One World Lithium Inc.

Consolidated Financial Statements
Expressed in Canadian Dollars, unless otherwise noted

For the Years Ended December 31, 2025 and 2024

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Fernandez Young LLP
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of One World Lithium Inc.

Opinion

We have audited the consolidated financial statements of One World Lithium Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended December 31, 2025.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis for the year ended December 31, 2025 prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Jim Fernandez.

Fernandez Young LLP

Fernandez Young LLP
Chartered Professional Accountants
Vancouver, Canada
April 29, 2026

One World Lithium Inc.
Consolidated Statements of Financial Position
As of December 31, 2025 and December 31, 2024
Expressed in Canadian Dollars

As at	Notes		December 31, 2025		December 31, 2024
ASSETS					
Current					
Cash		$	43	$	-
Receivables and advances			22,058		46,012
Prepaid expenses and deposits	4		-		5,309
Total current assets			**22,101**		**51,321**
Intangible assets	5		15,000		15,000
TOTAL ASSETS		**$**	**37,101**	**$**	**66,321**
LIABILITIES					
Current liabilities					
Accounts payables and accrued liabilities	6	$	1,914,654	$	1,608,514
Due to related parties	10		842,936		566,745
Loans and borrowings	7		171,708		1,500
Interest payable	7		5,507		1,537
Other liability	13		143,216		-
Total current liabilities			**3,078,021**		**2,178,296**
Loans and borrowings	7		-		60,000
TOTAL LIABILITIES		**$**	**3,078,021**	**$**	**2,238,296**
SHAREHOLDERS' DEFICIT					
Share capital	8	$	24,095,716	$	24,081,365
Contributed surplus	9		452,262		445,362
Share-based payments and warrants reserve	9		1,419,268		1,393,578
Accumulated deficit			(29,008,166)		(28,092,280)
TOTAL SHAREHOLDERS' DEFICIT		**$**	**(3,040,920)**	**$**	**(2,171,975)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**$**	**37,101**	**$**	**66,321**

Segment reporting (Note 14)
Events after reporting period (Notes 15)
Approved on behalf of the Board of Directors on April 29, 2026

"Douglas Fulcher"
Director

"Kevin Milledge"
Director

One World Lithium Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2025 and 2024
Expressed in Canadian Dollars except number of shares

	Notes		December 31, 2025		December 31, 2024
Expenses					
General and administration	10	$	177,456	$	250,241
Professional and consulting fees	10		675,325		822,269
Share-based payments	9,10		4,250		63,911
Total expenses		$	(857,031)	$	(1,136,421)
Operating loss		**$**	**(857,031)**	**$**	**(1,136,421)**
Other expenses					
Net financing cost	8(b)(iv)		(340,578)		(617,844)
Foreign exchange loss			(1,147)		(3,255)
Gain from debt settlement	8(a)(iv)		2,870		-
Gain from debt write-off			-		16,252
Net loss and comprehensive loss		**$**	**(1,195,886)**	**$**	**(1,741,268)**
Basic and diluted loss per common share		**$**	**(0.01)**	**$**	**(0.01)**
Weighted average number of common shares outstanding – basic and diluted			213,369,233		201,250,233

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

One World Lithium Inc.
Consolidated Statements of Changes in Shareholders' Deficit
For the Years Ended December 31, 2025 and 2024
Expressed in Canadian Dollars

	Notes		Share capital		Contributed surplus		Share-based payments and warrants reserve		Accumulated deficit		Total shareholders' deficit
Balance as of December 31, 2023		**$**	**23,694,382**	**$**	**428,088**	**$**	**833,297**	**$**	**(26,509,662)**	**$**	**(1,553,895)**
Shares issued in private placement	8(a)		347,983		–		95,028		–		443,011
Shares issued to acquire intangible assets	8(a)		15,000		–		–		–		15,000
Shares issued to settle loans and borrowings	8(a)		24,000		–		–		–		24,000
Share-based payments	9(a)		–		–		63,911		–		63,911
Warrant modification	8(b)		–		–		571,026		–		571,026
Warrants issued on loan payable	8(b(i))		–		–		6,240		–		6,240
Transfer of warrants expired	8(b)		–		17,274		(17,274)		–		–
Transfer of share-based payments expired	9(a(iv))		–		–		(158,650)		158,650		–
Net loss for the period			–		–		–		(1,741,268)		(1,741,268)
Balance as of December 31, 2024		**$**	**24,081,365**	**$**	**445,362**	**$**	**1,393,578**	**$**	**(28,092,280)**	**$**	**(2,171,975)**
Shares issued to settle accounts payable	8(a)(iv)		14,351		–		–		–		14,351
Share based payments	9(a)		–		–		4,250		–		4,250
Warrants issued on loans and borrowings	8(b)(iii)		–		–		75,040		–		75,040
Transfer of warrants expired	8		–		6,900		(6,900)		–		–
Transfer of options expired	9(a)(iv)		–		–		(280,000)		280,000		–
Warrant modification	8(b)(iv)		–		–		233,300		–		233,300
Net loss for the period			–		–		–		(1,211,529)		(1,211,529)
Balance as of December 31, 2025		**$**	**24,095,716**	**$**	**452,262**	**$**	**1,419,268**	**$**	**(29,023,809)**	**$**	**(3,056,563)**

