American Lithium Corp.

Condensed Interim Consolidated Financial Statements

For the three months ended May 31, 2026 and 2025

(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, 2026	February 28, 2026
		$	$
Assets			
Current assets			
Cash and cash equivalents	4	**5,580,023**	7,572,464
Marketable securities	5	**985,250**	-
Short-term investment	6	**31,697**	2,734,940
Amounts receivable		**23,630**	307,031
Prepaid expenses and deposits		**1,105,983**	1,003,725
		7,726,583	11,618,160
Non-current assets			
Reclamation deposits	8	**701,729**	693,795
Property and equipment	9	**1,004,667**	1,053,314
Right-of-use asset	10	**135,199**	24,220
Exploration and evaluation assets	11	**150,966,876**	150,821,039
		152,808,471	152,592,368
Total assets		**160,535,054**	164,210,528
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	14	**1,389,678**	1,897,260
Current portion of deferred gain on short-term investment	6	**-**	210,571
Current portion of lease liability	10	**47,926**	50,158
		1,437,604	2,157,989
Non-current liabilities			
Lease liability	10	**105,423**	-
		105,423	-
Total liabilities		**1,543,027**	2,157,989
Equity			
Share capital	12	**295,078,473**	295,078,473
Equity reserves	12	**53,646,922**	52,707,046
Deficit		**(190,758,566)**	(186,683,569)
Accumulated other comprehensive income		**1,025,198**	950,589
		158,992,027	162,052,539
Total liabilities and equity		**160,535,054**	164,210,528

Nature of operations and going concern (Note 1)
Subsequent event (Notes 5, 6 and 12)

Approved on behalf of the Board of Directors on July 28, 2026:

/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, 2026**	Three months ended May 31, 2025
		$	$
Operating expenses			
Conferences and tradeshows		**31,510**	14,098
Consulting and employment costs		**195,154**	178,409
Depreciation	9, 10	**72,146**	77,333
Exploration and evaluation expenditures (recovery)	11	**703,188**	(471,020)
Foreign exchange (gain) loss		**(6,710)**	35,751
General and administrative		**75,457**	99,149
Insurance		**84,043**	163,158
Interest - lease obligations	10	**2,526**	2,233
Management and directors fees	14	**341,999**	371,999
Marketing and shareholders communication		**33,173**	25,092
Professional fees		**82,248**	149,277
Regulatory and transfer agent fees		**20,197**	17,797
Share-based compensation (recovery)	12, 14	**939,876**	(144,747)
Travel		**11,658**	13,269
		2,586,465	531,798
Other items			
Deferred gain recognition	6	**210,571**	210,571
Interest and miscellaneous income		**16,277**	15,576
Gain on initial recognition of marketable securities	5	**-**	2,809,656
Realized gain (loss) on sale of marketable securities	5	**(1,695,599)**	9,470
Change in fair value of marketable securities	5	**(83,887)**	625,900
Gain (loss) on short-term investment	6	**64,106**	(550,740)
Share of loss from equity investment in Surge Battery Metals Inc.	7	**-**	(120,380)
Dilution loss on investment in Surge Battery Metals Inc.	7	**-**	(25,286)
Net income (loss) for the period		**(4,074,997)**	2,442,969
Other comprehensive income (loss)			
Foreign currency translation adjustment		**74,609**	(226,728)
Comprehensive income (loss) for the period		**(4,000,388)**	2,216,241
Income (loss) per share - Basic	13	**(0.02)**	0.01
Income (loss) per share - Diluted	13	**(0.02)**	0.01
Weighted average number of common shares outstanding - basic	13	**255,664,646**	220,439,831
Weighted average number of common shares outstanding - diluted	13	**255,664,646**	220,439,831

American Lithium Corp.

