American Lithium Corp.

Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2025 and 2024

(Expressed in Canadian Dollars – unaudited – prepared by management)

American Lithium Corp.

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NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

American Lithium Corp.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars - unaudited - prepared by management)

	Notes	May 31, 2025	February 28, 2025
		$	$
Assets			
Current assets			
Cash and cash equivalents	3	**363,003**	1,110,022
Marketable securities	4	**3,527,800**	-
Short-term investment	5	**489,100**	1,039,840
Amounts receivable		**58,418**	27,744
Prepaid expenses and deposits		**1,101,639**	1,361,380
		5,539,960	3,538,986
Non-current assets			
Investment in Surge Battery Metals Inc.	6	**-**	811,037
Reclamation deposits	7	**601,187**	630,902
Property and equipment	8	**1,011,413**	1,123,365
Right-of-use assets	9	**53,569**	63,022
Exploration and evaluation assets	10	**150,588,447**	150,859,439
		152,254,616	153,487,765
Total assets		**157,794,576**	157,026,751
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	13	**2,847,863**	3,930,458
Current portion of deferred gain on short-term investment	5	**842,286**	842,286
Current portion of lease liabilities	9	**46,193**	44,467
		3,736,342	4,817,211
Non-current liabilities			
Deferred gain on short-term investment	5	**-**	210,571
Lease liabilities	9	**21,210**	33,439
		21,210	244,010
Total liabilities		**3,757,552**	5,061,221
Equity			
Share capital	11	**285,580,503**	285,580,503
Equity reserves	11	**49,166,594**	49,311,341
Deficit		**(181,726,867)**	(184,169,836)
Accumulated other comprehensive income		**1,016,794**	1,243,522
		154,037,024	151,965,530
Total liabilities and equity		**157,794,576**	157,026,751

Nature of operations and going concern (Note 1)
Subsequent event (Note 18)

Approved on behalf of the Board of Directors on July 28, 2025:

/s/ *Claudia Tornquist*
Claudia Tornquist, Director

/s/ G.A. (*Ben) Binninger*
G.A. (Ben) Binninger, Director

American Lithium Corp.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(Expressed in Canadian Dollars - unaudited - prepared by management)

	Notes	**Three months ended May 31, 2025**	Three months ended May 31, 2024
		$	$
Operating expenses			
Conferences and tradeshows		**14,098**	52,902
Consulting and employment costs		**178,409**	197,595
Depreciation	8, 9	**77,333**	70,548
Exploration and evaluation expenditures (recovery)	10	**(471,020)**	1,750,741
Foreign exchange (gain) loss		**35,751**	(19,724)
General and administrative		**99,149**	130,916
Insurance		**163,158**	347,553
Interest - lease obligations	9	**2,233**	3,415
Management and directors fees	13	**371,999**	501,750
Marketing and shareholders communication		**25,092**	204,715
Professional fees		**149,277**	564,988
Regulatory and transfer agent fees		**17,797**	67,622
Share-based compensation (recovery)	11, 13	**(144,747)**	2,030,350
Travel		**13,269**	4,167
		531,798	5,907,538
Other items			
Advisory fee income	6	**-**	60,000
Deferred gain recognition	5	**210,571**	210,571
Interest and miscellaneous income		**15,576**	146,114
Gain on initial recognition of marketable securities	4	**2,809,656**	-
Realized gain on sale of marketable securities	4	**9,470**	-
Change in fair value of marketable securities	4	**625,900**	-
Loss on short-term investment	5	**(550,740)**	(1,484,720)
Share of loss from equity investment in Surge Battery Metals Inc.	6	**(120,380)**	(205,681)
Dilution loss on investment in Surge Battery Metals Inc.	6	**(25,286)**	(11,350)
Net income (loss) for the period		**2,442,969**	(7,192,604)
Other comprehensive income (loss)			
Foreign currency translation adjustment		**(226,728)**	186,435
Comprehensive income (loss) for the period		**2,216,241**	(7,006,169)
Basic and diluted earnings (loss) per share	12	**0.01**	(0.03)
Weighted average number of common shares outstanding - basic and diluted	12	**220,439,831**	217,556,449

American Lithium Corp.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars - unaudited - prepared by management)

