POWR LITHIUM CORP.

Condensed Interim Consolidated Financial Statements

For the three and six months ended February 28, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended February 28, 2026 and 2025

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of POWR Lithium Corp. for the interim periods ended February 28, 2026 and 2025, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Dale Matheson Carr-Hilton LaBonte LLP Chartered Professional Accountants, have not performed a review of these unaudited condensed interim consolidated financial statements.

April 27, 2026

POWR LITHIUM CORP.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	**February 28, 2026**	August 31, 2025
		$	$
ASSETS			
Current			
Cash		**70,420**	15,840
Prepaid expenses and deposits	5	**71,357**	8,463
GST receivable		**22,171**	7,522
		163,948	31,825
Exploration and evaluation assets	6	**38,751**	19,001
Reclamation bond	7	**22,653**	22,819
Total assets		**225,352**	73,645
LIABILITIES			
Current			
Accounts payable		**436,292**	456,979
Decommissioning liability	8	**8,185**	8,245
Total liabilities		**444,477**	465,224
SHAREHOLDERS' DEFICIENCY			
Share capital	10(b)	**7,944,093**	7,513,712
Obligation to issue shares	6(a)	**38,951**	38,951
Reserves		**2,402,478**	2,404,371
Deficit		**(10,604,647)**	(10,348,613)
Total shareholders' deficiency		**(219,125)**	(391,579)
Total liabilities and shareholders' deficiency		**225,352**	73,645

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Marco Montecinos"	*/s/ "Mark Mukhija"*
Director	Director

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

POWR LITHIUM CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three months ended February 28, **2026**	Three months ended February 28, 2025	Six months ended February 28, **2026**	Six months ended February 28, 2025
		$	$	**$**	$
Operating expenses					
Bank charges		**142**	511	**560**	721
Consulting and management fees	11	**20,250**	15,250	**40,500**	49,500
Exploration and evaluation expenditures	9,11	**113,471**	1,794	**121,370**	5,704
General and administrative		**2,891**	1,861	**5,967**	3,799
Legal and professional fees	11	**26,999**	30,645	**63,766**	88,121
Marketing		**-**	2,753	**1,377**	5,405
Share-based compensation	10,11	**-**	3,771	**-**	46,117
Transfer agent and regulatory fees		**12,399**	8,057	**21,613**	16,148
		176,152	64,642	**255,153**	215,515
Other expense					
Foreign exchange gain (loss)		**(217)**	431	**(881)**	109
Net loss and comprehensive loss		**(176,369)**	(64,211)	**(256,034)**	(215,406)
Net loss per share:					
Basic and diluted		**(0.00)**	(0.00)	**(0.00)**	(0.00)
Weighted average number of common shares:					
Basic and diluted		**65,107,830**	52,275,052	**62,661,875**	52,260,687

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

POWR LITHIUM CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Six months ended February 28,	
	2026	2025
	$	$
Operating activities		
Net loss and comprehensive loss	**(256,034)**	(215,406)
Adjustments for:		
Share-based compensation	**-**	46,117
Unrealized foreign exchange loss (gain)	**106**	(569)
Changes in non-cash working capital:		
Prepaid expenses and deposits	**(62,894)**	(15,940)
GST receivable	**(14,649)**	(6,504)
Accounts payable	**(20,687)**	160,602
Cash used in operating activities	**(354,158)**	(31,700)
Investing activity		
Laroque Lake Project option payment	**(17,500)**	(10,000)
Cash used in investing activity	**(17,500)**	(10,000)
Financing activities		
Proceeds from private placement of units	**220,000**	-
Unit issuance costs	**(13,262)**	-
Proceeds from exercise of warrants	**219,500**	-
Proceeds from subscription liabilities	**-**	46,970
Cash provided by financing activities	**426,238**	**46,970**
Change in cash	**54,580**	5,270
Cash, beginning of the period	**15,840**	4,298
Cash, end of the period	**70,420**	9,568
Supplemental cash flow information:		
Fair value of shares issued as consideration in Laroque Lake Project option payment	**2,250**	4,000