One World Lithium Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2025 and 2024
Expressed in Canadian Dollars

		December 31, 2025		December 31, 2024
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Net loss	**$**	**(1,195,886)**	**$**	**(1,741,268)**
Non-cash items:				
Share-based payments		4,250		63,911
Net financing cost		340,578		617,844
Gain from debt settlement		(2,870)		-
Gain from debt write-off		-		(16,252)
Changes in non-cash working capital items				
Receivables and advances		23,954		(7,141)
Prepaid expenses and deposits		5,309		(536)
Accounts payable and accrued liabilities		426,966		443,986
Due to related parties		276,191		254,769
Net cash used in operating activities	**$**	**(121,508)**	**$**	**(384,687)**
FINANCING ACTIVITIES				
Repayment of loans and borrowings	$	-	$	(14,516)
Proceeds from loans and borrowings		107,200		9,000
				-
Proceeds from issuance of shares		14,351		382,757
Net cash provided by financing activities	**$**	**121,551**	**$**	**377,241**
Net increase (decrease) in cash in the year	$	43	$	(7,446)
Cash – opening balance	**$**	**-**	**$**	**7,446**
Cash – ending balance	**$**	**43**	**$**	**-**

Supplemental cash flow information

		December 31, 2025		December 31, 2024
Share purchase warrants issued in lieu of financing cost	$	75,040	$	6,240
Shares issued to acquire intangible assets	$	–	$	15,000
Shares issued to settle loans and borrowings	$	–	$	24,000
Shares issued to settle accounts payable	$	14,351	$	-
Warrant modification	$	233,300	$	571,026
Expiration of options	$	280,000	$	158,650
Expiration of warrants	$	6,900	$	17,274

NOTE 1 – NATURE OF OPERATIONS AND GOING CONCERN

One World Lithium Inc., together with its subsidiary (collectively referred to as the "Company") was incorporated under the laws of the province of British Columbia on November 9, 1982. The Company is focused on the acquisition, exploration and development of lithium resource properties and a new lithium separation extraction technology. The Company is in an early stage of development of lithium separation technology. The Company's administrative office is Suite 1150-1100 Melville Street, Vancouver, BC, V6E 4A6 and its Registered and Records Office is the same. On January 19, 2018, the Company changed its name to One World Lithium Inc. to align with its primary exploration and evaluation asset and the trading symbol on the CSE was changed to OWLI. On March 7, 2019, the Company also began trading on the OTCQB Venture Market under the trading symbol OWRDF until September 30, 2025 whereby the Company delisted its shares from the OTCQB Venture Market to the Pink Limited equity market under the same symbol.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which contemplates the realization of assets and discharge of liabilities at their carrying values in the ordinary course of operations for the foreseeable future rather than through the process of forced liquidation.

During the year ended December 31, 2025, the Company had a net loss of $1,195,886 and cash used in operating activities of $121,508 . As at December 31, 2025, the Company has an accumulated deficit of $29,023,809 and a working capital deficit of $3,056,563 . As a result, the Company may not have sufficient capital to fund its current planned operations for the foreseeable future.

These consolidated financial statements do not include any adjustments to the classification and amounts of assets and liabilities that may be required should the Company be unable to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate the acquisition of, participation in or interest in new properties, assets or business opportunities, as well as the successful results from exploration activities, development of its lithium separation technology and its ability to attain profitable operations and generate funds therefrom, and raise equity capital or obtain the necessary financing sufficient to meet current and future obligations. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful at raising funds in the past through the issuance of securities, it is uncertain whether it will be successful in doing so in the future.

NOTE 2 - BASIS OF PREPARATION AND PRESENTATION, STATEMENT OF COMPLIANCE

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these consolidated financial statements.

These consolidated financial statements include the accounts of the Company and Lithium Investments Ltd., its wholly-owned subsidiary, incorporated in British Columbia, Canada. The Canadian Dollar is a functional currency of the Company and its subsidiary.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 29, 2026.

Critical accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical judgments exercised in the application of accounting policies and estimates having the most significant effects on the amounts recognized in these consolidated financial statements include:

Impairment of mineral properties – Expenditures on mineral properties are expensed. The Company makes estimates and applies judgment about future events and circumstances in determining whether the carrying amount of a mineral property exceeds its recoverable amount. The recoverability of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. Management looks for impairment indicators and then reviews the carrying values of its mineral properties on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, capitalized costs related to relinquished property rights are written off in the period of relinquishment. Capitalized costs in respect of the Company's mineral properties may not be recoverable and there is a risk that these costs may be written down in future periods.

