POWER METALLIC MINES INC.

(FORMERLY POWER NICKEL INC.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2026

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed consolidated interim financial statements have not been reviewed by the Company's auditors.

Power Metallic Mines Inc.
Formerly Power Nickel Inc.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at,	**March 31, 2026**	December 31, 2025
ASSETS		
Current		
Cash	**$ 10,659,972**	$ 21,118,155
Sales tax receivables	**3,139,428**	2,195,637
Prepaid expenses (note 10)	**522,711**	235,284
Due from related parties (note 10)	**540,343**	471,121
Total current assets	**14,862,454**	24,020,197
Non-current assets		
Equipment (note 3)	**8,794**	9,508
Restricted cash (note 4)	**389,970**	383,670
Total assets	**$ 15,261,218**	$ 24,413,375
LIABILITIES		
Current		
Accounts payable and accrued liabilities (notes 10 and 12)	**$ 7,082,657**	$ 3,210,879
Flow-through liability (note 12)	**9,640,785**	15,329,169
Advances from shareholders (note 10)	**7,000**	7,000
Total liabilities	**16,730,442**	18,547,048
SHAREHOLDERS' EQUITY		
Issued capital (note 6)	**140,239,183**	137,498,226
Contributed surplus (note 7)	**6,378,530**	7,410,394
Warrants (note 8)	**6,293,054**	6,346,742
Deficit	**(154,389,649)**	(145,506,536)
Accumulated other comprehensive income	**(2,904)**	(10,803)
Non-controlling interest (note 14)	**12,562**	128,304
Total shareholders' equity	**(1,469,224)**	5,866,327
Total liabilities and shareholders' equity	**$ 15,261,218**	$ 24,413,375

Nature of operations and going concern (note 1)
Commitments and contingencies (notes 4 and 12)
Subsequent events (note 15)

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Power Metallic Mines Inc.
Formerly Power Nickel Inc.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended March 31, 2026	Three months ended March 31, 2025
Operating expenses		
Administration fees (note 10)	**$ 368,392**	$ 942,500
Accretion, bank and interest (income) fees	**2,742**	3,714
Business Development and Advisory (note 13)	**1,235,844**	862,467
Depreciation (note 3)	**714**	1,020
Exploration expenditures (note 4)	**11,754,693**	3,568,422
Foreign exchange loss (gain)	**32,416**	29,857
Interest income	**(79,157)**	(101,163)
Investor relations	**224,522**	787,859
Office and miscellaneous	**253,266**	60,127
Professional fees (notes 10 and 13)	**263,974**	413,443
Share-based payments (note 7)	**220,430**	1,301,730
Shareholder Communications (note 13)	**309,764**	679,167
Transfer and regulatory (note 13)	**142,446**	113,254
Travel, promotion and mining shows	**19,618**	103,764
Total expenses before other items	**(14,749,664)**	(8,766,161)
Other items		
Flow-through liability amortization (note 12)	**5,688,384**	295,718
Net loss and comprehensive loss	**$ (9,061,280)**	$ (8,470,443)
Other Comprehensive items		
Foreign currency translation adjustment	**(7,899)**	-
Net loss and comprehensive loss	**9,069,179**	8,470,443
Net loss and comprehensive attributable to:		
- Non-controlling interest (note 14)	**(148,886)**	(92,400)
- Shareholders of the Company	**(8,912,394)**	(8,378,043)
	$ (9,061,280)	$ (8,470,443)
Net loss attributable to shareholders of the Company - basic and diluted (note 9)	**$ (0.04)**	$ (0.05)
Weighted average number of common shares outstanding - basic and diluted (note 9)	**222,829,227**	175,461,228

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Power Metallic Mines Inc.

