius Metals Inc.)

Notes to Condensed Interim Consolidated Financial Statements (continued)

Three-month periods ended October 31, 2025 and 2024

(in Canadian dollars)

10. Mining properties:

Mining properties can be detailed as follows:

| | July 31 2025 | Exchange | Acquisition | Licences & permits | Impairment | Disposition | October 31 2025 |
|--|------------------|----------|----------------|-----------------------|------------------|-------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gold Properties: | | | | | | | |
| Sakami | 631,690 | - | - | 5,880 | - | - | 637,570 |
| | 631,690 | - | - | 5,880 | - | - | 637,570 |
| Base Metals: | | | | | | | |
| Tifermine | 25,000 | - | - | - | - | - | 25,000 |
| BMR Project | 25,000 | - | 30,000 | - | - | - | 55,000 |
| Timarighine | 50,000 | - | - | - | - | - | 50,000 |
| | 100,000 | - | 30,000 | - | - | - | 130,000 |
| Industrials and High-Tech Metals: | | | | | | | |
| Dissimieux Lake | 336,463 | - | - | - | - | - | 336,463 |
| Lithium381 | 4,203 | - | - | - | - | - | 4,203 |
| | 340,666 | - | - | - | - | - | 340,666 |
| Total | 1,072,356 | - | 30,000 | 5,880 | - | - | 1,108,236 |
| | July 31 2024 | Exchange | Acquisition | Licences & permits | Impairment | Disposition | July 31 2025 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gold Properties: | | | | | | | |
| Sakami | 735,278 | - | - | 32,147 | (135,735) | - | 631,690 |
| Iserhoff | 103,107 | - | - | 172 | (103,279) | - | - |
| | 838,385 | - | - | 32,319 | (239,014) | - | 631,690 |
| Base Metals: | | | | | | | |
| Tifermine | - | - | 25,000 | - | - | - | 25,000 |
| BMR Project | - | - | 25,000 | - | - | - | 25,000 |
| Timarighine | - | - | 50,000 | - | - | - | 50,000 |
| | - | - | 100,000 | - | - | - | 100,000 |
| Industrials and High-Tech Metals: | | | | | | | |
| Dissimieux Lake | 336,463 | - | - | - | - | - | 336,463 |
| Lithium381 | 148 | - | - | 4,055 | - | - | 4,203 |
| Paka | 429,244 | - | - | - | (429,244) | - | - |
| | 765,855 | - | - | 4,055 | (429,244) | - | 340,666 |
| Total | 1,604,240 | - | 100,000 | 36,374 | (668,258) | - | 1,072,356 |

Sakami Property (Gold):

The Property is located in the James Bay area of the Province of Québec. The property straddles the contact between Opinaca and La Grande geological sub-provinces over a distance of 35 km. The gold property comprises 484 mining claims (24,889 Hectares). During the year ended July 31, 2025, the Company abandoned 104 claims and wrote down a part of the cost of the Sakami property (\$135,735 in mining properties and \$687,824 in exploration and evaluation assets).

Iserhoff Property (Gold):

On November 13, 2018, the Company acquired a 100% interest in Iserhoff Property from an independent prospector (former consultant) by issuing on November 23, 2018, 500,000 common shares at a price of \$0.24 per share for a consideration of \$120,000. The Property is subject to a 2% net smelter returns royalty (NSR) on production, of which 1% may be purchased at any time by the Company for \$1,000,000 at any time. The Iserhoff Property is located in the northern Abitibi Greenstone belt, Québec in the central and western areas of Bergères Township, about 55 km NNE of Lebel-sur-Quévillon, Québec.

MOROCCO STRATEGIC MINERALS CORPORATION

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Notes to Condensed Interim Consolidated Financial Statements (continued)

Three-month periods ended October 31, 2025 and 2024

(in Canadian dollars)

10. Mining properties (continued):

Iserhoff Property (Gold):

The gold property comprises 41 mining claims totaling 2,293 hectares which will be 100% owned by Morocco Strategic Minerals. The property can be accessed by a network of forestry roads some of which join provincial highway 113 connecting Lebel-sur-Quévillion with Chibougamau. During the year ended July 31, 2025, the Company wrote down to \$Nil the cost of the Iserhoff Gold property and the exploration and evaluation expenditures incurred, as it no longer fit the Company's development strategy (\$103,279 in mining properties and \$297,433 in exploration and evaluation assets).