While management believes that these estimates, critical judgment and assumptions are reasonable, actual results could differ and could impact future results of operation and cash flows.

NOTE 3 – MATERIAL ACCOUNTING POLICIES

New standards, interpretations and amendments

<u>Lack of Exchangeability (Amendments to IAS 21)</u>
The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

Cash
Cash consists of demand deposits that are subject to an insignificant risk of change in value.

Financial instrument classification and measurement
Financial assets are classified according to their contractual cash flow characteristics and the business models under which they are held. On initial recognition, a financial asset is classified as: amortized cost, fair value through profit or loss (FVPL) or fair value through other comprehensive income (FVOCI).
A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVPL:

- it is held with the objective of collecting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis. All financial assets not classified as amortized cost or FVOCI are classified as and measured at FVPL. This includes all derivative assets. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as FVPL, directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial asset has been classified as amortized cost, FVPL or FVOCI. Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as amortized cost or FVPL. Financial assets and financial liabilities classified as amortized cost are measured subsequent to initial recognition using the effective interest method.

Loss allowances for 'expected credit losses' are recognized on financial assets measured at amortized cost, contract assets and investments in debt instruments measured at FVOCI, but not to equity investments. A loss event is not required to have occurred before a credit loss is recognized.

The Company has classified and measured its financial instruments as described below:

- Cash and receivables are classified as and measured at amortized cost.
- Accounts payable and accrued liabilities, loans and borrowings, shares subscriptions payables are classified as and measured at amortized cost. Borrowings and other financial liabilities are classified as current or non-current based on their maturity date. The liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost and intangible assets acquired in a business combination are recognized at fair value at the date of acquisition. Intangible assets include customer agreements and relationships, and technologies. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense for finite life intangible assets is recognized in profit or loss. Intangible assets with indefinite lives are not amortized, however they are tested annually or more frequently when circumstances indicate that the carrying value may not be recoverable.

Intangible assets are amortized over their estimated useful lives, on a straight-line basis. The useful life of patent applications is not determinable as of December 31, 2025 due to the current status of technology.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Internally generated intangible assets

Expenditures on research activities are recognized as an expense in the period in which they were incurred.

Internally-generated intangible assets arising from development or from the development phase of an internal project are recognized if all of the following factors have been demonstrated:

- Technical feasibility of completing the intangible asset results in the intangible asset being available for use or sale;
- There is an intention to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- Evidence to suggest how the intangible asset will generate probable future economic benefits;
- There is availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and,
- An ability to reliably measure the expenditure(s) attributable to the intangible asset during its development exists.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The internally-generated intangible asset is recognized as the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Where no internally-generated intangible asset can be recognized, development expenditures are recognized in profit or loss in the period in which it is incurred.

Income taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carry-forwards, resource related pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

When applicable, deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share capital and share-based payments

Share capital represents the amount received in exchange for the issuance of shares. Shares issued for consideration other than cash are recorded at their fair value according to the quoted market price on the day the shares are issued. Proceeds from the exercise of share options and warrants are recorded as share capital in the amount for which the option or warrant enabled the holder to purchase a share in the Company along with the fair value of the option or warrant, if any, at the time of its grant.

The Company uses the residual method in determining the fair value of warrants issued to subscribers, which provides for the allocation of the consideration received to the fair value to the shares issued and allocating any residual amount to the warrants issued. Upon expiry of the warrants, the amount allocated to the warrants is transferred to contributed surplus.

Costs directly identifiable with the raising of share capital financing are charged against share capital. Share issuance costs incurred in advance of share subscriptions are recorded as equity. Share issuance costs related to uncompleted share subscriptions are charged to operations.

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. The Board of Directors grants such options for periods of up to ten years, with vesting periods determined at its discretion and at prices not less than the closing market price on the grant date.

The fair value of the options is measured at either the grant date or date goods or services are received, using the Black-Scholes option pricing model, and is recognized over the period during which the options are earned. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest. For directors and employees, the fair value of the options is measured at the date of grant. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based payments reserve. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Upon expiry, the recorded value is transferred to accumulated deficit.

Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to re-purchase common shares for years presented at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of exercise of options and warrants as they would be anti-dilutive.

Shares subject to escrow restrictions are excluded from the weighted average number of common shares unless their release is subject only to the passage of time.