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

	Notes	Three months ended May 31, 2026	Three months ended May 31, 2025
		$	$
Operating activities			
Net income (loss) for the period		**(4,074,997)**	2,442,969
Items not affecting cash and cash equivalents:			
Depreciation	9, 10	**72,146**	77,333
Unrealized foreign exchange		**(10,503)**	29,715
Interest - lease obligations	10	**2,526**	2,233
Share-based compensation (recovery)	12, 14	**939,876**	(144,747)
Deferred gain on short-term investment	6	**(210,571)**	(210,571)
Gain on initial recognition of marketable securities	5	**-**	(2,809,656)
Realized (gain) loss on sale of marketable securities	5	**1,695,599**	(9,470)
Change in fair value of marketable securities	5	**83,887**	(625,900)
(Gain) loss on short-term investment	6	**(64,106)**	550,740
Share of loss from equity investment in Surge Battery Metals Inc.	7	**-**	120,380
Dilution loss on investment in Surge Battery Metals Inc.	7	**-**	25,286
Changes in non-cash working capital items:			
Amounts receivable		**283,401**	(30,674)
Prepaid expenses and deposits		**(102,258)**	259,741
Accounts payable and accrued liabilities		**(507,582)**	(1,082,595)
Cash used in operating activities		**(1,892,582)**	(1,405,216)
Investing activities			
Proceeds from sale of marketable securities	5	**7,264,263**	333,575
Exercise of Surge Warrants	5, 6	**(7,261,650)**	-
Proceeds from sale of investment in associate	7	**-**	249,022
Purchase of equipment	9	**(3,560)**	-
Exploration and evaluation assets expenditures	11	**(83,725)**	-
Cash (used in) provided by investing activities		**(84,672)**	**582,597**
Financing activities			
Payment of lease liability	10	**(19,666)**	(12,736)
Cash used in financing activities		**(19,666)**	(12,736)
Effect of foreign exchange on cash and cash equivalents		**4,479**	88,336
Change in cash and cash equivalents during the period		**(1,992,441)**	(747,019)
Cash and cash equivalents, beginning of period		**7,572,464**	1,110,022
Cash and cash equivalents, end of period		**5,580,023**	363,003

Supplemental cash flow disclosures (Note 18)

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, 2025		**220,439,831**	**285,580,503**	**49,311,341**	**(184,169,836)**	**1,243,522**	**151,965,530**
Share-based compensation (recovery)	12	-	-	(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**
Private placement	12	34,814,815	9,400,000	-	-	-	9,400,000
Share issuance costs	12	-	(107,030)	-	-	-	(107,030)
Share-based compensation	12	-	-	3,540,452	-	-	3,540,452
Warrants exercised	12	410,000	205,000	-	-	-	205,000
Net loss for the period		-	-	-	(4,956,702)	-	(4,956,702)
Foreign currency translation adjustment		-	-	-	-	(66,205)	(66,205)
Balance as at February 28, 2026		**255,664,646**	**295,078,473**	**52,707,046**	**(186,683,569)**	**950,589**	**162,052,539**
Share-based compensation	12	-	-	939,876	-	-	939,876
Net loss for the period		-	-	-	(4,074,997)	-	(4,074,997)
Foreign currency translation adjustment		-	-	-	-	74,609	74,609
Balance as at May 31, 2026		**255,664,646**	**295,078,473**	**53,646,922**	**(190,758,566)**	**1,025,198**	**158,992,027**

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 and its registered and records office is located at 1133 Melville Street, Suite 3500, The Stack, Vancouver, British Columbia, V6E 4E5. 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, 2026, the Company had a working capital position of $6,288,979 (February 28, 2026 – $9,460,171), and for the three months ended May 31, 2026, realized a net loss of $4,074,997 (May 31, 2025 – net income of $2,442,969). Furthermore, as at May 31, 2026, the Company had an accumulated deficit of $190,758,566 (February 28, 2026 – $186,683,569), 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.

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. BASIS OF PREPARATION

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, 2026 and 2025.