Dissimieux Lake (Phosphate):

The property consists of 70 claims covering 3,887 hectares, and is accessible via Provincial Highway #138 from Forestville, then driving northward on Highway #385 to Labrieville, and from there using a network of secondary gravel forestry roads to reach the east-southeast shore of Dissimieux Lake. The Property hosts titanium-phosphate (ilmenite-apatite) mineralization. The Property is dominated by steep hills, with elevations ranging from 435 m to 700 m above sea level.

The property is subject to a 2% net smelter returns royalty (NSR) on production in favour of the vendor which 1% can be bought back at any time by paying an amount of 1,000,000\$.

Lithium381 (formerly KM381):

The Lithium381 property consists of 21 mining claims (1,108 Hectares). The property is located in the James Bay Eeyou Istchee territory, Quebec, Canada, approximately 3km NE from the James Bay Road (Billy-Diamond Highway) and the KM381 service station, which serves as an infrastructure for the local area.

On December 6, 2022, the Company has entered into an option agreement (the "Agreement") with Clarity Gold Corp. ("Clarity") to acquire 50% of the Lithium381 Property in Québec. Following the exercise of the option for the acquisition of the 50% interest by Clarity, a joint venture will be created by the Company and Clarity as per a 50% share each.

To earn its 50% interest, Clarity must issued shares and incurred exploration expenses in the following timelines:

| | Shares | Exploration expenses |
|--------------------------------|------------------------|----------------------|
| | | \$ |
| On December 29, 2022 | 720,000 ⁽¹⁾ | - |
| On or before December 31, 2024 | - | 750,000 |
| | 720,000 | 750,000 |

⁽¹⁾ These common shares were issued on December 29, 2022 at a price of \$0.175 per share.

In December 2024, Clarity confirmed the termination of the Agreement. Therefore, the Company still holds an interest of 100% in the claims comprised in the Agreement.

Paka (Lithium):

On June 27, 2023, the Company signed a Sales and Purchase Agreement with one individual in order to acquire a 100% interest in 189 contiguous claims covering 9,695 Hectares.

The property is subject to a 2% net smelter returns royalty (NSR) on production in favour of the vendor which can be bought back entirely or in two tranches of 1% by paying an amount of 1,000,000\$ per tranche of 1%, for total cash consideration of \$2,000,000.

To earn its 100% interest, the Company must make a cash payment and issue shares in the following timelines:

| | Cash payments | Shares |
|----------------------------|-----------------------|--------------------------|
| | \$ | |
| On June 27, 2023 | 60,000 ⁽¹⁾ | - |
| On or before July 27, 2023 | - | 6,000,000 ⁽²⁾ |
| | 60,000 | 6,000,000 |

⁽¹⁾ The cash payment was made on July 11, 2023.

⁽²⁾ These common shares were issued on July 6, 2023 at a price of \$0.06 per share for a value of \$360,000. The shares have been released on July 6, 2024.

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10. Mining properties (continued):

Paka (Lithium) (continued):

During the year ended July 31, 2025, the Company wrote down to \$Nil the cost of the Paka property and the exploration and evaluation expenditures incurred, as it no longer fit the Company's development strategy (\$429,244 in mining properties and \$123,831 in exploration and evaluation assets).

BMR Property (Copper - Gold):

On June 21, 2024, the Company signed an Option Agreement with Société Bleida Mineral Ressources SARL in order to acquire a 100% interest in the BMR Property located in the Kingdom of Morocco, which consists of research permit # 3843030 covering 1,600 Hectares.

To earn its 100% interest, the Company must make a cash payment and incurred exploration expenses in the following timelines:

| | Cash payments | Exploration expenses |
|------------------------------|-----------------------|-------------------------|
| | \$ | |
| On August 31, 2024 | 25,000 ⁽¹⁾ | - |
| On or before August 31, 2025 | 30,000 ⁽¹⁾ | 50,000 |
| On or before August 31, 2026 | 45,000 | 75,000 |
| On or before August 31, 2027 | 150,000 | 100,000 |
| | 250,000 | 225,000 |

⁽¹⁾ The cash payments were made.

Tifernine Property (Copper):

On October 15, 2024, the Company signed an Option Agreement with Atlas Mineral Resources in order to acquire a 100% interest in the Tifernine Property located in the Kingdom of Morocco, which consists of research permit # 3842500 covering 1,600 Hectares.