Expressed in Canadian Dollars except otherwise noted

NOTE 4 – PREPAID EXPENSES AND DEPOSITS

		December 31, 2025		December 31, 2024
Prepaid advertising and promotion	$	–	$	1,458
Other prepaid expenses		–		3,851
Total prepaid expenses and deposits	**$**	**–**	**$**	**5,309**

NOTE 5 – INTANGIBLE ASSETS

On September 28, 2023, the Company signed an Assignment and License Agreement ((the "Definitive Agreement") with MatterGreen LLC ("MG"), an arm's length Oregon limited liability company, pursuant to which MG shall file and assign to the Company (the "Assignment") two separate patent applications for Lithium Carbonation that is a lithium extraction technology (together, the "OWL Patent Applications"). Following the Assignment, the Company will be the sole and exclusive owner of the OWL Patent Applications and, under the terms of the Definitive Agreement, MG will be continuing to develop the technology on behalf of the Company to commercialize the Company's ability to extract lithium in a commercial and cost-effective producing plant. The OWL Patent Applications are for natural brine and for slurries made from pegmatite, clay, volcanic rock and sediment. Additional patents may be filed in the future as a result of the research & development ("R&D") work to be carried out with MG. The assignment of the OWL Patent Applications was completed in November 2024 for the consideration of 1,000,000 common shares of the Company valued at $15,000; refer to Note 8 for additional information.

NOTE 6 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		December 31, 2025		December 31, 2024
Trade payables and accrued liabilities	$	1,563,321	$	1,282,569
Part XII.6 tax payable		351,333		325,945
Total accounts payable and accrued liabilities	**$**	**1,914,654**	**$**	**1,608,514**

NOTE 7 – LOANS AND BORROWINGS, AND INTEREST PAYABLE

The loans and borrowings, including interest payable on December 31, 2025 and December 31, 2024 and the changes for the years then ended, respectively, are as follows:

		December 31, 2025		December 31, 2024
Opening balance	**$**	**63,037**	**$**	**81,508**
Proceeds (i)(v)		107,200		9,000
Financing cost (i) (Note 8(b(i))		-		(3,000)
Interest		6,978		4,184
Accretion		-		9,861
Repayments		-		(38,516)
Ending balance	**$**	**177,215**	**$**	**63,037**

		December 31, 2025		December 31, 2024
Unsecured term loan with $15,000 principal and accrued interest at a fixed rate of 8% due on or before April 30, 2024 (i). (a)	$	-	$	1,223
Unsecured federal government term loan with principal due on December 31, 2026 with monthly interest payments beginning in January 2024 and ending in December 2026 at a fixed rate of 5%. The portion of the loan may be forgiven with early repayment by January 2024 (ii).		64,508		61,500
Unsecured promissory note principal with interest accrued at an annual fixed rate of 6.00% and repayable on July 31, 2024 (iii). (a)		-		-

Expressed in Canadian Dollars except otherwise noted

		December 31, 2025		December 31, 2024
Unsecured term loan with $9,000 principal and accrued interest at a fixed rate of 8% due on or before August 31, 2024 (iv).		-		314
Unsecured term loan with up to $107,200 principal maturing within the year from the closing date, with accrued interest at a fixed rate of 8% (v). (a)		107,200		-
Total loans and borrowings	$	171,708	$	63,037
Less: current portion of loans and borrowings	$	171,708	$	3,037
Non-current loans and borrowings	**$**	**-**	**$**	**60,000**

(i) On October 20, 2023, the Company closed an unsecured term loan in the amount of $15,000 with bonus warrants. The Term Loan matures on January 31, 2024, and has an interest rate of 8% per annum. The bonus warrants consist of 300,000 share purchase warrants which will entitle the holder thereof to purchase 300,000 common shares of the Company at a price of $0.05 for a period of 24 months from the close of the Term Loan.

On January 31, 2024, the Company issued 300,000 share purchase warrants as a consideration to extend the term loan's maturity date from January 31, 2024 to April 30, 2024. The Company settled the principal balance of $15,000 through a conversion of the principal into common shares in connection with the Company's 2024 private placement; refer to the Note 8(a)(iii) for additional information. The accrued interest of $1,223 remains outstanding as of December 31, 2024 and presented as interest payable in the consolidated statement of financial position.

(ii) The Company did not repay the loan by January 2024, therefore the Company recognized an additional liability of $20,000 as the terms of loan forgiveness were not met. The corresponding expense was recognized as other expense in the consolidated statement of loss and comprehensive loss. The loan is due on December 31, 2026 and accrued a fixed interest rate of 5%.

(iii) On December 31, 2023, the Company entered into an amending agreement to extend the maturity date from January 31, 2024 to July 31, 2024. The Company repaid the principal and accrued interest during the year ended December 31, 2024.

(iv) On May 31, 2024, the Company closed an unsecured term loan in the amount of $9,000 with bonus warrants. The Term Loan matures on August 31, 2024, and has an interest rate of 8% per annum. The bonus warrants consist of 180,000 share purchase warrants which will entitle the holder thereof to purchase 180,000 common shares of the Company at a price of $0.05 for a period of 36 months from the close of the Term Loan. The Company settled the principal balance of $9,000 through a conversion of the principal into common shares in connection with the Company's 2024 private placement; refer to the Note 8(a)(iii) for additional information. The accrued interest of $314 remains outstanding as of December 31, 2024 and presented as interest payable in the consolidated statement of financial position.