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

2. BASIS OF PREPARATION (continued)

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on July 28, 2026.

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 condensed interim 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 condensed interim 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.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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, 2026.

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 judgements, 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 condensed interim 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 judgements 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 condensed interim 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.

3. 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 6 and 7)

- 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 judgement to determine which companies are controlled and require consolidation and those which are significantly influenced and require equity accounting. During the year ended February 28, 2026, the Company determined it had no longer significant influence over Surge (notes 5 and 7) and reclassified its investment in Surge from investment in associate to marketable securities.

4. CASH AND CASH EQUIVALENTS

	May 31, 2026	February 28, 2026
	$	$
Cash held in banks	**4,496,765**	7,492,662
Guaranteed investment certificates	**1,083,258**	79,802
	5,580,023	7,572,464

Cash is mostly held in interest-bearing accounts of major Canadian banks and financial institutions.

The Company's cash and cash equivalents include an aggregate of $1,083,258 in guaranteed investment certificates including accumulated interest from Canadian financial institutions, which earn interest at rates ranging from 1.75% - 2.69% per annum and mature on January 19, 2027 and on April 13, 2027.

5. MARKETABLE SECURITIES

	Surge Battery Metals Inc.
	$
Balance, February 28, 2025	-
Fair value on initial recognition	3,226,005
Proceeds from sale of marketable securities	(7,326,023)
Realized gain on sale of marketable securities	4,100,018
Change in fair value of marketable securities	-
Balance, February 28, 2026	-
Acquisition cost of marketable securities upon exercise of Surge Warrants	10,028,999
Proceeds from sale of marketable securities	(7,264,263)
Realized loss on sale of marketable securities	(1,695,599)
Change in fair value of marketable securities	(83,887)
Balance May 31, 2026	**985,250**

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 7). The Company held 12,651,000 common shares of Surge ("Surge Shares") with a value of $0.255 per share but no longer had 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, 2025 to February 28, 2026, the Company sold 12,651,000 Surge Shares for proceeds of $7,326,023 and realized a gain of $4,100,018.

During the three months ended May 31, 2026, the Company exercised a total of 13,203,000 common share purchase warrants of Surge ("Surge Warrants") to acquire 13,203,000 Surge Shares at an exercise price of $0.55 per Surge Warrant (note 6). The cash consideration of $7,261,650 ($0.55 per Surge Warrant) and the carrying amount of the Surge Warrants of $2,767,349 ($0.2096 per Surge Warrant as of April 30, 2026, the first exercise date) were recognized as the initial carrying amount of the marketable securities.

Additionally, the Company sold 11,795,500 Surge Shares for proceeds of $7,264,263 and a realized loss of $1,695,599. For cash management purposes, the exercise of the Surge Warrants and the sale of the Surge Shares were made sequentially.

As at May 31, 2026, the Company held 1,407,500 Surge Shares with a unit share price of $0.70.

Subsequent to May 31, 2026, the Company exercised the remaining 197,000 Surge Warrants to acquire 197,000 Surge Shares.

6. SHORT-TERM INVESTMENT

As part of the Company's investment in Surge's private placement (note 7), the Company was issued 13,400,000 Surge Warrants. The Surge Warrants are exercisable at $0.55 per Surge Warrant for a period of three years from June 9, 2023. The Surge 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 Surge Warrants.

	$
Balance, February 28, 2025	1,039,840
Gain on short-term investment for the year ended February 28, 2026	1,695,100
Balance, February 28, 2026	2,734,940
Derecognition of exercised Surge Warrants	(2,767,349)
Gain on short-term investment for the period ended May 31, 2026	64,106
Balance, May 31, 2026	**31,697**

During the three months ended May 31, 2026, the Company exercised 13,203,000 Surge Warrants to acquire 13,203,000 Surge Shares (note 5) at an exercise price of $0.55 per Surge Warrant.