To earn its 100% interest, the Company must make a cash payment and incurred exploration expenses in the following timelines:

| | Cash payments | Exploration expenses |
|-------------------------------|-----------------------|-------------------------|
| | \$ | |
| On October 20, 2024 | 25,000 ⁽¹⁾ | - |
| On or before October 20, 2025 | 30,000 ⁽²⁾ | 50,000 |
| On or before October 20, 2026 | 45,000 | 75,000 |
| On or before October 20, 2027 | 150,000 | 100,000 |
| | 250,000 | 225,000 |

⁽¹⁾ The cash payments were made.

⁽²⁾ The parties have agreed to defer the payment to a later date. The parties are currently finalizing an amendment to the original agreement.

Timarighine Property (Copper):

On November 12, 2024, the Company signed an Option Agreement with Atlas Mineral Resources in order to acquire a 100% interest in the Timarighine Property located in the Kingdom of Morocco, which consists of research permits # 3842563, # 3842734, # 3842735 and # 3842736 covering approximately 5,000 Hectares.

To earn its 100% interest, the Company must make a cash payment and incurred exploration expenses in the following timelines:

| | Cash payments | Exploration expenses |
|--------------------------------|-----------------------|-------------------------|
| | \$ | |
| On November 20, 2024 | 50,000 ⁽¹⁾ | - |
| On or before November 20, 2025 | 75,000 | 150,000 |
| On or before November 20, 2026 | 75,000 | 200,000 |
| On or before November 20, 2027 | 400,000 | 300,000 |
| | 600,000 | 650,000 |

⁽¹⁾ The cash payments were made.

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11. Exploration and evaluation assets:

Exploration and evaluation assets by nature are detailed as follows:

| | October 31 2025 | July 31 2025 |
|---|--------------------|-----------------|
| | \$ | \$ |
| Exploration and evaluation costs: | | |
| Analysis | 47,133 | 11,650 |
| Drilling | 19,303 | 371,972 |
| Geology | 3,990 | 22,124 |
| Prospecting | 6,000 | 142,669 |
| Geophysics | - | 21,943 |
| Geochemistry | 3,000 | - |
| General field expenses | 2,700 | 29,079 |
| Reporting | - | 14,500 |
| Impairment | - | (1,109,088) |
| Tax credits related to resources and mining tax credits | - | (14,677) |
| Exchange | (15) | - |
| | 82,111 | (509,828) |
| Balance, beginning of period | 3,916,968 | 4,426,796 |
| Balance, end of period | 3,999,079 | 3,916,968 |

Exploration and evaluation assets by properties are detailed as follows:

| | July 31 2025 | Exchange | Exploration costs | Tax credits | Impairment | Disposition | October 31 2025 |
|--|-----------------|----------|----------------------|-------------|------------|-------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gold Properties: | | | | | | | |
| Sakami | 3,201,028 | - | 810 | - | - | - | 3,201,838 |
| | 3,201,028 | - | 810 | - | - | - | 3,201,838 |
| Base Metals: | | | | | | | |
| Tifermine | 17,060 | (4) | 9,000 | - | - | - | 26,056 |
| BMR Project | 22,224 | - | - | - | - | - | 22,224 |
| Timarighine | 459,575 | (11) | 71,386 | - | - | - | 530,950 |
| | 498,859 | (15) | 80,386 | - | - | - | 579,230 |
| Industrials and High-Tech Metals: | | | | | | | |
| Dissimieux Lake | 211,189 | - | 840 | - | - | - | 212,029 |
| Lithium381 | 5,892 | - | 90 | - | - | - | 5,982 |
| | 217,081 | - | 930 | - | - | - | 218,011 |
| Total | 3,916,968 | (15) | 82,126 | - | - | - | 3,999,079 |

| | July 31 2024 | Exchange | Exploration costs | Tax credits | Impairment | Disposition | July 31 2025 |
|-------------------------|-----------------|----------|----------------------|-------------|------------|-------------|-----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gold Properties: | | | | | | | |
| Sakami | 3,887,490 | - | 2,047 | (685) | (687,824) | - | 3,201,028 |
| Iserhoff | 297,222 | - | 211 | - | (297,433) | - | - |
| | 4,184,712 | - | 2,258 | (685) | (985,257) | - | 3,201,028 |
| Base Metals: | | | | | | | |
| Tifermine | - | - | 17,060 | - | - | - | 17,060 |
| BMR Project | - | - | 22,224 | - | - | - | 22,224 |
| Timarighine | - | - | 459,575 | - | - | - | 459,575 |
| | - | - | 498,859 | - | - | - | 498,859 |