(v) On July 15, 2025, the Company entered into Loan Agreements (the "Loans") with lenders borrowing a total of $107,200. The Loans are unsecured and will bear interest of 8% per annum. The term of the Loans will be twelve (12) months or five (5) business days following a written notice of the Company that the Company has raised a minimum of one million dollars through an equity or debt financing.

As an inducement for the Loans, the Company has issued an aggregate of 3,573,332 share purchase warrants to the lenders. Each share purchase warrant will entitle the holder to purchase one common share of the Company at an exercise price of C$0.05 for a period of twenty-four (24) months expiring on July 15, 2027. The balance as of December 31, 2025, represents $107,200 of principal and accrued interest of $3,970.

(a) The accrued interest of $5,507 on these loans is outstanding as of December 31, 2025.

Expressed in Canadian Dollars except otherwise noted

Repayments due on loans and borrowings, including interest, for the next five years and thereafter are as follows:

Year		
2026	$	177,215
2027		-
2028		-
2029		-
2030		-
Thereafter		-
	$	**177,215**

NOTE 8 – SHARE CAPITAL

a) Common shares

Authorized: unlimited common shares without par value

	Number of Shares		Amount
Balance, December 31, 2023	**196,616,651**	**$**	**23,694,382**
Common shares issued on private placement (i)(ii)	9,231,835		276,955
Common shares issued to settle loans and borrowings (ii)	6,335,166		95,028
Common shares issued to acquire intangible assets (iii)	1,000,000		15,000
Balance, December 31, 2024	**213,183,652**	**$**	**24,081,365**
Common shares issued to settle debt (iv)	574,042		14,351
Balance, December 31, 2025	**213,757,694**	**$**	**24,095,716**

(i) On June 14, 2024, the Company reprised and reduced its Offering from a price of $0.05 per Unit, originally announced on October 25, 2023, to a non-brokered private placement of up to 16,666,666 units at a price of $0.03 per unit for gross proceeds of up to $500,000 to be closed in one or more tranches (the "2024 Offering"). Each Unit will consist of one common share of the Company (each, a "Common Share") and one non-transferable Warrant. Each Warrant will entitle the holder thereof to purchase one Common Share at a price of $0.06 for a period of 36 months from the closing of the Offering.

On August 14, 2024, the Company closed the first tranche of the 2024 Offering. The Company received a total of $276,955 in cash proceeds through the issuance of 9,231,835 Units at a price of $0.03 per Unit. Each Unit consists of one common share of the Company and one non-transferable common share purchase warrant (each a "Warrant"). The Company incurred $nil of share issuance costs in connection with the private placement. All securities issued are subject to a four (4) month and one day hold period, from the closing of the 2024 Offering.

A total of 9,231,835 Warrants were issued in connection with the first tranche of the 2024 Offering. Each Warrant will entitle the holder to purchase one common share at a price of $0.06 for a period of 36 months from the closing of the Offering. The fair value of the Company's common shares on closing was $276,955 with a residual fair value of $nil allocated to the Warrant component of the Units.

(ii) On November 13, 2024, the Company closed the second and final tranche of the 2024 Offering. The Company received a total of $166,055 in cash proceeds and also converted into the private placement, $24,000 of outstanding principal from loans payable (Note 7). As part of the second tranche closing, the Company issued a total 6,335,166 Units at a price of $0.03 per Unit. Each Unit consists of one common share of the Company and one non-transferable common share purchase warrant (each a "Warrant"). The Company incurred $nil of share issuance costs in connection with the private placement. All securities issued are subject to a four (4) month and one day hold period, from the closing of the 2024 Offering.

Expressed in Canadian Dollars except otherwise noted

A total of 6,335,166 Warrants were issued in connection with the second tranche of the 2024 Offering. Each Warrant will entitle the holder to purchase one common share at a price of $0.06 for a period of 36 months from the closing of the Offering. The fair value of the Company's common shares on closing was $95,027 with a residual fair value of $95,028 allocated to the Warrant component of the Units.

(iii) On November 7, 2024, the Company issued 1,000,000 common shares to acquire intangible assets (Note 5). The common shares were fair-valued at $15,000 based on the closing adjusted market share price of each common share on the date of issuance.