	Notes	**Three months ended May 31, 2025**	Three months ended May 31, 2024
		$	$
Operating activities			
Net income (loss) for the period		**2,442,969**	(7,192,604)
Items not affecting cash and cash equivalents:			
Depreciation	8, 9	**77,333**	70,548
Unrealized foreign exchange		**29,715**	(2,928)
Interest - lease obligations	9	**2,233**	3,415
Share-based compensation (recovery)	11, 13	**(144,747)**	2,030,350
Deferred gain on short-term investment	5	**(210,571)**	(210,571)
Gain on initial recognition of marketable securities	4	**(2,809,656)**	-
Realized gain on sale of marketable securities	4	**(9,470)**	-
Change in fair value of marketable securities	4	**(625,900)**	-
Loss on short-term investment	5	**550,740**	1,484,720
Share of loss from equity investment in Surge Battery Metals Inc.	6	**120,380**	205,681
Dilution loss on investment in Surge Battery Metals Inc.	6	**25,286**	11,350
Accrued interest receivable		**-**	(119,237)
Changes in non-cash working capital items:			
Amounts receivable		**(30,674)**	627,672
Prepaid expenses and deposits		**259,741**	472,340
Accounts payable and accrued liabilities		**(1,082,595)**	(429,691)
Deferred revenue		**-**	(60,000)
Cash used in operating activities		**(1,405,216)**	(3,108,955)
Investing activities			
Proceeds from sale of marketable securities	4	**333,575**	-
Proceeds from sale of investment in associate	6	**249,022**	-
Cash provided by investing activities		**582,597**	-
Financing activities			
Proceeds from exercise of warrants	11	**-**	10,842
Payment of lease liabilities	9	**(12,736)**	(12,736)
Cash used in financing activities		**(12,736)**	(1,894)
Effect of foreign exchange on cash and cash equivalents		**88,336**	186,434
Change in cash and cash equivalents during the period		**(747,019)**	(2,924,415)
Cash and cash equivalents, beginning of period		**1,110,022**	11,889,416
Cash and cash equivalents, end of period		**363,003**	8,965,001

Supplemental cash flow disclosures (Note 17)

American Lithium Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars - unaudited - prepared by management)

	Notes	Share capital		Equity reserves	Deficit	Accumulated other comprehensive income	Total
		Shares	Amount				
		#	$	$	$	$	$
Balance as at February 29, 2024		**217,555,887**	**273,823,462**	**54,145,037**	**(159,171,337)**	**551,283**	**169,348,445**
Share-based compensation	11	-	-	2,030,350	-	-	2,030,350
Warrants exercised	11	3,614	15,663	(4,821)	-	-	10,842
Net loss for the period		-	-	-	(7,192,604)	-	(7,192,604)
Foreign currency translation adjustment		-	-	-	-	186,435	186,435
Balance as at May 31, 2024		**217,559,501**	**273,839,125**	**56,170,566**	**(166,363,941)**	**737,718**	**164,383,468**
Share-based compensation	11	-	-	4,832,153	-	-	4,832,153
Stock options exercised	11	200,000	101,220	(51,220)	-	-	50,000
Restricted share units vested	11	2,680,330	11,640,158	(11,640,158)	-	-	-
Net loss for the period		-	-	-	(17,805,895)	-	(17,805,895)
Foreign currency translation adjustment		-	-	-	-	505,804	505,804
Balance as at February 28, 2025		**220,439,831**	**285,580,503**	**49,311,341**	**(184,169,836)**	**1,243,522**	**151,965,530**
Share-based compensation (recovery)	11	-	-	(144,747)	-	-	(144,747)
Net income for the period		-	-	-	2,442,969	-	2,442,969
Foreign currency translation adjustment		-	-	-	-	(226,728)	(226,728)
Balance as at May 31, 2025		**220,439,831**	**285,580,503**	**49,166,594**	**(181,726,867)**	**1,016,794**	**154,037,024**

1. NATURE OF OPERATIONS AND GOING CONCERN

American Lithium Corp. (the "Company") was incorporated in the Province of British Columbia. The Company is engaged in the business of identification, acquisition, and exploration of mineral interests in the United States of America and Peru. The Company's head office is located at 710 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3, Canada, and its registered and records office is located at Suite 2200, 885 West Georgia Street, Vancouver, BC, V6C 3E8, Canada. The Company's common shares are listed for trading on Tier 2 of the TSX Venture Exchange (the "Exchange") under the symbol "LI", the OTCQX Best Market under the symbol "AMLIF", and on the Frankfurt Stock Exchange under the symbol "5LA1".

The Company is in the process of exploring its principal mineral properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and upon future profitable production or proceeds from the disposition thereof.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company is in the exploration stage and has not generated revenue from operations. As at May 31, 2025, the Company had a working capital position of $1,803,618 (February 28, 2025 – working capital deficiency of $1,278,225), and for the three months ended May 31, 2025, realized a net income of $2,442,969 (May 31, 2024 – net loss of $7,192,604). Furthermore, as at May 31, 2025, the Company had an accumulated deficit of $181,726,867 (February 28, 2025 – $184,169,836), which has been funded primarily by the issuance of equity. As the Company is in the exploration stage, the recoverability of the costs incurred to date on exploration properties is dependent upon the successful results from its exploration activities and the ability of the Company to obtain the necessary financing to continue the exploration, evaluation and development of its assets. Though the Company has raised financing in the past, there is no guarantee that it will be able to in the future. If the Company is not able to raise additional capital, the Company would have to reduce its cash requirements by eliminating or deferring spending on exploration and corporate activities. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

On July 14, 2025, the Company announced a $8,100,000 non-brokered private placement, which was then increased to $9,400,000 on July 23, 2025 (see note 18).

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. Those differences would likely be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements do not include all the information required by IFRS for annual financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Company for the years ended February 28, 2025 and February 29, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The accounting policies used in the preparation of these condensed interim consolidated financial statements are the same as those applied in the Company's most recent annual audited consolidated financial statements for the year ended February 28, 2025.

Certain accounts have been reclassified to be consistent with the current period classification.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on July 28, 2025.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow disclosure.