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11. Exploration and evaluation assets (continued):

| | July 31 2024 | Exploration costs | Exploration costs | Tax credits | Impairment | Disposition | July 31 2025 |
|--|------------------|----------------------|----------------------|-----------------|--------------------|-------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Industrials and High-Tech Metals: | | | | | | | |
| Dissimieux Lake | 112,799 | - | 112,142 | (13,752) | - | - | 211,189 |
| Lithium381 | 5,454 | - | 678 | (240) | - | - | 5,892 |
| Paka | 123,831 | - | - | - | (123,831) | - | - |
| | 242,084 | - | 112,820 | (13,992) | (123,831) | - | 217,081 |
| Total | 4,426,796 | - | 613,937 | (14,677) | (1,109,088) | - | 3,916,968 |

12. Trade accounts payable and other liabilities:

Trade accounts payable and other liabilities recognized in the statements of financial position can be analyzed as follows:

| | October 31 2025 | July 31 2025 |
|------------------------|--------------------|-----------------|
| | \$ | \$ |
| Current | | |
| Trade accounts payable | 39,384 | 275,423 |
| Other liabilities | 25,152 | 27,493 |
| | 64,536 | 302,916 |

13. Lease liabilities:

| | October 31 2025 | July 31 2025 |
|--|--------------------|-----------------|
| | \$ | \$ |
| Balance, beginning of period | 74,858 | - |
| New debt obligations under lease liabilities | - | 87,847 |
| Reimbursement of lease liabilities | (4,388) | (12,989) |
| Balance, end of period | 70,470 | 74,858 |
| Less: current portion | (18,350) | (18,023) |
| Non-current portion | 52,120 | 56,835 |

Other amounts recognized in profit or loss:

| | Three-month period ended | |
|---------------------------------------|--------------------------|--------------------|
| | October 31 2025 | October 31 2024 |
| | \$ | \$ |
| Interest expense on lease liabilities | 1,293 | 1,587 |
| | 1,293 | 1,587 |

On July 31, 2024, the Company and another company, in which two directors serve on both boards, entered into a shared lease for office premises in Saint-Sauveur, Quebec, Canada. The lease is effective from September 1, 2024, to August 31, 2029 and includes two renewal options of five years each. Each company covers 50% of the rental costs. The Company's monthly payment is \$1,894. The debt obligations under lease liabilities is valued at \$87,847 using an interest rate of 7.50%. The right-of-use asset has been value at \$87,847 plus the upfront payments paid in August 2024 which amounted to \$7,574 for a total value of \$95,421 for the right-of-use asset.

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13. Lease liabilities (continued):

The Company's lease commitment totals \$79,527, and the payments to be made over the next 4 fiscal years are as follows:

| | \$ |
|------|---------------|
| 2026 | 15,148 |
| 2027 | 22,722 |
| 2028 | 22,722 |
| 2029 | 18,935 |
| | <u>79,527</u> |

14. Share capital, warrants and agent options:

(a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares, without par value, issuable in series.

(b) Issued and outstanding:

2025:

On October 3, 2024, the Company concluded a private placement by issuing 9,462,500 units at a price of \$0.08 per unit for net proceeds of \$732,829 after deducting share issuance costs of \$24,171. There were \$13,020 of finder's fees paid in connection with this private placement. Each unit consists of one common share and one half warrant for a total of 9,462,500 common shares and 4,731,250 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.12 until October 3, 2026. These warrants have been valued at \$109,715 based on the Black-Scholes option pricing model using the assumptions described below (Note 14 (c)).

On December 16, 2024, the Company concluded a private placement by issuing 8,750,000 units at a price of \$0.08 per unit for net proceeds of \$656,166 after deducting share issuance costs of \$43,834. There were finder's fees of \$41,300 paid in connection with this private placement. Each unit consists of one common share and one half warrant for a total of 8,750,000 common shares and 4,375,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.12 until December 16, 2026. These warrants have been valued at \$105,901 based on the Black-Scholes option pricing model using the assumptions described below (Note 14 (c)). As part of this private placement, the Company also issued a total of 516,250 agent warrants. Each agent warrant entitles its holder to purchase one common share at \$0.12 per share until December 16, 2026. These agent warrants have been valued at \$14,724 based on the Black-Scholes option pricing model using the assumptions described below (Note 14 (d)).