(iv) On September 5, 2025, the Company issued 574,042 common shares to settle $17,221 of debt owing to a vendor of the Company. The fair-value of common shares issued was $14,351, based on the market price of $0.025 per common share observed on the date of settlement. This resulted in a gain on settlement of $2,870 recognized for the year ended December 31, 2025.

b) Warrants

The Company's warrants outstanding as at December 31, 2025 are as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance, December 31, 2023	**93,145,614**	**$**	**0.10**
Issued (Note 8(a)(i)(ii),(b)(i))	16,047,001		0.06
Expired	(625,000)		0.14
Balance, December 31, 2024	**108,567,615**	**$**	**0.10**
Issued (iii)	3,573,332		0.05
Expired	(300,000)		0.05
Balance, December 31, 2025	**111,840,947**	**$**	**0.10**

(i) The Company issued 300,000 and 180,000 share purchase warrants on January 31, 2024 and May 31, 2024 respectively. The share purchase warrants were granted in connection with separate loan financings during the year ended December 31, 2024 (Note 7). The total grant date fair value of the warrants was $6,240 estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

		December 31, 2024
Grant Date Share Price		$0.02
Exercise Price		$0.05
Expected Life		2.38
Volatility		137.85%
Dividend Yield		0.00%
Risk Free Rate		4.06%
Forfeiture rate		0.00%
Fair-value per warrant	$	0.01

(ii) On February 7, 2024, the Company amended 45,022,210 warrants, which were previously granted on March 1, 2021, by extending the expiry date of the warrants for an additional two years with an amended expiry date of March 1, 2026.

On October 17, 2024, the Company amended 12,770,341 and 17,350,843 warrants which were previously granted on November 8, 2021 and December 7, 2021 respectively. The amendment was only on the expiry date of the warrants, with an extension of the expiry dates from November 3, 2024 and December 7, 2024 respectively, to November 3, 2026 and December 7, 2026 respectively. The grant date fair value of all the amended warrants during the year ended December 31, 2024 was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

Expressed in Canadian Dollars except otherwise noted

	Amended Warrants	Original Warrants
Grant Date Share Price	$0.018	$0.018
Exercise Price	$0.108	$0.108
Expected Life (years)	2.08	0.08
Volatility	145%	215%
Dividend Yield	0.00%	0.00%
Risk Free Rate	3.66%	3.66%
Forfeiture rate	0.00%	0.00%
Fair-value per warrant	$ 0.008	$ -

The total cost of warrant amendments during the year ended December 31, 2024 is $571,026 which has been recorded as net financing expense.

(iii) On July 15, 2025, the Company issued 3,573,332 share purchase warrants ("Loan Warrants") to various lenders of the Company (Note 7(v)). Each Warrant will entitle the holder to purchase one common share of the Company at an exercise price of $0.05 for a period of twenty-four (24) months expiring on July 15, 2027. The total fair-value of the warrants issued was $75,040 estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	December 31, 2025
Grant Date Share Price	$0.025
Exercise Price	$0.05
Expected Life	2.00
Volatility	216.58%
Dividend Yield	0.00%
Risk Free Rate	2.83%
Forfeiture rate	0.00%
Fair-value per warrant	$ 0.02

The total fair-value cost of the Loan Warrants has been presented as part of net financing cost for the year ended December 31, 2025.

(iv) On December 5, 2025, the Company amended 14,581,220 warrants, which were previously granted on December 20, 2022, by extending the expiry date of the warrants for an additional two years with an amended expiry date of December 20, 2027. The grant date fair value of all the amended warrants during the year ended December 31, 2025 was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Amended Warrants	Original Warrants
Grant Date Share Price	$0.020	$0.020
Exercise Price	$0.080	$0.080
Expected Life (years)	2.04	0.04
Volatility	222%	150%
Dividend Yield	0%	0%
Risk Free Rate	2.64%	2.64%
Forfeiture rate	0.00%	0.00%
Fair-value per warrant	$ 0.02	$ -

The total cost of warrant amendments during the year ended December 31, 2025 is $233,300 which has been recorded as financing expense in statement of loss and comprehensive loss.

Expressed in Canadian Dollars except otherwise noted

Warrants outstanding as of December 31, 2025 are as follows:

Expiry Date	Exercise Price	Outstanding Warrants
January 31, 2026	$0.05	300,000
March 1, 2026	$0.10	45,022,210
September 14, 2026	$0.08	2,496,000
November 3, 2026	$0.12	12,770,341
December 7, 2026	$0.12	17,350,843
May 31, 2027	$0.05	180,000
August 14, 2027	$0.06	9,231,835
November 7, 2027	$0.06	6,335,166
July 15, 2027	$0.05	3,573,332
December 20, 2027	$0.08	14,581,220
	$0.09	**111,840,947**

The weighted average remaining contractual life of warrants outstanding as of December 31, 2025 is 0.61 years (December 31, 2024 – 1.58 years).

NOTE 9 – SHARE-BASED PAYMENTS

On February 4, 2013, the Company adopted a “rolling” stock option plan for its employees, directors, officers and self-employed consultants, which plan received regulatory approval in 2013. The terms of the plan provide for options to be granted to a maximum of 10% of the issued and outstanding common shares of the Company at the time of grant of the stock options. The exercise price of each option shall not be less than the minimum price permitted by the policies of the Exchange. The options may be granted for a maximum term of ten years from the date of grant, and at the Board’s election, may include vesting provisions. The total amount of share-based payments expense, if any, which is expected to be recognized over the vesting period of options, is recognized during the period in which it occurs.