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

POWR LITHIUM CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Obligation to issue shares	Reserves	Deficit	Total shareholders' deficiency
	#	$	$	$	$	$
Balance, August 31, 2024	52,225,052	7,429,622	38,951	2,263,427	(10,012,922)	(280,922)
Shares issued for the purchase of Laroque Lake Project	50,000	4,000	-	-	-	4,000
Share-based compensation	-	-	-	46,117	-	46,117
Net loss and comprehensive loss	-	-	-	-	(215,406)	(215,406)
Balance, February 28, 2025	52,275,052	7,433,622	38,951	2,309,544	(10,228,328)	(446,211)
Units issued in a private placement	4,090,000	112,457	-	92,043	-	204,500
Unit issuance costs	-	(32,367)	-	1,486	-	(30,881)
Share-based compensation	-	-	-	1,298	-	1,298
Net loss and comprehensive loss	-	-	-	-	(120,285)	(120,285)
Balance, August 31, 2025	56,365,052	7,513,712	38,951	2,404,371	(10,348,613)	(391,579)
Units issued in a private placement	4,400,000	125,276	-	94,724	-	220,000
Unit issuance costs	-	(13,262)	-	-	-	(13,262)
Shares issued for the purchase of Laroque Lake Project	75,000	2,250	-	-	-	2,250
Shares issued upon exercise of warrants	4,390,000	316,117	-	(96,617)	-	219,500
Net loss and comprehensive loss	-	-	-	-	(256,034)	(256,034)
Balance, February 28, 2026	**65,230,052**	**7,944,093**	**38,951**	**2,402,478**	**(10,604,647)**	**(219,125)**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

POWR Lithium Corp. (the "Company") is in the business of the exploration and evaluation of mineral properties. The Company was incorporated under the Business Corporations Act of British Columbia on June 25, 2018. The address of the Company's registered and records office is 1021 West Hastings Street, 9th floor, Vancouver, BC, V6E 0C3.

The Company's common shares trade on the Canadian Securities Exchange (the "CSE") under the symbol "POWR," on the OTC Markets Exchange under the symbol "CSKYF", and on the Frankfurt Stock Exchange under the symbol "6JX".

These condensed interim consolidated financial statements for the three and six months ended February 28, 2026 and 2025 (the "financial statements") have been prepared on a going concern basis, which assumes the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the six months ended February 28, 2026, the Company incurred a net loss and comprehensive loss of $256,034 (2025 - $215,406). As at February 28, 2026, the Company's current liabilities exceed its current assets by $280,529 and accumulated deficit is $10,604,647 (August 31, 2025 - $433,399 and $10,348,613, respectively). The Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct the required exploration and development of its exploration and evaluation assets. These factors present a material uncertainty that may cast significant doubt over the Company's ability to continue as a going concern.

The application of the going concern assumption is dependent on the Company's ability to generate future profitable operations and receive continued financial support from its shareholders. These financial statements do not give effect to any adjustments that may be material in nature and may be required should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standards 34 *Interim Financial Reporting*. These financial statements do not include all the information and disclosures required in annual financial statements. Accordingly, they should be read in conjunction with the Company's audited consolidated financial statements for the years ended August 31, 2025 and 2024 (the "Annual Financial Statements").

These financial statements were approved and authorized for issuance by the Company's Board of Directors on April 27, 2026.

b) Basis of presentation

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

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. The functional currency is the currency of the primary economic environment in which an entity operates. References to "US$" are to United States dollars.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at February 28, 2026 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Principal activity
1291455 B.C. Ltd.	Canada	100%	Holding company and mineral exploration
Clear Sky Lithium Nevada Inc.	US	100%	Mineral exploration

(Expressed in Canadian dollars, except where noted)

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in the notes to the Annual Financial Statements. For a complete summary of material accounting policies, please refer to the Company's Annual Financial Statements.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under IFRS Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates is pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed its Annual Financial Statements.

5. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	February 28, 2025	August 31, 2025
	$	$
Exploration and evaluation deposits	**56,666**	-
Marketing	**-**	1,377
Share issuance costs	**-**	3,578
Other prepayments	**14,691**	3,508
	71,357	8,463

6. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets activity is as follows:

	ELi Property	**Laroque Lake Project**	**Total**
	$	$	$
Balance, August 31, 2024	1	-	1
Acquisition costs	-	14,000	14,000
Amendment consideration	-	5,000	5,000
Balance, August 31, 2025	1	19,000	19,001
Option payments	-	19,750	19,750
Balance, February 28, 2026	**1**	**38,750**	**38,751**

a) ELi Property

On December 23, 2021, the Company acquired a 100% interest in 26 unpatented mining claims situated in Eureka County and Nye County, Nevada, (the "ELi Property") with a fair value of $127,500 as a result of acquiring its subsidiary, 1291455 B.C. Ltd. The fair value on acquisition was determined based on the price that was paid by 1291455 B.C. Ltd. on November 16, 2021, in an arm's length transaction prior to it being acquired by the Company.

6. EXPLORATION AND EVALUATION ASSETS (continued)

On November 16, 2021, 1291455 B.C. Ltd. purchased a 100% interest in the ELi Property for purchase consideration comprising US$50,000 cash and 100,000 common shares of 1291455 B.C. Ltd. with a contractual value of US$50,000 (the "share contractual value") or US$0.50 per share. On June 13, 2022, the Company completed the initial public offering process and was listed on the CSE at a share price of $0.25, which was lower than the share contractual value of US$0.50. Pursuant to the agreement, an obligation to issue shares of $38,951 was recognized in connection with this requirement. In addition, the Company agreed to provide the seller with a gross-returns mineral production royalty of 2% from the production of minerals from the ELi Property and any unpatented mining claims that the Company locates in an identified area of interest.

At present, substantive exploration work is neither budgeted nor planned. As a result, on August 31, 2024, the Company impaired the property and recognized impairment loss on this asset of $127,499 with a nominal $1 value remaining to represent the Company's future rights to pursue the project, at its discretion. As of February 28, 2026, there has been no change in this position.

b) Laroque Lake Project

On October 10, 2024, the Company entered into a property option agreement to acquire a 100% interest in mineral claims located in Laroque Lake, Saskatchewan, Canada (the "Laroque Lake Project"). On July 1, 2025, the Company amended the agreement for the timing of exploration expenditures and paid cash of $5,000 upon execution. The option agreement requires a series of further cash payments, expenditures, and share consideration as follows:

- $10,000 cash and 50,000 common shares of the Company payable on or before October 17, 2024 (fully paid and issued);
- $17,500 cash and 75,000 common shares of the Company payable on or before October 10, 2025 (fully paid and issued);
- $25,000 cash on or before October 10, 2026;
- $100,000 of expenditures incurred on or before July 1, 2027;
- $57,500 cash on or before October 10, 2027; and
- $100,000 of expenditures incurred on or before July 1, 2028.

The claims are subject to a 1% net smelter royalty ("NSR"), subject to a buyback right whereby the Company is entitled to purchase the NSR for a cash payment of $1,000,000 any time prior to the commencement of commercial production.

c) Halo Project

On August 4, 2022, the Company entered into an option agreement with Halo Lithium LLC (the "Optionor") to acquire a 100% interest in 98 mineral claims located in Esmeralda and Nye Counties, Nevada, (the "Halo Project"). On August 31, 2024, the option agreement has been terminated and the Company recognized impairment loss on this asset of $2,274,306.