The condensed interim consolidated financial statements are presented in Canadian dollars unless otherwise noted. The Canadian dollar is also the functional currency of the Company and its subsidiaries, except for Macusani Yellowcake S.A.C. and Macusani Uranium S.A.C. where the functional currency is the United States dollar.

Transactions in currencies other than the functional currency of an entity are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

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

Principles of consolidation

The consolidated financial statements include the accounts of the Company and the following subsidiaries:

Name	Jurisdiction
American Lithium Holdings Corp.	British Columbia, Canada
Tonopah Lithium Corp.	Nevada, USA
Plateau Energy Metals Inc. ("Plateau")	British Columbia, Canada
Macusani Yellowcake S.A.C.	Peru
Macusani Uranium S.A.C.	Peru

All intercompany transactions, balances, revenue and expenses are eliminated on consolidation.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Subsidiaries are entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

Accounting pronouncements not yet adopted

IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is currently in the process of performing an assessment of the new standards issued by the IASB and has not yet determined the impact the standard will have on the Company's consolidated financial statements.

Judgements and estimates

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The results of estimates form the basis for making judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

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.

The key areas of judgement and estimation impacting these consolidated financial statements are as follows:

Carrying value of exploration and evaluation assets

- The Company's exploration and evaluation assets represent its most significant asset on the statement of financial position. The Company's management applies its judgement, using facts and circumstances available at the time, to determine whether the exploration and evaluation asset value may be realized. For each of its projects, the Company reviews its right to the claims/concessions, future plans and exploration or development progress to determine if it should test the respective projects for impairment. There is significant judgement involved in determining if a project shows impairment indicators that may impact the carrying value of exploration and evaluation assets.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Valuation of share-based compensation awards

- Stock options are valued using the Black-Scholes option pricing model with inputs that can significantly impact the calculated value. Typical inputs into the Black-Scholes option pricing model include: exercise price, historical volatility, time to expiration and risk-free discount rates. Historical volatility and risk-free discount rates in particular require judgement around the reference period or benchmark rate used as inputs into the Black-Scholes option pricing model.

Valuation of common shares and common share purchase warrants received from investment in Surge Battery Metals Inc. (notes 5 and 6)

- The Company's investment in Surge Battery Metals Inc. ("Surge") required the use of the Black-Scholes option pricing model to determine the discount for lack of marketability applied to the initial value of the Surge common shares and to value the Surge common share purchase warrants. Typical inputs into the Black-Scholes option pricing model include: exercise price, historical volatility, time to expiration and risk-free discount rates. Historical volatility and risk-free discount rates in particular require judgement around the reference period or benchmark rate used as inputs into the Black-Scholes option pricing model.

Determination of significant influence

- The accounting for investments in other companies can vary depending on the degree of control and influence over those other companies. Management is required to assess at each reporting date the Company's control and influence over these other companies. Management has used its judgment to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. During the three months ended May 31, 2025, the Company determined it had no longer significance influence over Surge (notes 4 and 6) and reclassified its investment in Surge from investment in associate to marketable securities.

3. CASH AND CASH EQUIVALENTS

	May 31, 2025	February 28, 2025
	$	$
Cash held in banks	**281,785**	794,201
Redeemable guaranteed investment certificates	**81,218**	315,821
	363,003	1,110,022

The Company's cash and cash equivalents include an aggregate of $81,218 in redeemable guaranteed investment certificates including accumulated interest from Canadian financial institutions, which earn interest at rates ranging from 2.84% - 4.25% per annum and mature on January 10, 2026.

The Company's redeemable guaranteed investment certificates that are included in cash and cash equivalents are fully redeemable without a loss of accumulated interest.

4. MARKETABLE SECURITIES

	Surge Battery Metals Inc.
	$
Balance, February 28, 2025	-
Fair value on initial recognition	3,226,005
Proceeds from sale of marketable securities	(333,575)
Realized gain on sale of marketable securities	9,470
Change in fair value of marketable securities	625,900
Balance, May 31, 2025	**3,527,800**

On April 16, 2025, the Company reclassified its investment in Surge from investment in associate to marketable securities as Surge appointed a new director, expanding its board of directors from five to six members (note 6). The Company held 12,651,000 shares with a value of $0.255 per share but no longer has significant influence over Surge. As a result of the reclassification, the Company recorded a gain of $2,809,656 on initial recognition of marketable securities.

During the period of April 16 to May 31, 2025, the Company sold 1,271,000 shares of Surge for proceeds of $333,575 and realized a gain of $9,470.

5. SHORT-TERM INVESTMENT

As part of the Company's investment in Surge's private placement (note 6), the Company was issued 13,400,000 common share purchase warrants ("Warrants"). The Warrants are exercisable at $0.55 per Warrant for a period of three years from June 9, 2023. The Warrants are financial assets carried at FVTPL and are revalued at each reporting period end.

The following table provides a reconciliation of changes in the carrying value of the Warrants.