The Company determined the fair value of the remaining 197,000 Surge Warrants at May 31, 2026 was $31,697 (February 28, 2026 – 13,400,000 Surge Warrants valued $2,734,940) and therefore recognized an unrealized gain of $64,106 for the three months ended May 31, 2026 (May 31, 2025 – unrealized loss of $550,740).

The fair value of the Surge Warrants at May 31, 2026 was determined using the following inputs:

	May 31, 2026	February 28, 2026
Expected volatility	**146%**	78%
Risk-free interest rate	**2.77%**	2.39%
Spot Price	**$0.70**	$0.71
Exercise Price	**$0.55**	$0.55
Time to expiration	**0.02**	0.28 years
Dividend yield	**Nil**	Nil

Subsequent to May 31, 2026, the Company exercised the remaining 197,000 Surge Warrants.

For the three months ended May 31, 2026, the Company recognized $210,571 (May 31, 2025 - $210,571) of the deferred gain on the Surge Warrants recognized on the date of acquisition. The balance of the deferred gain at May 31, 2026 was $nil (May 31, 2025 - $842,286), of which $nil was current (May 31, 2025 - $842,286). The deferred gain was recognized over the term of the Surge Warrants.

7. 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 consisted of one Surge Share and one Surge Warrant exercisable at $0.55 per Warrant for a period of three years from the date of issuance and was subject to a 4-month hold.

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

The allocation of the transaction value to the Surge Shares and Surge 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 Surge 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 Surge Warrants were valued using Black-Scholes option pricing model with the spot price of the Surge 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 Surge 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 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 Surge Warrants (note 6).

After initial recognition, the Surge Shares and Surge 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 Surge Warrants are fair valued at each reporting date (note 6).

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, February 28, 2026	**-**

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

(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.
(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 was measured at FVTPL and revalued at each reporting date (note 5).

Surge's unaudited loss and comprehensive loss for the period up to the date of reclassification of the investment in Surge to marketable securities 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)

Select information from Surge's statements of financial position as at the date of reclassification of the investment in Surge to marketable securities 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.

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

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. The Company recognized the revenue related to the advisory engagement from June 2023 to May 2024.

8. RECLAMATION DEPOSITS

As at May 31, 2026, reclamation deposits of $701,729 (February 28, 2026 – $693,795) consisted of a bond recorded at cost and held as security for the United States Bureau of Land Management ("BLM"), with respect to certain exploration properties described in note 11.

During the year ended February 28, 2026, the Company was required to increase its reclamation deposits by $98,722 following the three-year reclamation cost estimate update filed with BLM.

9. PROPERTY AND EQUIPMENT

	Computer Equipment	Furniture and Office Equipment	Machinery and Equipment	Vehicles	Leasehold Improvement	Buildings	Land	Total
	$	$	$	$	$	$	$	$
Cost:								
Balance, February 28, 2025	69,472	111,920	754,612	199,463	30,959	388,443	81,190	**1,636,059**
Additions	-	-	260,237	-	-	-	-	**260,237**
Disposals	-	-	-	(23,959)	-	-	-	**(23,959)**
Foreign currency translation	(2,541)	(4,751)	(29,252)	(10,822)	-	(21,415)	(4,477)	**(73,258)**
Balance, February 28, 2026	66,931	107,169	985,597	164,682	30,959	367,028	76,713	**1,799,079**
Additions	661	-	2,899	-	-	-	-	**3,560**
Disposals	-	-	-	-	-	-	-	**-**
Foreign currency translation	498	931	8,685	1,883	-	4,197	878	**17,072**
Balance, May 31, 2026	68,090	108,100	997,181	166,565	30,959	371,225	77,591	**1,819,711**
Accumulated depreciation:								
Balance, February 28, 2025	47,992	52,089	276,245	70,048	20,639	45,681	-	**512,694**
Depreciation for the year	16,819	19,827	147,147	35,919	6,192	37,326	-	**263,230**
Disposals	-	-	-	(6,389)	-	-	-	**(6,389)**
Foreign currency translation	(1,721)	(2,018)	(12,469)	(4,420)	-	(3,142)	-	**(23,770)**
Balance, February 28, 2026	63,090	69,898	410,923	95,158	26,831	79,865	-	**745,765**
Depreciation for the period	2,310	4,587	36,828	8,287	1,548	9,234	-	**62,794**
Disposals	-	-	-	-	-	-	-	**-**
Foreign currency translation	467	547	3,382	1,129	-	960	-	**6,485**
Balance, May 31, 2026	65,867	75,032	451,133	104,574	28,379	90,059	-	**815,044**
Net book value:								
As at February 28, 2026	3,841	37,271	574,674	69,524	4,128	287,163	76,713	1,053,314
As at May 31, 2026	**2,223**	**33,068**	**546,048**	**61,991**	**2,580**	**281,166**	**77,591**	**1,004,667**