7. RECLAMATION BOND

On September 11, 2023, the Company paid for a reclamation bond for a drilling permit at the Halo Project. As at February 28, 2026, the value of the reclamation bond was $22,653 (US$16,605) (August 31, 2025 - $22,819).

8. DECOMMISSIONING LIABILITY

The Company has an obligation to undertake restoration and environmental work when environmental disturbance is caused by exploration activities.

A provision for decommissioning liabilities is estimated based on current regulatory requirements and is recognized at the present value of such costs. The expected timing of cash flows in respect of the provision is based on the estimated life of the Company's exploration activities.

As at February 28, 2026, management determined that the future costs associated with remediation activities to restore the exploration site for the Halo Project are $8,185 (US$6,000) (August 31, 2025 - $8,245). The Company is in discussion with Halo Lithium LLC, in which Halo Lithium LLC will assume the decommissioning liability as the legal owner of the Halo Project. The Company expects to incur the costs of the reclamation activities within a year if this transfer is not completed.

(Expressed in Canadian dollars, except where noted)

9. EXPLORATION AND EVALUATION EXPENDITURES

A summary of the Company's exploration and evaluation expenditures is as follows:

	Three months ended February 28,		Six months ended February 28,	
	2026	2025	**2026**	2025
	$	$	**$**	$
ELi Property				
Equipment, vehicles, and field supplies	**29**	-	**1,675**	-
Geological consulting	**80**	-	**4,666**	2,219
Mining claims and maintenance	**29**	-	**1,696**	-
Permitting	**-**	-	**-**	1,064
	138	-	**8,037**	3,283
Laroque Lake Project				
Permitting	**113,333**	-	**113,333**	-
	113,333	-	**113,333**	-
Halo Project				
Geological consulting	**-**	313	**-**	939
Mining claims and maintenance	**-**	1,481	**-**	1,482
	-	1,794	**-**	2,421
Total exploration and evaluation expenditures	**113,471**	1,794	**121,370**	5,704

10. SHARE CAPITAL

a) Authorized share capital

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

b) Issued share capital

As at February 28, 2026, 65,230,052 common shares were issued and outstanding (August 31, 2025 - 56,365,052).

During the six months ended February 28, 2026, the Company had the following share capital transactions:

- On September 26, 2025, the Company issued 4,400,000 units at $0.05 per unit for gross proceeds of $220,000. Each unit comprises one common share and one warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.05 until September 27, 2030. The gross proceeds from the units were allocated using the relative fair value method. As a result, $125,276 was allocated to share capital and $94,724 was allocated to reserves. The Company incurred unit issuance costs of $13,262 recorded as a reduction to share capital in connection with this unit issuance.
- On November 25, 2025, the Company issued 75,000 common shares as consideration pursuant to the Laroque Lake Project mineral property option agreement (Note 6(c)). The fair value of the shares was measured as $2,250 based on a closing share price of $0.03 per share on the date of issuance.
- During the six months ended February 28, 2026, the Company issued 4,390,000 common shares upon the exercise of 4,390,000 warrants for gross proceeds of $219,500. As a result, $96,617 was transferred from reserves to share capital.

(Expressed in Canadian dollars, except where noted)

10. SHARE CAPITAL (continued)

c) Warrants

A summary of the Company's warrants activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, August 31, 2024	16,840,947	0.25
Issued	4,123,000	0.40
Exercised	(11,056,294)	0.10
Balance, August 31, 2025	9,907,653	0.25
Issued	4,400,000	0.05
Exercised	(4,390,000)	0.05
Expired	(5,784,653)	0.40
Balance, February 28, 2026	**4,133,000**	**0.05**

A summary of the Company's outstanding and exercisable warrants as at February 28, 2026 is as follows:

Expiry date	Number of warrants	Weighted average exercise price	Weighted average contractual remaining life
	#	$	Years
April 5, 2030	1,963,000	0.05	4.10
September 27, 2030	2,170,000	0.05	4.58
	4,133,000	**0.05**	**4.35**