	$
Balance, February 29, 2024	4,451,480
Loss on short-term investment for the year ended February 28, 2025	(3,411,640)
Balance, February 28, 2025	1,039,840
Loss on short-term investment for the period ended May 31, 2025	(550,740)
Balance, May 31, 2025	**489,100**

The Company determined the fair value of the Surge Warrants at May 31, 2025 was $489,100 (February 28, 2025 - $1,039,840) and therefore recognized an unrealized loss of $550,740 for the three months ended May 31, 2025 (May 31, 2024 - $1,484,720).

The fair value of Surge Warrants at May 31, 2025 was determined using the following inputs:

	May 31, 2025	February 28, 2025
Expected volatility	**71%**	74%
Risk-free interest rate	**2.59%**	2.57%
Spot Price	**$0.31**	$0.37
Exercise Price	**$0.55**	$0.55
Time to expiration	**1.02 years**	1.27 years
Dividend yield	**Nil**	Nil

5. SHORT-TERM INVESTMENT (continued)

For the three months ended May 31, 2025, the Company recognized $210,571 (May 31, 2024 - $210,571) of the deferred gain on the Surge Warrants recognized on the date of acquisition. The balance of remaining deferred gain at May 31, 2025 was $842,286, of which $842,286 is current (February 28, 2025 - $842,286) and $nil non-current (February 28, 2025 - $210,571). The deferred gain will be recognized over the term of the Warrants.

6. INVESTMENT IN SURGE BATTERY METALS INC.

On June 9, 2023, the Company completed an investment in Surge, a company incorporated in Canada, whose principal business activity is the acquisition, exploration and development of mineral properties in Nevada.

Surge closed the first tranche of a non-brokered private placement financing by issuing 13,400,000 units (“Units”) at a price of $0.40 per Unit to the Company for a total transaction value of $5,360,000. Each Unit consists of one common share and one Warrant exercisable at $0.55 per Warrant for a period of three years from the date of issuance and is subject to a 4-month hold.

The allocation of the transaction value to the Surge common shares and Warrants at June 9, 2023 was determined based on the relative fair values of each asset, $3,062,857 and $2,297,143, respectively. The common shares were valued based on the market price of Surge's common shares on the date of the transaction multiplied by a discount for lack of marketability ("DLOM") of 22.6%, determined by utilizing the Black-Scholes option pricing model. The Warrants were valued using Black-Scholes option pricing model with the spot price of the Warrants based on the DLOM price of Surge's common shares to reflect the 4-month hold period.

The following Black-Scholes assumptions were utilized to value the discount for lack of marketability on the common shares and the Warrants at June 9, 2023:

	Common Shares 4-month hold	Warrants
Expected volatility	102%	132%
Risk-free interest rate	4.08%	4.08%
Spot Price	0.62	0.48
Exercise Price	0.62	0.55
Time to expiration	4 months	3 years
Dividend yield	Nil	Nil

The Company determined that the fair value of Surge’s Warrants acquired was $4,824,000 at June 9, 2023. Since the fair value of this financial instrument exceeded the Unit offering’s allocated transaction value of $2,297,143, and the fair value is not based solely on observable inputs, $2,526,857 was recorded as a deferred gain, which is recognized over the three-year life of the Warrants (note 5).

After initial recognition, the Surge common shares and Warrants are separate financial assets and therefore are valued separately. The Company determined that, through a combination of its shareholdings and its board representation, had significant influence over Surge on the date of acquisition, and therefore accounted for the investment using the equity method. The Warrants are fair valued at each reporting date (note 5).

6. INVESTMENT IN SURGE BATTERY METALS INC. (continued)

Since Surge's financial statements are typically not publicly available at the time the Company files its financial statements, the share of Surge's results is recognized using a reporting period which is two months prior to that of the Company.

	$
Balance, February 29, 2024	1,828,201
Share of loss for the twelve-month period ended December 31, 2024	(969,070)
Dilution loss on investment in Surge[(1)]	(48,094)
Balance, February 28, 2025	811,037
Proceeds from sale of investment in associate[(2)]	(249,022)
Share of loss for the three-month period ended March 31, 2025	(120,380)
Dilution loss on investment in Surge[(3)]	(25,286)
Derecognition of investment in associate	(416,349)
Balance, May 31, 2025	**-**

(1) The Company's investment in Surge represented 8.37% of the outstanding share capital of Surge as at February 29, 2024. For the year ended February 28, 2025, the investment decreased to 8.12% of the outstanding share capital of Surge, which resulted in a dilution loss of $48,094 (February 29, 2024 - $420,418).
(2) During the period of March 1 to April 15, 2025, the Company sold 749,000 shares of Surge for proceeds of $249,022.
(3) On April 16, 2025, the Company's investment in Surge represented 7.21% of the outstanding share capital of Surge, resulting in a dilution loss of $25,286.

On April 14, 2025, Surge announced that it had closed a private placement financing offering of 10,351,667 units, and the Company did not partake in this offering.

On April 16, 2025, Surge appointed a new director, expanding its board of directors from five to six members. The Company's right to appoint one director to Surge's board, following this appointment, remains unchanged. This expansion reduced the Company's voting interest at Surge's Board of Directors to below 20%.

As of April 16, 2025, the Company held 7.21% of Surge's outstanding shares and a board of directors voting interest of 16.7%. The Company determined that it no longer held significant influence over Surge and discontinued the recognition of its investment in Surge as an investment in associate. The Company's retained interest in Surge was reclassified to marketable securities on April 16, 2025, and will be measured at FVTPL and revalued at each reporting date (note 4).