On January 23, 2025, the Company concluded a private placement by issuing 2,987,500 units at a price of \$0.08 per unit for net proceeds of \$228,718 after deducting share issuance costs of \$10,282. There were \$1,400 of finder's fees paid in connection with this private placement. Each unit consists of one common share and one half warrant for a total of 2,987,500 common shares and 1,493,750 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.12 until January 23, 2027. These warrants have been valued at \$35,634 based on the Black-Scholes option pricing model using the assumptions described below (Note 14 (c)).

On February 25, 2025, the Company concluded a private placement by issuing 10,000,000 units at a price of \$0.10 per unit for net proceeds of \$920,357 after deducting share issuance costs of \$79,643. There were \$70,000 of finder's fees paid in connection with this private placement. Each unit consists of one common share and one half warrant for a total of 10,000,000 common shares and 5,000,000 warrants. Each warrant will entitle the holder to acquire one additional common share of the Company at an exercise price of \$0.15 until February 25, 2027. These warrants have been valued at \$166,840 based on the Black-Scholes option pricing model using the assumptions described below (Note 14 (c)). As part of this private placement, the Company also issued a total of 700,000 agent warrants. Each agent warrant entitles its holder to purchase one common share at \$0.15 per share until February 25, 2027. These agent warrants have been valued at \$30,839 based on the Black-Scholes option pricing model using the assumptions described below (Note 14 (d)).

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14. Share capital, warrants and agent options (continued):

(c) Warrants:

The changes to the number of outstanding warrants granted by the Company and their weighted average exercise price are as follows:

| | October 31 2025 | | July 31 2025 | |
|--------------------------|--------------------------------------|--|--------------------------------------|--|
| | Number of outstanding warrants | Weighted average exercise price | Number of outstanding warrants | Weighted average exercise price |
| | | \$ | | \$ |
| Outstanding at beginning | 32,980,000 | 0.12 | 34,570,000 | 0.11 |
| Granted | - | - | 15,600,000 | 0.13 |
| Exercised | - | - | (2,900,000) | 0.10 |
| Expired | (11,130,000) | 0.10 | (14,290,000) | 0.10 |
| Outstanding at end | 21,850,000 | 0.14 | 32,980,000 | 0.12 |

The following table provides outstanding warrants information as at October 31, 2025:

| Outstanding warrants | | | |
|----------------------------------|--------------------------------------|-------------------|-------------------|
| Expiry date | Number of outstanding warrants | Exercise price | Remaining life |
| | | \$ | (years) |
| November 28, 2025 ⁽¹⁾ | 6,250,000 | 0.15 | 0.1 |
| October 3, 2026 | 4,731,250 | 0.12 | 0.9 |
| December 16, 2026 | 4,375,000 | 0.12 | 1.1 |
| January 23, 2027 | 1,493,750 | 0.12 | 1.2 |
| February 25, 2027 | 5,000,000 | 0.15 | 1.3 |
| | 21,850,000 | 0.14 | 0.8 |

The following table provides outstanding warrants information as at July 31, 2025:

| Outstanding warrants | | | |
|----------------------------------|--------------------------------------|-------------------|-------------------|
| Expiry date | Number of outstanding warrants | Exercise price | Remaining life |
| | | \$ | (years) |
| September 6, 2025 | 11,130,000 | 0.10 | 0.1 |
| November 28, 2025 ⁽¹⁾ | 6,250,000 | 0.15 | 0.3 |
| October 3, 2026 | 4,731,250 | 0.12 | 1.2 |
| December 16, 2026 | 4,375,000 | 0.12 | 1.4 |
| January 23, 2027 | 1,493,750 | 0.12 | 1.5 |
| February 25, 2027 | 5,000,000 | 0.15 | 1.6 |
| | 32,980,000 | 0.12 | 0.8 |

⁽¹⁾ On November 8, 2024, the expiry date of 5,650,000 outstanding warrants and 600,000 outstanding warrants issued pursuant to private placements on November 28, 2022 and December 13, 2022 respectively, was extended to November 28, 2025.