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for warrants issued is as follows:

	February 28, 2026	August 31, 2025
Share price	**$0.03**	$0.06
Exercise price	**$0.05**	$0.05
Risk-free interest rate	**2.51%**	2.39%
Expected life	**5.00 years**	5.00 years
Expected volatility	**114.00%**	114.00%
Expected annual dividend yield	**0.00%**	0.00%

As at February 28, 2026, the weighted average remaining contractual life of the outstanding warrants was 4.35 years (August 31, 2025 - 1.96 years).

d) Stock options

The Company established a stock option plan (the "Option Plan") for the benefit of full-time and part-time employees, officers, directors, and consultants of the Company and its subsidiaries. The maximum number of shares available under the Option Plan is limited to 10% of the issued common shares of the Company and are exercisable within a maximum of ten years. The Board of Directors has the exclusive power over the granting of stock options, the exercise price, the term, and their vesting and cancellation provisions.

(Expressed in Canadian dollars, except where noted)

10. SHARE CAPITAL (continued)

A summary of the Company's stock options activity is as follows:

	Number of stock options	Weighted average exercise price
	#	$
Balance, August 31, 2024	2,890,000	0.31
Granted	710,000	0.06
Expired	(1,540,000)	0.38
Balance, February 28, 2026 and August 31, 2025	**2,060,000**	**0.17**

During the six months ended February 28, 2026, the Company had no stock option transactions.

During the year ended August 31, 2025, the Company had the following stock option transactions:

On October 11, 2024, the Company granted 710,000 stock options to certain directors, officers, and consultants of the Company. Each stock option entitles the holder to purchase one common share of the Company at an exercise price of $0.06 until October 11, 2026. The stock options vested immediately. The fair value of the options was estimated to be $36,036 using the Black-Scholes option pricing model.

During the three and six months ended February 28, 2026, the Company recorded share-based compensation of $nil and $nil, respectively (2025 - $nil and $36,036, respectively) related to the vesting of stock options.

A summary of the Company's outstanding and exercisable stock options as at February 28, 2026 is as follows:

Expiry date	Number of stock options	Weighted average exercise price	Weighted average remaining life
	#	$	Years
October 11, 2026	710,000	0.06	0.62
September 29, 2028	1,350,000	0.23	2.59
	2,060,000	**0.17**	**1.91**

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model to calculate the fair value of stock options granted is as follows:

	October 11, 2024
Exercise price	$0.06
Share price	$0.06
Risk-free interest rate	3.14%
Expected life	2.00 years
Expected volatility	199.20%
Expected annual dividend yield	0.00%

The expected life in years represents the period of time the options granted are expected to be outstanding. The volatility rate is based on comparable companies with a historical volatility. The risk-free rate is based on Canada government bonds with a remaining term equal to the expected life of the options.

e) Restricted share units ("RSU")

The Company established a RSU program under which certain consultants and Company officers are awarded common shares of the Company. Each RSU comprises one common share of the Company and is subject to vesting periods as approved by the Board of Directors. Upon vesting, RSUs are converted to common shares at the request of the holder.

(Expressed in Canadian dollars, except where noted)

10. SHARE CAPITAL (continued)

During the six months ended February 28, 2026 and the year ended August 31, 2025, the Company had no RSU transactions.

As of February 28, 2026, 450,000 RSUs with a weighted average exercise price of $0.34 per unit are outstanding and exercisable.

During the three and six months ended February 28, 2026, the Company recorded share-based compensation of $nil and $nil, respectively (2025 - $3,771 and $10,080, respectively) related to the vesting of these RSUs.