Surge's unaudited loss and comprehensive loss for the period is as follows:

	Three months ended March 31, 2025	Twelve months ended December 31, 2024
	$	$
Comprehensive loss for the period (per Surge Financial Statements)	(1,074,105)	(9,846,355)
Exploration & evaluation expenditures	(449,089)	(2,930,068)
Comprehensive loss for the period (in accordance with ALC's accounting policies)	(1,523,194)	(12,776,423)

6. INVESTMENT IN SURGE BATTERY METALS INC. (continued)

Select information from Surge's statements of financial position is as follows:

	March 31, 2025	December 31, 2024
	$	$
Current assets	996,427	2,117,896
Non-current assets (per Surge Financial Statements)	10,593,262	10,144,173
Exploration & evaluation expenditures	(8,293,218)	(7,844,129)
Non-current assets (in accordance with ALC's accounting policies)	2,300,044	2,300,044
Current liabilities	325,624	399,124

Surge's statements of financial position and statements of loss and comprehensive loss for the period have been adjusted to align Surge's accounting policies with those of the Company, specifically relating to the accounting of exploration and evaluation expenditures.

The Company was appointed as an advisor by Surge to assist in the exploration and development of Surge's Nevada North Lithium Project. The Company has received an upfront fee of $240,000 from Surge in relation to the advisory engagement which covered a period of 12 months starting on June 9, 2023. For the three months ended May 31, 2025, the Company recognized $nil revenue related to the advisory engagement (May 31, 2024 - $60,000).

7. RECLAMATION DEPOSITS

As at May 31, 2025, reclamation deposits of $601,187 (February 28, 2025 – $630,902) consisted of a bond recorded at cost and held as security for the United States Bureau of Land Management, with regard to certain exploration properties described in note 10.

8. PROPERTY AND EQUIPMENT

	Computer Equipment	Furniture and Office Equipment	Machinery and Equipment	Vehicles	Leasehold Improvement	Buildings	Land	Total
	$	$	$	$	$	$	$	$
Cost:								
Balance, February 29, 2024	66,701	106,739	695,413	120,635	30,959	337,215	76,309	**1,433,971**
Additions	-	-	28,877	107,530	-	28,779	-	**165,186**
Disposals	-	-	-	(38,527)	-	-	-	**(38,527)**
Foreign currency translation	2,771	5,181	30,322	9,825	-	22,449	4,881	**75,429**
Balance, February 28, 2025	69,472	111,920	754,612	199,463	30,959	388,443	81,190	**1,636,059**
Foreign currency translation	(2,171)	(4,059)	(24,893)	(9,394)	-	(18,295)	(3,824)	**(62,636)**
Balance, May 31, 2025	67,301	107,861	729,719	190,069	30,959	370,148	77,366	**1,573,423**
Accumulated depreciation:								
Balance, February 29, 2024	27,973	28,843	122,993	36,594	14,447	28,853	-	**259,703**
Depreciation for the year	18,708	21,681	143,522	40,602	6,192	14,732	-	**245,437**
Disposals	-	-	-	(10,916)	-	-	-	**(10,916)**
Foreign currency translation	1,311	1,565	9,730	3,768	-	2,096	-	**18,470**
Balance, February 28, 2025	47,992	52,089	276,245	70,048	20,639	45,681	-	**512,694**
Depreciation for the period	4,611	5,486	37,054	9,718	1,548	9,463	-	**67,880**
Foreign currency translation	(1,342)	(1,580)	(9,767)	(3,514)	-	(2,361)	-	**(18,564)**
Balance, May 31, 2025	51,261	55,995	303,532	76,252	22,187	52,783	-	**562,010**
Net book value:								
As at February 28, 2025	21,480	59,831	478,367	129,415	10,320	342,762	81,190	1,123,365
As at May 31, 2025	**16,040**	**51,866**	**426,187**	**113,817**	**8,772**	**317,365**	**77,366**	**1,011,413**

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As at May 31, 2025, the right of use assets and lease liabilities are as follows:

Right-of-use assets

	Office Leases $
Cost:	
Balance, February 29, 2024	189,066
As at February 28, 2025 and May 31, 2025	**189,066**
Accumulated Depreciation:	
Balance, February 29, 2024	88,231
Depreciation for the year	37,813
As at February 28, 2025	126,044
Depreciation for the period	9,453
As at May 31, 2025	**135,497**
Net book value:	
As at February 28, 2025	63,022
As at May 31, 2025	**53,569**

Depreciation of right-of-use assets is calculated using the straight-line method over the remaining lease term.

Total lease liabilities

	$
As at February 29, 2024	116,919
Lease payments	(50,944)
Interest	11,931
As at February 28, 2025	77,906
Lease payments	(12,736)
Interest	2,233
	67,403
Less: current portion of lease liability	(46,193)
As at May 31, 2025	**21,210**

The lease liabilities were discounted at a discount rate of 12%.