The following table provides the weighted average fair value of warrants granted:

| | October 31 2025 | July 31 2025 |
|---|--------------------|-----------------|
| | \$ | \$ |
| Weighted average fair value of warrants granted | - | 0.0268 |

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14. Share capital, warrants and agent options (continued):

(c) Warrants (continued):

The fair value of each warrant granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

| | October 31 2025 | July 31 2025 |
|---|--------------------|-----------------|
| Weighted average expected dividend yield | - | 0% |
| Weighted average share price at grant date | - | \$0.089 |
| Weighted average expected volatility | - | 85.41% |
| Weighted average risk-free interest rate | - | 2.90% |
| Weighted average exercise price at grant date | - | \$0.13 |
| Weighted average expected life | - | 2.0 years |

(d) Agent options:

The changes to the number of outstanding agent options granted by the Company and their weighted average exercise price are as follows:

| | October 31 2025 | | July 31 2025 | |
|----------------------------------|--|--|--|--|
| | Number of outstanding agent options | Weighted average exercise price | Number of outstanding agent options | Weighted average exercise price |
| | | \$ | | \$ |
| Outstanding at beginning of year | 1,216,250 | 0.14 | - | - |
| Granted | - | - | 1,216,250 | 0.14 |
| Outstanding at end of year | 1,216,250 | 0.14 | 1,216,250 | 0.14 |

The following table provides outstanding agent options information as at October 31, 2025:

| Outstanding agent options | | | |
|---------------------------|--|-------------------|-------------------|
| Expiry date | Number of outstanding agent options | Exercise price | Remaining life |
| | | \$ | |
| December 16, 2026 | 516,250 | 0.12 | 1.1 |
| February 25, 2027 | 700,000 | 0.15 | 1.3 |
| | 1,216,250 | 0.14 | 1.2 |

The following table provides outstanding agent options information as at July 31, 2025:

| Outstanding agent options | | | |
|---------------------------|--|-------------------|-------------------|
| Expiry date | Number of outstanding agent options | Exercise price | Remaining life |
| | | \$ | |
| December 16, 2026 | 516,250 | 0.12 | 1.4 |
| February 25, 2027 | 700,000 | 0.15 | 1.6 |
| | 1,216,250 | 0.14 | 1.5 |

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14. Share capital, warrants and agent options (continued):

(d) Agent options (continued):

The following table provides the weighted average fair value of agent options granted:

| | October 31 2025 | July 31 2025 |
|--|--------------------|-----------------|
| | \$ | \$ |
| Weighted average fair value of agent options granted | - | 0.0375 |

The fair value of each agent option granted is estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions:

| | October 31 2025 | July 31 2025 |
|---|--------------------|-----------------|
| Weighted average expected dividend yield | - | 0% |
| Weighted average share price at grant date | - | \$0.097 |
| Weighted average expected volatility | - | 86.85% |
| Weighted average risk-free interest rate | - | 2.80% |
| Weighted average exercise price at grant date | - | \$0.137 |
| Weighted average expected life | - | 2.0 years |

15. Share-based compensation:

(a) Share option plan:

The Company has a share option plan "The Plan", amended on July 27, 2023, whereby the Board of Directors, may grant to directors, officers or consultants of the Company, options to acquire common shares. The Board of Directors has the authority to determine the terms and conditions of the grant of options. The Board of Directors approved a share option plan reserving a maximum of 8,600,000 share options of the Company, with a vesting period allowed of zero to a period fixed by the Board of Directors, when the grant of option is made at market price, for the benefit of its directors, officers, employees and consultants. The Plan provides that no single person may hold options representing more than 5% of the outstanding common shares.

The exercise price of any option granted under The Plan is fixed by the Board of Directors at the time of the grant and cannot be less than the market price per common share the day before the grant. The term of an option will not exceed ten years from the date of grant. Options are not transferable and can be exercised while the beneficiary remains a director, an officer, an employee or consultant of the Company.

The changes to the number of outstanding share options granted by the Company and their weighted average exercise price are as follows:

| | October 31 2025 | | July 31 2025 | |
|--------------------------|--|--|--|--|
| | Number of outstanding share options | Weighted average exercise price | Number of outstanding share options | Weighted average exercise price |
| | | \$ | | \$ |
| Outstanding at beginning | 4,180,000 | 0.19 | 4,950,000 | 0.23 |
| Expired | (870,000) | 0.30 | (770,000) | 0.33 |
| Outstanding at end | 3,310,000 | 0.17 | 4,180,000 | 0.19 |
| Exercisable at end | 3,310,000 | 0.17 | 4,180,000 | 0.19 |