Formerly Power Nickel Inc.
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended March 31, 2026	Three months ended March 31, 2025
Operating activities		
Loss for the period	**$ (9,061,280)**	$ (8,470,443)
Items not affecting cash:		
Depreciation	**714**	1,020
Share-based payments	**220,430**	1,301,730
Foreign exchange	**1,599**	-
Flow-through liability amortization	**(5,688,384)**	(295,718)
Changes in non-cash working capital items:		
Sales tax receivables	**(943,791)**	(625,553)
Prepaid expenses	**(287,427)**	116,200
Accounts payable and accrued liabilities	**3,871,778**	825,460
Due (from) to related parties	**(69,222)**	(715)
Net cash used in operating activities	**(11,955,583)**	(7,148,019)
Financing activities		
Proceeds from private placements	**-**	49,999,800
Share issuance costs	**-**	(2,429,534)
Exercise of options	**1,442,400**	850,366
Exercise of warrants	**55,000**	663,558
Net cash provided by financing activities	**1,497,400**	49,084,190
Increase in cash	**(10,458,183)**	41,936,171
Cash, beginning of period	**21,118,155**	6,611,380
Cash, end of period	**$ 10,659,972**	$ 48,547,551

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Power Metallic Mines Inc.
Formerly Power Nickel Inc.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Common Shares							
	Number	Amount	Contributed Surplus	Warrants	Deficit	Non-Controlling interest	Accumulated other comprehensive income	Total
Balance, December 31, 2024	**196,196,594**	**$ 99,522,339**	**$ 4,799,574**	**$ 6,898,017**	**$(106,637,901)**	**$ -**	**$ -**	**$ 4,582,029**
Private placement	21,030,000	49,999,800	-	-	-	-	-	49,999,800
Flow-through liability	-	(19,506,300)	-	-	-	-	-	(19,506,300)
Share issuance costs	-	(2,429,534)	-	-	-	-	-	(2,429,534)
Share based compensation	-	-	1,301,730	-	-	-	-	1,301,730
Exercise of warrants	1,929,115	925,515	-	(281,157)	-	-	-	644,358
Exercise of options	2,969,672	1,100,697	(286,626)	-	-	-	-	814,071
Chilean Metals Inc. spin-out	-	-	-	-	(10,278,033)	10,278,033	-	-
Change in non-controlling interest	-	-	-	-	-	55,495	-	55,495
Net loss for the period	-	-	-	-	(8,378,043)	(92,400)	-	(8,470,443)
Balance, March 31, 2025	**222,125,381**	**$ 129,612,517**	**$ 5,814,678**	**$ 6,616,860**	**$(125,293,977)**	**$ 10,241,128**	**$ -**	**$ 26,991,206**
Balance, December 31, 2025	**231,866,816**	**$ 137,498,226**	**$ 7,410,394**	**$ 6,346,742**	**$(145,506,536)**	**$ 128,304**	**$ (10,803)**	**$ 5,866,327**
Share based compensation	-	-	220,430	-	-	-	-	220,430
Exercise of warrants	200,000	105,938	-	(53,688)	-	-	-	52,250
Exercise of options	4,250,000	2,635,019	(1,252,294)	-	-	-	-	1,382,725
Change in non-controlling interest (note 14)	-	-	-	-	29,281	33,144	-	62,425
Net loss for the period	-	-	-	-	(8,912,394)	(148,886)	7,899	(9,053,381)
Balance, March 31, 2026	**236,316,816**	**$ 140,239,183**	**$ 6,378,530**	**$ 6,293,054**	**$(154,389,649)**	**$ 12,562**	**$ (2,904)**	**$ (1,469,224)**

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

1. Nature of operations and going concern

Power Metallic Mines Inc. (formerly Power Nickel Inc.) (the “Company” or "Power Metallic") is a mineral exploration company and is in the business of acquiring and exploring mineral properties in Chile and Canada. On February 20, 2025, the Company changed its name from "Power Nickel Inc." to "Power Metallic Mines Inc.".