10. RIGHT-OF-USE ASSET AND LEASE LIABILITY

During the three months ended May 31, 2026, the Company entered into an amendment of its office lease agreement, extending the lease term by three years from November 1, 2026 to October 31, 2029. The lease liability was remeasured using the appropriate discount rate at the effective date of the modification, with a corresponding adjustment recognized in the related right-of-use asset.

During the year ended February 28, 2026, the Company entered into an amended shared lease agreement whereby one of the tenants was removed. The Company's interest in the shared lease agreement consequently increased and resulted in a lease modification for the remaining term.

As at May 31, 2026, the right-of-use asset and lease liability are as follows:

Right-of-use asset

	Office Lease $
Cost:	
Balance, February 28, 2025	189,066
Lease remeasurement	(1,360)
As at February 28, 2026	187,706
Lease remeasurement	120,331
As at May 31, 2026	**308,037**
Accumulated Depreciation:	
Balance, February 28, 2025	126,044
Depreciation for the year	37,442
As at February 28, 2026	163,486
Depreciation for the period	9,352
As at May 31, 2026	**172,838**
Net book value:	
As at February 28, 2026	24,220
As at May 31, 2026	**135,199**

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

Total lease liability

	$
As at February 28, 2025	77,906
Lease payments	(55,813)
Interest	7,575
Lease remeasurement	20,490
As at February 28, 2026	50,158
Lease payments	(19,666)
Interest	2,526
Lease remeasurement	120,331
As at May 31, 2026	**153,349**

Current portion of lease liability	47,926
Non-current lease liability	105,423

The lease liability was discounted at a discount rate of 12%.

10. RIGHT-OF-USE ASSET AND LEASE LIABILITY (continued)

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 2027	50,257
Fiscal 2028	48,072
Fiscal 2029	52,442
Fiscal 2030	34,961
	185,732

11. EXPLORATION AND EVALUATION ASSETS

	TLC Project	Falchani Project	Macusani Project	Total
	$	$	$	$
Balance, February 28, 2025	34,833,511	99,491,574	16,534,354	150,859,439
Additions	278,820	-	-	278,820
Foreign currency translation	-	(317,220)	-	(317,220)
Balance, February 28, 2026	**35,112,331**	**99,174,354**	**16,534,354**	**150,821,039**
Additions	-	83,725	-	83,725
Foreign currency translation	-	62,112	-	62,112
Balance, May 31, 2026	**35,112,331**	**99,320,191**	**16,534,354**	**150,966,876**

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.

The Company also holds agricultural lands along with certain water rights close to the TLC Project.

In September 2025, the Company, through its wholly-owned subsidiary Tonopah Lithium Corp. ("TLC"), signed a binding water reservation agreement (the "Agreement") with the Town of Tonopah and Tonopah Public Utilities ("TPU"). TLC paid a consideration of $278,820 (USD $200,000) upon signing the Agreement, which has an initial 3-year term and is renewable for up to 7 additional 1-year terms for a consideration of USD $50,000 per year of extension. TPU agrees to reserve and allow for TLC's future use of 900 – 1,250 gallons per minute (1,450 – 2,000 acre-feet annually) of water, subject to results of hydrology and engineering studies to be undertaken by TLC at its sole expense.