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Notes to Condensed Interim Consolidated Financial Statements (continued)

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15. Share-based compensation:

(a) Share option plan (continued):

The following table provides outstanding share options information as at October 31, 2025:

| Expiry date | Number of granted share options | Number of exercisable share options | Outstanding share options | |
|--------------------|--|--|---------------------------|-------------------|
| | | | Exercise price | Remaining life |
| | | | \$ | (years) |
| September 16, 2026 | 1,110,000 | 1,110,000 | 0.30 | 0.9 |
| July 27, 2028 | 2,200,000 | 2,200,000 | 0.10 | 2.7 |
| | 3,310,000 | 3,310,000 | 0.17 | 2.1 |

The following table provides outstanding share options information as at July 31, 2025:

| Expiry date | Number of granted share options | Number of exercisable share options | Outstanding share options | |
|--------------------|--|--|---------------------------|-------------------|
| | | | Exercise price | Remaining life |
| | | | \$ | (years) |
| August 31, 2025 | 870,000 | 870,000 | 0.30 | 0.1 |
| September 16, 2026 | 1,110,000 | 1,110,000 | 0.30 | 1.1 |
| July 27, 2028 | 2,200,000 | 2,200,000 | 0.10 | 3.0 |
| | 4,180,000 | 4,180,000 | 0.19 | 1.9 |

There was no amount of share-based compensation accounted for in the statement of loss and comprehensive loss for the three-month periods ended October 31, 2025 (\$Nil for the three-month period ended October 31, 2024).

16. Finance expenses:

Finance expenses recognized in the net loss of the years is as follows:

| | Three-month period ended | |
|-------------------------------|--------------------------|--------------------|
| | October 31 2025 | October 31 2024 |
| | \$ | \$ |
| Bank charges & other interest | 804 | 432 |
| Interest on lease liability | 1,293 | 1,587 |
| | 2,097 | 2,019 |

17. Supplemental cash flow information:

The Company entered into the following transactions which had no impact on the cash flows:

| | Three-month period ended | |
|---|--------------------------|--------------------|
| | October 31 2025 | October 31 2024 |
| | \$ | \$ |
| Non-cash financing activities: | | |
| Share issuance costs in trade accounts payable and other liabilities | - | 7,448 |
| Non-cash investing activities: | | |
| Mining properties in trade accounts payable and accrued liabilities | - | 12,072 |
| Exploration and evaluation assets in trade accounts payable and accrued liabilities | 6,189 | 294,593 |

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18. Related party transactions:

Related parties include the Company's joint key management personnel. Unless otherwise stated, balances are usually settled in cash. Key management includes directors and senior executives. The remuneration of key management personnel includes the following expenses:

| | Three-month period ended | |
|--------------------------------|--------------------------|------------|
| | October 31 | October 31 |
| | 2025 | 2024 |
| | \$ | \$ |
| Management and consulting fees | 24,000 | 24,000 |
| Salaries and director's fees | 72,703 | 64,912 |
| | 96,703 | 88,912 |

In addition to the related party transactions presented elsewhere in these financial statements, the following is a summary of other transactions:

A director of the Company is a partner in a law firm that offers legal services to Morocco Strategic Minerals. As at October 31, 2025, trade accounts payable and other liabilities include an amount of \$3,840 due to this related party (\$4,394 as at July 31, 2025). The following table provides a summary of the expenses charged from the law firm:

| | Three-month period ended | |
|---------------------|--------------------------|------------|
| | October 31 | October 31 |
| | 2025 | 2024 |
| | \$ | \$ |
| Legal fees | 3,840 | 8,181 |
| Share issuance cost | - | 5,882 |
| | 3,840 | 14,063 |

A company which two of its directors are also directors of the Company, offers back-office services to Morocco Strategic Minerals. As at October 31, 2025, there was no trade accounts payable and other liabilities (\$Nil as at July 31, 2025) due to this related party. The following table provides a summary of the services charged from the company to Morocco Strategic Minerals:

| | Three-month period ended | |
|------------------------------|--------------------------|------------|
| | October 31 | October 31 |
| | 2025 | 2024 |
| | \$ | \$ |
| Salaries | 6,600 | 6,400 |
| Supplies and office expenses | 4,711 | 3,495 |
| | 11,311 | 9,895 |

These transactions, entered into the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

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Notes to Condensed Interim Consolidated Financial Statements (continued)

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19. Financial assets and liabilities (continued):

| | October 31 2024 | | |
|---|--------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 |
| | \$ | \$ | \$ |
| Marketable securities | | | |
| Fair value through profit or loss (FVTPL) | 9,000 | - | - |
| | 9,000 | - | - |

20. Capital management policies and procedures:

The Company considers the items included in equity as capital components.