The Company is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”), and Santiago Stock Exchange, Venture Market. The head office and principal address of the Company are located at the Canadian Venture Building, 82 Richmond Street East, Suite 202, Toronto, Ontario, M5C 1P1. The Company’s registered and records office address is at Suite 700 – 595 Burrard Street, PO Box 49290, Vancouver, British Columbia, Canada, V7X 1S8.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty. The Company’s Chilean mineral property maintenance payments are in arrears (see note 12) and as a result, the Copiapó Court has been notified by the General Treasury of the Republic of Chile. The Copiapó Court may initiate the auction of the properties. If the Company’s claims are put up for auction the Company, as concession holder, is not allowed to place bids on its claims under auction; however, the Company understands that the concession holder may remove a concession from auction by paying the penalty amount which is equal to double the patent amount outstanding. Accordingly, there is a risk that the Company will not be able to retain title to its mineral claims in Chile.

These unaudited condensed consolidated interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue as a going concern and realize its assets and discharge its liabilities in the normal course of business. These unaudited condensed consolidated interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. During the three months ended March 31, 2026, the Company incurred a net loss of $9,061,280 (three months ended March 31, 2025 - $8,470,443). As at March 31, 2026, the Company has incurred significant losses since inception totaling $154,389,649 (December 31, 2025 - $145,506,536). As at March 31, 2026, the Company has a working deficiency of $1,867,988 (December 31, 2025 - working capital of $5,473,149); the continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that additional funds will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of material uncertainties that cast significant doubt as to the Company’s ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

2. Basis of presentation

Statement of compliance

These financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRIC® Interpretations of the IFRS Interpretations Committee ("IFRIC").

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The preparation of financial statements in accordance with International Accounting Standards (IAS) 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to these unaudited condensed consolidated interim financial statements were the same as those that applied to the Company's annual consolidated financial statements as at and for the year ended December 31, 2025, except as noted below.

The same accounting policies and methods of computation are followed in these unaudited condensed consolidated interim financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2025. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2026 could result in restatement of these unaudited condensed consolidated interim financial statements.

The policies applied in these unaudited condensed consolidated interim financial statements are based on IFRS, which have been applied consistently to all periods presented. These unaudited condensed consolidated interim financial statements were issued and effective as of June 1, 2026, the date the Board of Directors approved the statements.

Basis of consolidation

These unaudited condensed consolidated interim financial statements incorporate the assets, liabilities and results of operations of all entities controlled by the Company. The effects of all transactions between entities in the consolidated group have been eliminated.

Prior to January 31, 2025, the consolidated financial statements included the accounts of the Company and it's wholly owned Chilean subsidiary, Minera IPBX Ltda., and its wholly-owned Canadian subsidiaries, Tierra de Oro Resources Ltd. and Consolidated Copper and Gold Inc. (Previously Chilean Metals Exploration Ltd). The Company also indirectly owned 100% Canadian subsidiaries SPN Metals Exploration Ltd., TDO Metals Exploration Ltd., Pintada Minerals Inc., Pintada Holdings Inc., Palo Negro Mining Inc., Palo Negro Holdings Inc., Verna Exploration Ltd., and Verna Holdings Ltd. The Company also has a 100% indirect interest in three Chilean subsidiaries: Minera Tierra de Oro Ltda., Minera Palo Negro Ltda. and Minera Sierra Pintada Ltda. All material inter-company balances and transactions have been eliminated on consolidation.

On January 31, 2025, the Company completed a corporate reorganization whereby Chilean Metals Inc., was made the parent of the certain subsidiaries (see below). On February 3, 2025, the Company completed a spin-out transaction whereby approximately 50% of the shares in Chilean Metals Inc., were distributed to shareholders of the Power Metallic Inc.

2. Basis of presentation (continued)

Basis of consolidation (continued)

On March 26, 2025, the Company incorporated a new limited liability company in Saudi Arabia called Power Metallic Company LLC ("KSA").