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 S.A.C., the Company holds title on mineral concessions in the Province of Carabaya, Department of Puno in southeastern Peru.

11. EXPLORATION AND EVALUATION ASSETS (continued)

On August 28, 2025, the Company announced that the Peruvian Judiciary had posted its ruling, on its official website, in favour of Macusani Yellowcake S.A.C., confirming the Company's ownership of 32 concessions of the Falchani Project and Macusani Project that were subject to administrative and judicial processes. This ruling was later confirmed in November 2025 by Resolution No. 24 issued by the Sixth Permanent Court of Lima, which required the Geological, Mining, and Metallurgical Institute of Peru ("INGEMMET") to issue a new administrative resolution fully reflecting the judgement of the Supreme Court of Peru. This final ruling concludes the administrative and judicial processes and confirms the Company's ownership of the 32 concessions.

During the three months ended May 31, 2026, the Company initiated the process to acquire additional mineral concessions around its existing projects.

12. SHARE CAPITAL

Authorized

Unlimited number of common shares, without par value.

Issued

During the three months ended May 31, 2026

There were no shares issued during the three months ended May 31, 2026.

During the year ended February 28, 2026

On August 15, 2025, the Company completed a non-brokered private placement (the "Private Placement") by issuing 34,814,815 units of the Company (the "Units") at a price of $0.27 per Unit. Each Unit issued pursuant to the Private Placement consists of one common share and one common share purchase warrant (a "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. In connection with the Private Placement, share issuance costs were $107,030 and no finders' fees were paid. The residual value of the Warrants was determined to be $nil.

The Company also issued 410,000 common shares in connection with the exercise of 410,000 Warrants for total proceeds of $205,000.

Stock options

The Company has established an omnibus incentive plan (the "Incentive Plan") for directors, officers, 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.

There were no stock options granted during the three months ended May 31, 2026.

12. SHARE CAPITAL (continued)

During the year ended February 28, 2026, the Company granted 7,725,000 options to directors, officers, employees and eligible consultants to purchase common shares of the Company exercisable at $0.51 per share. The options will vest over a 12-month period, with one-third vesting on the date of grant, a further one-third vesting six months thereafter, and the balance vesting twelve months from the date of grant. The options will expire 5 years from the date of grant.

The fair value of the stock options granted during the year ended February 28, 2026, was estimated to be $0.35 on the grant date using the Black-Scholes option pricing model with the following assumptions:

	February 28, 2026
Expected volatility	**86%**
Risk-free interest rate	**2.88%**
Spot Price	**$0.51**
Exercise Price	**$0.51**
Time to expiration	**5.00 years**
Dividend yield	**Nil**

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

	Options	**Weighted average exercise price**
		$
Balance, February 28, 2025	9,894,983	2.50
Granted	7,725,000	0.51
Forfeited	(864,848)	3.12
Cancelled	(1,835,800)	4.30
Expired	(1,545,834)	1.27
Balance, February 28, 2026	13,373,501	1.21
Expired	(150,000)	2.14
Balance, May 31, 2026	**13,223,501**	**1.20**

As at May 31, 2026, the following options were outstanding and exercisable:

Number of options outstanding	**Number of options exercisable**	**Exercise price $**	**Remaining life (years)**	**Expiry date**
5,248,501	5,248,501	2.17	0.03	Jun-10-2026 [(1)]
250,000	250,000	1.91	1.09	Jul-04-2027
7,725,000	5,149,974	0.51	4.26	Sep-01-2030
13,223,501	**10,648,475**	**1.20**	**2.52**	

[(1)] Subsequent to May 31, 2026, 5,248,501 options expired unexercised.