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders of the Company.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity. Capital for the reporting periods are presented in the statement of changes in equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which the amount should be used for exploration work. As at October 31, 2025, the Company has fulfilled all of its obligations by incurring the required amount of eligible exploration and evaluation expenditures in order to comply with the requirements of all its flow-through private placements concluded before October 31, 2025 (see Note 5).

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its exploration and evaluation activities or may slow its activities until conditions improve. No changes were made in the objectives, policies and processes for managing capital during the reporting periods.

| | October 31 2025 | July 31 2025 |
|--------|--------------------|-----------------|
| | \$ | \$ |
| Equity | 5,326,732 | 5,600,053 |
| | 5,326,732 | 5,600,053 |

21. Financial instrument risks:

The Company is exposed to various risks in relation to financial instruments. The main types of risks the Company is exposed to are credit risk, liquidity risk, foreign currency risk and price risk.

The Company manages risks in close cooperation with the board of directors. The Company focuses on actively securing short-term to medium-term cash flows by minimizing the exposure to financial markets.

(a) Credit risk:

Credit risk is the risk that the other party to a financial instrument fails to honour one of its obligations and, therefore, causes the Company to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting date.

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21. Financial instrument risks (continued):

(a) Credit risk (continued):

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

Credit risk of cash and short-term investment is considered negligible, since the counterparty which holds the cash is a reputable bank with excellent external credit rating.

None of the Company's financial assets are secured by collateral or other credit enhancements.

(b) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

In previous years, the Company has financed its acquisitions of mining rights, exploration and evaluation assets and working capital needs through private financings consisting of issuance of common shares and flow-through shares. Management estimates that the cash as at October 31, 2025 will not be sufficient to meet the Company's needs for cash during the coming year (see Note 2).

Contractual maturities of financial liabilities are as follows:

| | | | | October 31 2025 |
|--|---------------------|-----------|----------------------|--------------------|
| | Less than 1 year | 1-5 years | More than 5 years | \$ Total |
| Trade accounts payable and other liabilities | \$ 48,862 | \$ - | \$ - | \$ 48,862 |

| | | | | July 31 2025 |
|--|---------------------|-----------|----------------------|-----------------|
| | Less than 1 year | 1-5 years | More than 5 years | \$ Total |
| Trade accounts payable and other liabilities | \$ 285,497 | \$ - | \$ - | \$ 285,497 |

(c) Foreign currency risk:

The Company operates in Canada and Morocco. The functional currency of the parent company is the Canadian dollar. The assets, liabilities, revenues and expenses of Moroccan operations are denominated in Moroccan dirham. The Company is exposed to foreign exchange risks arising from the fluctuation of exchange rates between Moroccan dirham and the Canadian dollar. The Company does not enter into arrangements to hedge its foreign exchange risk.

As at October 31, 2025, the Company is exposed to currency risk through fluctuations in the foreign exchange rate with respect to the following financial assets and liabilities:

| | October 31 2025 | October 31 2024 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Financial instruments denominated in MAD | | |
| Trade accounts payable and other liabilities | (25,658) | (193,231) |
| Net exposure | (25,658) | (193,231) |

Based on the above net exposure as at October 31, 2025 and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against Moroccan dirham would result in a change of \$2,566 (\$19,323 in 2024) in the Company's comprehensive loss and changes in equity.

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21. Financial instrument risks (continued):

(d) Price risk:

The Company is exposed to fluctuations in the market prices of its marketable securities in a quoted mining exploration company. The fair value of the marketable securities represents the maximum exposure to price risk. For the marketable securities in quoted mining exploration companies, a weighted average volatility of 152.10% has been observed during the three-month period ended October 31, 2025 (119.30% for the year ended July 31, 2025).

This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If quoted stock price for these securities had increased as per the volatility, profit and loss would have changed by a markup of \$43,805 as at October 31, 2025 (markup of \$10,737 as at July 31, 2025) or If quoted stock price for these securities had decreased as per the volatility, profit and loss would have changed by a markdown of \$28,800 as at October 31, 2025 (\$9,000 as at July 31, 2025).