These consolidated financial statements include the accounts of the Company, the wholly owned KSA, its 50% owned subsidiary Chilean Metals Inc. and it's subsidiaries. Chilean Metals Inc. has the following wholly-owned subsidiaries: Consolidated Gold and Copper Inc., SPN Metals Exploration Ltd., TDO Metals Exploration Ltd., Pintada Minerals Inc., Pintada Holdings Inc., Palo Negro Mining Inc., Palo Negro Holdings Inc., Verna Explorations Ltd., Verna Holdings Ltd., Minera Tierra de Oro Ltda., Minera Palo Negro Ltda., and Minera Sierra Pintada Ltda.

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company and are deconsolidated from the date control ceases.

New standards adopted:

The following new accounting pronouncement is effective for annual periods beginning on or after January 1, 2026 and has been incorporated into the Company's unaudited condensed consolidated interim financial statements:

- Classification and measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS Financial Instruments: Disclosures
- Annual Improvements to IFRS Accounting Standards - Amendments to:
  - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
  - IFRS 9 Financial Instruments;
  - IFRS 10 Consolidated Financial Statements; and
  - IAS 7 Statement of Cash flows

There was no material impact on the unaudited condensed interim consolidated financial statements as a result of their adoption.

Future Changes in Accounting Policies:

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2027. Many are not applicable or do not have a significant impact to the Company and have been excluded.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

(Expressed in Canadian Dollars)

3. Equipment

Cost	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2024, December 31, 2025 and March 31, 2026	**$ 16,342**	**$ 83,278**	**$ 132,344**	**$ 231,964**
Accumulated depreciation				
Balance, December 31, 2024	**$ 12,651**	**$ 83,050**	**$ 122,675**	**$ 218,376**
Additions	1,108	68	2,904	4,080
Balance, December 31, 2025	**13,759**	**83,118**	**125,579**	**222,456**
Additions	194	12	508	714
Balance, March 31, 2026	**$ 13,953**	**$ 83,130**	**$ 126,087**	**$ 223,170**
Net book value				
Balance, December 31, 2025	**$ 2,583**	**$ 160**	**$ 6,765**	**$ 9,508**
Balance, March 31, 2026	**$ 2,389**	**$ 148**	**$ 6,257**	**$ 8,794**

4. Mineral exploration expenditures

Exploration and acquisition costs for the three months ended March 31, 2026 and March 31, 2025 are as follows:

	Zulema and Others	Nisk	Golden Ivan	KSA	Total
Assays	$ -	$ 119,110	$ -	$ -	$ 119,110
Claim costs	3,418	-	-	-	3,418
Drilling	-	1,687,770	-	-	1,687,770
Field costs	31,991	193,128	-	-	225,119
Geophysics and geological	28,310	1,460,184	44,511	-	1,533,005
Three months ended March 31, 2025	**$ 63,719**	**$ 3,460,192**	**$ 44,511**	**$ -**	**$ 3,568,422**

	Zulema and Others	Nisk	Golden Ivan	KSA	Total
Assays	$ -	$ 214,283	$ -	$ -	$ 214,283
Claim costs	3,093	-	-	-	3,093
Drilling	-	4,350,577	-	-	4,350,577
Field costs	8,508	1,019,445	-	-	1,027,953
Geophysics and geological	54,980	6,081,006	22,801	-	6,158,787
Three months ended March 31, 2026	**$ 66,581**	**$ 11,665,311**	**$ 22,801**	**$ -**	**$ 11,754,693**

(a) Tierra de Oro, Chile

Tierra de Oro is an exploration project located in Region III on the eastern flank of Chile's Coastal Iron Oxide Copper Gold belt. The Company owns a 100% interest in exploration concessions in Region III, Chile. See Note 1 and 12 for status of claims in Chile.

(b) Zulema also known as Chicharra Property, Chile

The Company owns 100% of the rights to certain exploitation concessions and certain exploration concessions in Region III, Chile. See Note 1 and 12 for status of claims in Chile.