On October 31, 2018, at the Company’s Annual General Meeting the shareholders approved a new stock option plan to incorporate the polices of the Canadian Stock Exchange (“CSE”). Under the new stock option plan the maximum number of shares of the Company reserved for issuance will be limited to 10% of the issued shares of the Company at the time of any granting of options (on a non-diluted basis). In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. The Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The exercise price of each option shall be determined by the Board provided that such exercise price shall be not lower than the greater closing price of the Company’s shares on the CSE on the trading day prior to the date of grant. The options may be granted for a maximum term of ten years from the date of grant, and at the Board’s election, may include vesting provisions. The total amount of share-based payments expense, if any, which is expected to be recognized over the vesting period of options, is recognized during the period in which it occurs.

a) Stock options

The Company’s recorded share-based compensation expense for years ended December 31, 2025 and 2024 comprised of the following:

	December 31, 2025	December 31, 2024
Stock Options	$ 4,250	$ 63,911

Expressed in Canadian Dollars except otherwise noted

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of options		Weighted average exercise price
Balance, December 31, 2023	**13,050,000**	**$**	**0.06**
Granted (i)	4,600,000		0.05
Expired (ii)	(4,050,000)		0.07
Balance, December 31, 2024	**13,600,000**	**$**	**0.05**
Granted (iii)	250,000		0.05
Expired (iv)	(8,400,000)		0.06
Balance, December 31, 2025	**5,450,000**	**$**	**0.05**

(i) During the year ended December 31, 2024, the Company granted a 3,100,000 and 1,500,000 incentive stock options to consultants and key management respectively. The Company fair valued the options granted during the year ended December 31, 2024 using the Black-Scholes option pricing model and the following weighted average inputs:

	December 31, 2024
Grant Date Share Price	$0.017
Exercise Price	$0.050
Expected Life	2.78
Volatility	155.50%
Dividend Yield	0.00%
Risk Free Rate	3.38%
Fair-value per option	$0.01

(ii) During the year ended December 31, 2024 a total of 4,050,000 stock options expired without exercise resulting in a transfer of $158,650 from share-based payment reserve to accumulated deficit.

(iii) During the year ended December 31, 2025, the Company granted a 250,000 incentive stock options to consultants of the Company for accounting services rendered. The Company fair-valued the options granted using the Black-Scholes option pricing model and the following weighted average inputs:

	December 31, 2025
Grant Date Share Price	$0.020
Exercise Price	$0.050
Expected Life	3.00
Volatility	189.50%
Dividend Yield	0.00%
Risk Free Rate	2.64%
Fair-value per option	$0.02

(iv) During the year ended December 31, 2025, a total of 8,400,000 stock options expired without exercise resulting in a transfer of $280,000 from share-based payment reserve to accumulated deficit.

Stock options outstanding and exercisable as at December 31, 2025 are as follows:

Number of Options Outstanding	Number of Options Exercisable		Exercise Price	Expiry Date
600,000	600,000	$	0.050	November 16, 2026
1,000,000	1,000,000	$	0.050	March 13, 2026
3,600,000	3,600,000	$	0.050	November 13, 2027
250,000	250,000	$	0.050	August 29, 2028
5,450,000	**5,450,000**	**$**	**0.05**	

Expressed in Canadian Dollars except otherwise noted

The weighted average remaining contractual life of stock options outstanding and exercisable at December 31, 2025 is 1.49 years (2024 – 1.18 years).

NOTE 10 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company defines key management personnel as being the directors and key officers.

The compensation awarded to key management personnel is as follows:

	For the year ended:			
		December 31, 2025		December 31, 2024
Professional and consulting fees	$	297,000	$	276,000
Director fees		45,000		54,000
Share-based payments		-		16,500
Total compensation	**$**	**342,000**	**$**	**346,500**

Other related party transactions

Effective May 1, 2016, the Company entered into an office rental agreement in which an officer and director is a shareholder. The Company was charged rent, office and parking expenses:

	For the year ended:			
		December 31, 2025		December 31, 2024
Rent, office and parking	$	72,144	$	93,943

Due to related parties

Balances owed to key management personnel and related parties, which are included in accounts payable and accrued liabilities are as follows:

		December 31, 2025		December 31, 2024
Due to Chief Financial Officer	$	571,095	$	439,255
Due to Chief Executive Officer and President		177,590		90,094
Due to directors		53,550		34,650
Rent, office and parking payable		40,701		2,746
Total balance due to related parties	**$**	**842,936**	**$**	**566,745**

NOTE 11 – FINANCIAL INSTRUMENTS

Fair values

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The carrying values of cash, receivables, accounts payable and accrued liabilities, and share subscriptions payable approximate their fair values due to the immediate or short-term nature of these instruments. The fair values of loans and borrowings approximate their carrying values due to the market rate of interest being applied. There has been no significant change in credit and market interest rates since the date of its receipt.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Change in assumptions could significantly affect the estimates.