The remaining minimum future lease payments, excluding estimated operating costs, for the term of the lease including assumed renewal periods are as follows:

Year	$
Fiscal 2026	38,707
Fiscal 2027	34,961

10. EXPLORATION AND EVALUATION ASSETS

	TLC Project	Nevada Option	Falchani Project	Macusani Project	Total
	$	$	$	$	$
Balance, February 29, 2024	34,833,511	201,645	98,889,911	16,534,354	150,459,421
Write-down	-	(201,645)	-	-	(201,645)
Foreign currency translation	-	-	601,663	-	601,663
Balance, February 28, 2025	**34,833,511**	**-**	**99,491,574**	**16,534,354**	**150,859,439**
Foreign currency translation	-	-	(270,992)	-	(270,992)
Balance, May 31, 2025	**34,833,511**	**-**	**99,220,582**	**16,534,354**	**150,588,447**

TLC Lithium Project ("TLC Project") – Nevada, USA

In August 2018, the Company purchased a series of unpatented lode mining claims located in Nye County, Nevada, USA, from Nevada Alaska Mining Co., Inc.

Option – Nevada, USA

In August 2023, the Company entered into an option and right-of-first refusal ("ROFR") to purchase a property with certain water rights for $201,645, expiring in 3 years.

The Company has decided not to proceed with its ROFR and the asset was written down in February 2025.

Falchani Lithium Project ("Falchani Project"), Macusani Uranium Project ("Macusani Project") – Puno, Peru

Following the acquisition in May 2021 of Plateau and its Peruvian subsidiary, Macusani SAC, the Company holds title, or has court injunctions preserving title, on mineral concessions in the Province of Carabaya, Department of Puno in southeastern Peru.

10. EXPLORATION AND EVALUATION ASSETS (continued)

32 of the 141 Falchani Project and Macusani Project concessions now held by the Company's subsidiaries Macusani Yellowcake and Macusani Uranium, have been subject to Administrative and Judicial processes (together, the "Processes") in Peru to overturn resolutions issued by the Geological, Mining, and Metallurgical Institute of Peru ("INGEMMET") and the Mining Council of the Ministry of Energy and Mines of Peru ("MINEM") in February 2019 and July 2019, respectively, which declared Macusani Yellowcake's title to the 32 concessions invalid due to late receipt of the annual validity payment. On November 15, 2023, the Superior Court of Peru unanimously upheld the prior ruling of the lower court in favour of the Company in relation to those 32 concessions which clearly established that Macusani Yellowcake is the rightful owner of these concessions. On December 29, 2023, the Company announced that INGEMMET and MINEM have petitioned the Supreme Court in a final attempt to reverse the ruling. If the petition is successful, Macusani Yellowcake's title to the 32 concessions could be revoked. However, the Company believes that there are no grounds for the Supreme Court to assume jurisdiction and will continue to take all necessary actions, and pursue all available legal options, to defend its interests.

11. SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Issued

During the three months ended May 31, 2025

There were no shares issued during the three months ended May 31, 2025.

During the year ended February 28, 2025

In August 2024, the Company issued 225,000 common shares in connection with the vesting and conversion of restricted share units ("RSUs"). As a result, the Company transferred $423,000 representing the carrying value of the converted RSUs from reserves to share capital.

In November 2024, the Company issued 150,000 common shares in connection with the vesting and conversion of RSUs. As a result, the Company transferred $336,000 representing the carrying value of the converted RSUs from reserves to share capital.

In January 2025, the Company issued 200,000 common shares in connection with the exercise of 200,000 stock options with an exercise price of $0.25 for total proceeds of $50,000. As a result, the Company transferred $51,220 representing the carrying value of the exercised options from reserves to share capital.

In February 2025, the Company issued 2,305,330 common shares in connection with the vesting and conversion of RSUs. As a result, the Company transferred $10,881,158 representing the carrying value of the converted RSUs from reserves to share capital.

The Company also issued 3,614 common shares in connection with the exercise of 3,614 warrants for total proceeds of $10,842. As a result, the Company transferred $4,821 representing the carrying value of the exercised warrants from reserves to share capital. The remainder of the warrants expired unexercised.

11. SHARE CAPITAL (continued)

Stock options

The Company has established an omnibus incentive plan (the "Incentive Plan") for directors, employees, and consultants, which provides for the grant of incentive stock options. Under the Incentive Plan, the exercise price of each option is determined by the Board, based upon the market price and subject to the policies of the Exchange. The aggregate number of shares issuable pursuant to options, and other securities granted under the Incentive Plan is limited to 10% of the Company's issued shares at the time of grant. The aggregate number of options granted to any one optionee in a 12-month period is limited to 5% of the issued shares of the Company.

A summary of changes of stock options outstanding is as follows:

	Options	Weighted average exercise price
		$
Balance, February 29, 2024	10,888,766	2.46
Exercised	(200,000)	0.25
Forfeited	(627,033)	2.49
Expired	(166,750)	2.24
Balance, February 28, 2025	9,894,983	2.50
Forfeited	(564,848)	2.64
Balance, May 31, 2025	**9,330,135**	**2.49**

As at May 31, 2025, the following options were outstanding and exercisable:

Number of options outstanding	Number of options exercisable	Exercise price $	Remaining life (years)	Expiry date
1,509,167	1,509,167	1.28	0.30	Sep-17-2025
36,667	36,667	1.03	0.53	Dec-09-2025
5,248,501	5,248,501	2.17	1.03	Jun-10-2026
1,023,000	1,023,000	3.63	1.72	Feb-16-2027
250,000	250,000	1.91	2.09	Jul-04-2027
150,000	150,000	2.14	2.35	Oct-04-2027
1,112,800	1,112,800	4.85	2.68	Feb-02-2028
9,330,135	**9,330,135**	**2.49**	**1.23**	

During the three months ended May 31, 2025, the Company recorded share-based compensation expense of $nil (May 31, 2024 – $12,676) in connection with stock options.