During the three months ended May 31, 2026, the Company recorded share-based compensation expense of $210,467 (May 31, 2025 – $nil) in connection with stock options.

Subsequent to May 31, 2026, the Company granted 300,000 options to a newly appointed independent director.

12. SHARE CAPITAL (continued)

Restricted share units

The Incentive Plan also provides for the grant of restricted share units ("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, 2026, all RSUs granted were equity settled and vested over either a 1-year or 2-year period.

There were no RSUs granted during the three months ended May 31, 2026.

During the year ended February 28, 2026, the Company granted 2,325,000 RSUs to directors, officers, employees and eligible consultants. The RSUs will vest twelve months from the date of grant. Once vested, each RSU will entitle the holder to receive one common share of the Company.

The fair value of the RSUs granted during the year ended February 28, 2026, was determined based on the market price of the Company's common shares on the grant date of $0.51 per share.

RSU transactions are summarized as follows:

	Number of RSUs
Balance, February 28, 2025	-
Granted	2,325,000
Balance, February 28, 2026 and May 31, 2026	**2,325,000**

During the three months ended May 31, 2026, the Company recorded share-based compensation expense of $289,041 (May 31, 2025 – $nil) in connection with RSUs.

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, 2026, all granted PSUs are expected to be equity settled.

There were no PSUs granted during the three months ended May 31, 2026.

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.

12. SHARE CAPITAL (continued)

PSU transactions are summarized as follows:

	Number of PSUs
Balance, February 28, 2025	2,000,000
Forfeited	(420,000)
Balance, February 28, 2026 and May 31, 2026	**1,580,000**

During the three months ended May 31, 2026, the Company recorded share-based compensation expense of $372,880 (May 31, 2025 – $423,226) in connection with PSUs and share-based compensation reversal of $nil (May 31, 2025 - $567,973) in connection with the forfeiture of PSUs.

Deferred share units

The Incentive Plan also provides for the grant of deferred share units ("DSUs") to directors and officers. At the Company's discretion, the holder of a DSU is entitled to receive one common share or the equivalent cash payment based on the market price of the common share on settlement date, or a combination thereof. DSUs can only be settled after termination of service of the holder. The aggregate number of DSUs 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 DSUs 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, 2026, all granted DSUs are expected to be equity settled.

There were no DSUs granted during the three months ended May 31, 2026.

During the year ended February 28, 2026, the Company granted 525,000 DSUs to the independent directors of the Company. Each DSU will be settled into one common share of the Company once a director ceases to serve on the Company's board.

The fair value of the DSUs granted during the year ended February 28, 2026, was determined based on the market price of the Company's common shares on the grant date of $0.51 per share.

DSU transactions are summarized as follows:

	Number of DSUs
Balance, February 28, 2025	-
Granted	525,000
Balance, February 28, 2026 and May 31, 2026	**525,000**

During the three months ended May 31, 2026, the Company recorded share-based compensation expense of $67,488 (May 31, 2025 - $nil) in connection with DSUs.

12. SHARE CAPITAL (continued)

Warrants

A summary of changes of warrants outstanding is as follows:

	Warrants	Weighted average exercise price
		$
Balance, February 28, 2025	-	-
Issued	34,814,815	0.50
Exercised	(410,000)	0.50
Balance, February 28, 2026 and May 31, 2026	**34,404,815**	**0.50**

On August 15, 2025, the Company completed a Private Placement by issuing 34,814,815 Units of the Company at a price of $0.27 per Unit. Each Unit issued pursuant to the Private Placement consists of one common share and one 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 residual value of the Warrants was determined to be $nil.

During the year ended February 28, 2026, 410,000 Warrants were exercised for proceeds of $205,000.

There were no warrants issued or exercised during the three months ended May 31, 2026.