The following table summarizes the classification of the Company's financial instruments under IFRS 9 – *Financial Instruments*:

Financial assets	
Cash	Amortized cost
Receivables and advances	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Loans and borrowings	Amortized cost
Interest payable	Amortized cost
Share subscriptions payable	Amortized cost

Capital and risk management

The Company's objective and polices for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes changes based on economic conditions, risks that impact the operations and future significant capital investment opportunities. In order to maintain or adjust its capital structure, the Company may issue new equity instruments or raise additional debt financing.

The Company is exposed to a variety of financial risks by virtue of its activities: market risk, interest rate risk, liquidity risk and foreign currency risk. The Board of Directors has overall responsibility for the determination of the Company's capital and risk management objectives and policies while retaining ultimate responsibility for them. The Company's overall capital and risk management program has not changed throughout the period. It focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance. Risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies and evaluates financial risks in close cooperation with management.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest-bearing debt instrument has a fixed interest rate and is not subject to interest rate cash flow risk.

The interest-bearing financial instruments, as reported in the consolidated financial statements, have the following interest rate profile:

As at:	December 31, 2025	December 31, 2024
Fixed rate instruments	$ 177,215	$ 63,037

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 generally relies on external financing or key management to provide sufficient liquidity to meet budgeted operating requirements. The following table sets forth details of the payment profile of financial liabilities based on their undiscounted cash flows:

	Total carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 1,914,654	$ 1,914,654	$ 1,914,654	$ -	$ -
Due to related parties	842,936	842,936	842,936	-	-
Loans and borrowings	171,708	171,708	171,708	-	-
Interest payable	5,507	5,507	5,507	-	-
Other liability	143,216	143,216	143,216	-	-
Totals	**$ 3,078,,021**	**$ 3,078,021**	**$ 3,078,021**	**$ -**	**$ -**

Taking into consideration the Company's current cash position, volatile equity markets, global uncertainty in the capital markets and increasing cost pressures, the Company is continuing to review its needs to seek financing opportunities in accordance to its capital risk management strategy.

Foreign currency risk
Foreign currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains financial instruments and enters into transactions denominated in foreign currencies, principally in U.S. dollar, which exposes the Company to fluctuating balances and cash flows due to various in foreign exchange rates.

NOTE 12 – INCOME TAXES

The total income tax recovery (expense) recorded in the consolidated financial statements differs from the amount computed by applying the combined federal and provincial tax rates of 27% (2024 – 27%) to income (loss) before tax as follows:

For the year ended:	December 31, 2025	December 31, 2024
Canadian statutory income tax rate	27%	27%
Loss before income taxes	(1,195,886)	(1,741,268)
Expected income tax recovery	(323,000)	(470,000)
Permanent difference and other	1,000	17,000
Adjustment to prior years provision versus statutory tax returns	(2,000)	–
Change in tax benefits not recognized	324,000	453,000
Income tax recoverable	**$ –**	**$ –**

Deferred income tax assets are recorded to the extent that the realization of the related tax benefit is probable based on estimated future earnings. Deferred income tax assets have not been recognized with respect to the following deductible temporary differences:

As at:	December 31, 2025	December 31, 2024
Non-capital losses carried forward	13,848,000	12,721,000
Exploration and evaluation assets	8,074,000	8,074,000
Capital assets	389,000	389,000
Financing costs	60,000	20,000
Less: tax benefits not recognized	(22,371,000)	(21,204,000)
Net deferred tax asset	**$ –**	**$ –**

The Company has a non-capital loss of $13.848 million (2024 – $12.721 million) which is available to reduce future year's taxable income. The non-capital loss expires in 2026 through 2045 if not utilized. Management estimates future income using forecasts based on the available current information.

NOTE 13 – OTHER LIABILITY

On July 16, 2025, the Company announced that it had entered into an Umbrella Technology Agreement with a major mining company to assist in the funding of the lithium recovery testing on two (2) separate brine samples that it has received from the mining company's lithium project in South America. During the testing period, the mining company will have the right to continue to work with the Company to advance the technology by contributing to the financing of a phase two program to continue the research and development work on the technology. As at December 31, 2025, the Company had received an advance of $143,216

NOTE 14 – SEGMENT REPORTING

As at December 31, 2025, the Company's operations are based in Canada.

NOTE 15 – EVENTS AFTER REPORTING PERIOD

On April 30, 2026, the Company announced a non-brokered private placement (the "Offering") of up to 20,000,000 Units at a price of $0.04 per unit for gross proceeds of $800,000. Each Unit consist of one common share of the Company (each, a "Common Share") and one non-transferable Common Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share at a price of $0.08 for a period of 36 months from the closing of the Offering. All securities issued will be subject to a four (4) month and one day hold period, from the closing of the Offering.