During the three months ended May 31, 2025 and 2024, there were no stock options granted.

11. SHARE CAPITAL (continued)

Restricted share units

The Incentive Plan also provides for the grant of RSUs to directors, officers and employees. Upon vesting, at the Company's discretion, the holder of an RSU award can receive one common share or the equivalent cash payment based on the market price of the common share on settlement date. The aggregate number of RSUs granted under the Incentive Plan, as well as any other securities granted under the Incentive Plan, is limited to 10% of the Company's issued shares at the time of grant. The aggregate number of RSUs granted to any one recipient in a 12-month period is limited to 5% of the issued shares of the Company. As of May 31, 2025, all RSUs granted were equity settled and vested over a 2-year period.

RSU transactions are summarized as follows:

	Number of RSUs
Balance, February 29, 2024	2,830,000
Vested	(2,680,330)
Forfeited	(149,670)
Balance, February 28, 2025 and May 31, 2025	**-**

During the three months ended May 31, 2025, the Company recorded share-based compensation of $nil (May 31, 2024 – $1,545,674) in connection with RSUs.

During the three months ended May 31, 2025 and 2024, there was no RSUs granted.

Performance share units

The Incentive Plan also provides for the grant of performance share units ("PSUs") to directors, officers and employees. Upon vesting, at the Company's discretion, the holder of a PSU award can receive one common share or the equivalent cash payment based on the market price of the common share on settlement date. The aggregate number of PSUs granted under the Incentive Plan, as well as any other securities granted under the Incentive Plan, is limited to 10% of the Company's issued shares at the time of grant. The aggregate number of PSUs granted to any one recipient in a 12-month period is limited to 5% of the issued shares of the Company. As of May 31, 2025, all granted PSUs are equity settled.

In February 2023, the Company issued 2,000,000 PSUs to various directors, officers, employees, and consultants of the Company. These 2,000,000 PSUs will vest upon a change of control or disposition of a controlling interest in one of the Company's core assets. These PSUs were granted with a fair value of $9,440,000 which is being recorded over an estimated life of 5 years.

PSU transactions are summarized as follows:

	Number of PSUs
Balance, February 29, 2024 and February 28, 2025	2,000,000
Forfeited	(280,000)
Balance, May 31, 2025	**1,720,000**

During the three months ended May 31, 2025, the Company recorded share-based compensation expense of $423,226 (May 31, 2024 – $472,000) in connection with PSUs and share-based compensation reversal of $567,973 (May 31, 2024 - $nil) in connection with the forfeiture of PSUs.

11. SHARE CAPITAL (continued)

Warrants

A summary of changes of warrants outstanding is as follows:

	Warrants	Weighted average exercise price
		$
Balance, February 29, 2024	20,101,246	2.95
Exercised	(3,614)	3.00
Expired	(20,097,632)	2.95
Balance, February 28, 2025 and May 31, 2025	**-**	**-**

12. EARNINGS (LOSS) PER COMMON SHARE

The calculations of basic and diluted earnings (loss) per share for the three months ended May 31, 2025 and 2024 are as follows:

	Three months ended May 31 2025	Three months ended May 31 2024
	$	$
Numerator		
Net income (loss) for the period	**2,442,969**	(7,192,604)
Denominator		
For basic-weighted average number of common shares outstanding	**220,439,831**	217,556,449
Effect of dilutive stock options and PSUs	**-**	-
For diluted-weighted average number of common shares outstanding	**220,439,831**	217,556,449
Earnings (loss) per common share		
Basic	**0.01**	(0.03)
Diluted	**0.01**	(0.03)

Outstanding stock options and PSUs were anti-dilutive and, accordingly, excluded from the calculation of diluted earnings per share.

13. RELATED PARTY TRANSACTIONS

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 has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

	Three months ended May 31 2025	Three months ended May 31 2024
	$	$
Management and directors fees	**371,999**	492,399
Share-based compensation	**31,467**	2,017,574
	403,466	2,509,973

Included in accounts payable at May 31, 2025 is $348,662 (February 28, 2025 – $56,146) for management fees and expenses due to companies controlled by key management personnel.

During the three months ended May 31, 2025, the Company recorded share-based compensation expense of $265,107 (May 31, 2024 – $472,000) in connection with PSUs and share-based compensation reversal of $233,640 (May 31, 2024 - $nil) in connection with the forfeiture of PSUs .

Transactions with Surge up to April 16, 2025, have been disclosed in note 6.

These transactions were in the normal course of operations.