11. RELATED PARTY TRANSACTIONS

Key management personnel include those having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions for the three months ended February 28, 2026 and 2025 is as follows:

	2026	2025
	$	$
Consulting and management fees provided by a company owned by an officer	**15,000**	15,000
Exploration and evaluation expenditures provided by a company owned by a director	**-**	360
Legal and professional fees provided by a company owned by an officer	**10,763**	17,060
Share-based compensation incurred by directors and officers	**-**	24,073
	25,763	56,493

A summary of the Company's related party transactions for the six months ended February 28, 2026 and 2025 is as follows:

	2026	2025
	$	$
Consulting and management fees provided by a company owned by an officer	**30,000**	30,000
Exploration and evaluation expenditures provided by a company owned by a director	**4,182**	1,761
Legal and professional fees provided by a company owned by an officer	**30,750**	42,685
Share-based compensation incurred by directors and officers	**-**	29,765
	64,932	104,211

As at February 28, 2026, accounts payable contain amounts due to related parties of $102,021 (August 31, 2025 - $73,631). Accounts payable due to related parties are non-interest bearing and due on demand.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and accounts payables. The Company's financial assets and liabilities are classified as and measured at amortized cost. The carrying values of the Company's financial assets and liabilities approximate their respective fair values due to the short-term nature of these instruments.

The Company's risk exposures on financial instruments are summarized below:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash. The Company's credit risk exposure is not considered significant as it places its cash with financial institutions of high credit worthiness within Canada, and the reclamation bond is held with the Bureau of Land Management.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required. The Company is exposed to liquidity risk through its accounts payable. Management mitigates this risk by monitoring its cash position. As at February 28, 2026, the Company has a working capital deficiency of $280,529 (August 31, 2025 - $433,399). As the Company does not have sufficient cash to pay its current obligations, it will need to raise additional proceeds in the form of debt or equity financing. There is no assurance that the Company will be able to obtain financing on terms that are acceptable to the Company or at all. Liquidity risk is therefore assessed as high.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is not significantly exposed to market risk.

<u>Interest rate risk</u>

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as the Company has no financial instruments that are subject to variable interest rates.

<u>Foreign currency risk</u>

Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies (US$).

A summary of the Company's financial liabilities that are denominated in US$ and expressed in Canadian dollars is as follows:

	February 28, 2026	August 31, 2025
	$	$
Reclamation bond	**22,653**	22,819

As at February 28, 2026, a 5% change in the foreign exchange rates would result in a net impact of $1,133 (August 31, 2025 - $1,141) to the financial instruments denominated in US$.

13. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity and subscription liabilities. The Company's objective when managing capital is to maintain its ability to continue as a going concern.

The Company manages its capital structure and adjusts it based on the funding required to continue the Company's mineral property acquisition and exploration programs. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's properties are in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing cash and be required to raise additional funds in the form of debt or equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the six months ended February 28, 2026.

(Expressed in Canadian dollars, except where noted)

14. SEGMENTED INFORMATION

The Chief Operating Decision Maker ("CODM") of the Company has been identified as the Chief Executive Officer, who makes strategic decisions and allocates resources across operating segments. The CODM determines the reportable segments of the Company based on the availability of discrete financial results, the nature of operations, and the geographic location of exploration and development properties. The CODM has identified three reportable operating segments: United States exploration segment, Canada exploration segment, and corporate.

A summary of the Company's segmented financial performance for the six months ended February 28, 2026 is as follows:

	United States exploration segment	Canada exploration segment	Corporate	Total
	$	$	$	$
Exploration and evaluation expenditures	8,037	113,333	-	121,370
Operating expenses	925	-	132,858	133,783
Other expenses	92	-	789	881
	9,054	**113,333**	**133,647**	**256,034**

A summary of the Company's segmented financial performance for the six months ended February 28, 2025 is as follows:

	United States exploration segment	Canada exploration segment	Corporate	Total
	$	$	$	$
Exploration and evaluation expenditures	5,704	-	-	5,704
Operating expenses	-	-	209,811	209,811
Other expenses (income)	(552)	-	443	(109)
	5,152	**-**	**210,254**	**215,406**