13. EARNINGS (LOSS) PER COMMON SHARE

The calculations of basic and diluted earnings (loss) per share for the three months ended May 31, 2026 and 2025 are as follows:

	Three months ended May 31 2026	Three months ended May 31 2025
	$	$
Numerator		
Net income (loss) for the period	**(4,074,997)**	2,442,969
Denominator		
For basic-weighted average number of common shares outstanding	**255,664,646**	220,439,831
Effect of dilutive potential ordinary shares	**-**	-
For diluted-weighted average number of common shares outstanding	**255,664,646**	220,439,831
Earnings (loss) per common share		
Basic	**(0.02)**	0.01
Diluted	**(0.02)**	0.01

For the three months ended May 31, 2026 and 2025, outstanding stock options, warrants, RSUs, PSUs and DSUs were anti-dilutive and, accordingly, excluded from the calculation of diluted loss per share.

14. 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 2026	Three months ended May 31 2025
	$	$
Management and directors fees	**341,999**	371,999
Consulting and employment costs	**50,000**	-
Share-based compensation	**641,197**	31,467
	1,033,196	403,466

Included in accounts payable at May 31, 2026 is $21,829 (February 28, 2026 – $169,419) for management fees and expenses due to companies controlled by key management personnel.

During the three months ended May 31, 2026, the Company recorded share-based compensation expense of $641,197 (May 31, 2025 – $265,107) in connection with stock options, RSUs, DSUs and PSUs, and share-based compensation reversal of $nil (May 31, 2025 - $233,640) in connection with the forfeiture of PSUs.

Transactions with Surge up to April 16, 2025, have been disclosed in note 7.

These transactions were in the normal course of operations.

15. 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, 2026.

16. 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 liability. As at May 31, 2026, 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 Surge Shares (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 mostly 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 2026	February 28 2026
	$	$
Cash and cash equivalents	**5,580,023**	7,572,464
Amounts receivable	**23,630**	307,031
	5,603,653	7,879,495

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 liability. The Company's accounts payable and accrued liabilities arose as a result of exploration activities and other corporate expenses. The Company regularly 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.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

	May 31 2026	February 28 2026
	$	$
Accounts payable and accrued liabilities	**1,389,678**	1,897,260
Current lease liability (note 10)	**47,926**	50,158
	1,437,604	1,947,418

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, 2026, the Company had net assets of $743,074 in United States dollars and net liabilities of 803,060 Peruvian soles, amounting to foreign currency net assets of $699,894. 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 $69,989.

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 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.

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

	May 31 2026	February 28 2026
	$	$
Level 1 - Marketable securities	**985,250**	-
Level 3 - Short-term investment	**31,697**	2,734,940
	1,016,947	2,734,940

During the three months ended May 31, 2026 and 2025, there were no transfers between level 1, level 2 and level 3 classified assets and liabilities.

17. 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, 2026	**Canada**	**USA**	**Peru**	**Total**
	$	**$**	**$**	**$**
Exploration and evaluation assets	-	35,112,331	115,854,545	150,966,876
Other non-current assets	139,245	790,339	912,011	1,841,595
Total non-current assets	**139,245**	**35,902,670**	**116,766,556**	**152,808,471**

February 28, 2026	**Canada**	**USA**	**Peru**	**Total**
	$	**$**	**$**	**$**
Exploration and evaluation assets	-	35,112,331	115,708,708	150,821,039
Other non-current assets	30,373	793,710	947,246	1,771,329
Total non-current assets	**30,373**	**35,906,041**	**116,655,954**	**152,592,368**

18. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	Three months ended May 31 2026	Three months ended May 31 2025
Supplemental cash-flow disclosure:	**$**	$
Interest received	**13,445**	17,459
Supplemental non-cash disclosure:		
Reclassification from short-term investment to marketable securities	**2,767,349**	-
Lease remeasurement	**120,331**	-
Reclassification from investment in associate to marketable securities	**-**	416,349