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders, to maintain creditworthiness and to maximize returns for shareholders over the long-term. The Company does not have any externally imposed capital requirements to which it is subject. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. The Company includes the components of shareholders' equity in its management of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares to raise cash and obtain bridging loans from related parties. The Company's investment policy is to invest its cash in low-risk investment instruments in financial institutions with terms to maturity selected with regards to the expected time of expenditures from continuing operations.

There were no changes in the Company's management of capital during the three months ended May 31, 2025.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, marketable securities, short-term investment, amounts receivable, deposits, reclamation deposits, accounts payable and accrued liabilities and lease liabilities. As at May 31, 2025, the Company classifies its marketable securities and short-term investment as FVTPL and its remaining financial instruments at amortized cost. For financial instruments at amortized cost, their carrying values approximate their fair values because of their current nature. The carrying value of the Company's lease liability is measured at the present value of the discounted future cash flows.

The Company classifies financial instruments carried at fair value according to the following hierarchy based on the amount of observable inputs used to value the financial instrument:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis. The Company's shares of Surge (marketable securities) are classified under Level 1.

Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data. The Company's Surge Warrants (short-term investment) are classified under Level 3.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments which are potentially subject to credit risk for the Company consist primarily of cash and cash equivalents and amounts receivable. The cash and cash equivalents are held at Canadian financial institutions and the Company considers the credit risk to be minimal. The Company's amounts receivable balance primarily consists of goods and sales taxes receivables from the Government of Canada.

The Company's maximum exposure to credit risk is as follows:

	May 31 2025	February 28 2025
	$	$
Cash and cash equivalents	**363,003**	1,110,022
Amounts receivable	**58,418**	27,744
	421,421	1,137,766

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they come due. The Company's current financial liabilities are comprised of accounts payable and accrued liabilities and current lease liabilities. The Company's accounts payable and accrued liabilities arose as a result of exploration activities and other corporate expenses. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and its current cash flow position to meet its obligations. The Company manages its liquidity risk by endeavouring to maintain sufficient cash and cash equivalents balances to meet its anticipated operational needs.

The following table summarizes the Company's current financial liabilities:

	May 31 2025	February 28 2025
	$	$
Accounts payable and accrued liabilities	**2,847,863**	3,930,458
Current lease liabilities (note 9)	**46,193**	44,467
	2,894,056	3,974,925

Foreign Exchange Risk

The Company is exposed to foreign currency risk on fluctuations related to cash and cash equivalents, amounts receivable, reclamation deposits, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at May 31, 2025, the Company had foreign currency net liabilities of $96,730 in United States dollars, net liabilities of $164,760 in Australian dollars and net liabilities of 3,776,787 Peruvian soles, amounting to net liabilities of $1,712,907. A 10% fluctuation in the foreign exchange rate of foreign currencies against the Canadian dollar would result in a foreign exchange gain/loss of approximately $171,291.

Interest Rate Risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash and cash equivalents balances and term deposits with interest based on the prime rate. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Price Risk

Price risk is the risk that assets or liabilities carried at fair value or future cash flows of a financial instrument will fluctuate because of changes in market conditions.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's maximum exposure to price risk on its marketable securities and short-term investment is as follows:

	May 31 2025	February 28 2025
	$	$
Level 1 - Marketable securities	**3,527,800**	-
Level 3 - Short-term investment	**489,100**	1,039,840
	4,016,900	1,039,840

During the three months ended May 31, 2025, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

16. SEGMENTED INFORMATION

The Company has one reportable segment, being the acquisition and exploration of exploration and evaluation assets. Geographic information on the Company's non-current assets is as follows:

May 31, 2025	**Canada**	**USA**	**Peru**	**Total**
	$	**$**	**$**	**$**
Exploration and evaluation assets	-	34,833,511	115,754,936	150,588,447
Investment in Surge	-	-	-	-
Other non-current assets	67,527	735,015	863,627	1,666,169
Total non-current assets	**67,527**	**35,568,526**	**116,618,563**	**152,254,616**

February 28, 2025	**Canada**	**USA**	**Peru**	**Total**
	$	**$**	**$**	**$**
Exploration and evaluation assets	-	34,833,511	116,025,928	150,859,439
Investment in Surge	811,037	-	-	811,037
Other non-current assets	80,683	776,034	960,572	1,817,289
Total non-current assets	**891,720**	**35,609,545**	**116,986,500**	**153,487,765**

17. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	Three months ended May 31 2025	Three months ended May 31 2024
Supplemental cash-flow disclosure:	**$**	$
Interest received	**17,459**	26,877
Supplemental non-cash disclosure:		
Reclassification of warrants exercised	**-**	4,821

18. SUBSEQUENT EVENT

On July 14, 2025, the Company announced a $8,100,000 non-brokered private placement, which was then increased to $9,400,000 on July 23, 2025, resulting in the Company offering up to 34,814,815 units ("Units") of the Company at a price of $0.27 per Unit for aggregate gross proceeds of up to $9,400,000 ("Private Placement").

Each Unit issued will consist of one common share ("Common Share") in the capital of the Company and one Common Share purchase warrant ("Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $0.50 for 36 months from the closing date of the Private Placement.

The Company received conditional approval from the TSX Venture Exchange on July 23, 2025.