4. Mineral exploration expenditures (continued)

(c) Other Properties, Chile

During the year ended December 31, 2020, the Government of Chile, released the Company from paying for a number of claims which had taxes owing. These claims related to non-core properties, and properties where the Company had ceased its exploration programs. See Note 1 and 12 for status of claims in Chile.

(d) Nisk Property, Quebec, Canada

On December 22, 2020 (the "Effective Date"), the Company entered into an option agreement with Critical Elements Limited ("Critical") whereby it acquired 80% ownership. Critical received a 2% net smelter return from the extraction and production of lithium products, of which the Company may, following the payment of $2,000,000 in cash, reduce to 1%.

On June 9, 2025 (the "Effective Date") the Company entered into a purchase agreement with LI-FT Power Ltd. ("LI-FT") to acquire a 100% interest in the 313 mineral claims. Additionally, Li-FT retains a 0.5% NSR on all acquired claims under a royalty agreement between Li-FT and the Company effective the closing date. Certain of the claims also retain certain underlying royalties and in some cases buy back rights that were contained in previous agreements between Li-FT and prior property vendors. Under the terms of the agreement the Company paid $700,000 in cash and issued 6,000,000 common shares. The shares are valued at the market price on the day of the closing of the acquisition except for 3,000,000 shares that have a one year trading restriction and a discount on lack of marketability of 17% was applied when determining the fair value of the shares.

(e) Golden Ivan, British Columbia, Canada

On January 14, 2021, the Company announced it finalized an option agreement dated October 7, 2020, to acquire 100% of the Golden Ivan property via a series of option payments and work commitments. On June 29, 2021, the agreement was revised to eliminate the cash payments and work commitment and expedite the payment by shares while reducing the overall quantity of shares by 1,000,000 shares from the original agreement. The revised terms are as follows:

(i) 3,900,000 common shares within five Business Days after receipt of the TSXV Approval. These common shares were valued at $1,209,000 based on the trading price of the Company's shares on the date of issuance.
(ii) 6,500,000 common shares on or before June 29, 2021 subject to TSXV Approval. These common shares were valued at $620,100 based on the trading price of the Company's shares on the date of issuance.

The Company has completed all option payments and has acquired a 100% interest subject only to a 2.5% NSR royalty. The Company retains the option to purchase 40% of this royalty for a one-time payment of $1,000,000.

(f) KSA, Saudi Arabia

The Company acquired a 100% interest in the Jabul Baudan exploration license in the Kingdom of Saudi Arabia's Jabal Said Belt.

As part of the requirement for the license the Company placed a bond with Ministry of Industry and Mineral Resources of Saudi Ariba in the amount of $389,970 (Saudi Riyal 1,050,000) (December 31, 2025 - $383,670 (Saudi Riyal 1,050,000)) , which will be returned in March 2030.

(Expressed in Canadian Dollars)

5. Spin-out pursuant to the plan of arrangement

On February 3, 2025, the Company completed the plan of arrangement (the "Arrangement") whereby the Company spun out its Golden Ivan and Chilean properties assets and liabilities (the "Spin-Out"), at book value through an equity distribution. Prior to the completion of the Spin-out, the Company subscribed to 3,298,598 common shares of Chilean Metals Inc. ("Chilean") for gross proceeds of $1,000,000. Immediately before the Spin-out transaction Power Metallic Inc. had 19,725,617 common shares of Chilean Metals Inc, and 50% was retained by Power Metallic Inc., and 50% was provided to the shareholders of the Power Metallic Inc. on a basis of one common share of Chilean for each twenty common share of the Company. In addition, option holders of the Company were issued, for each stock option held, one replacement stock option to acquire one New Share of the Company and one Chilean stock option to acquire 0.05 of a Chilean share. Subsequent to the spin-out transaction any warrants held prior to the Spin-out, when exercised also granted 0.05 of a Chilean share.

As the shareholders of the Company held their respective interests in Chilean; there was no resulting change of control Chilean Metals Inc. The Company retained control after the spin out transaction through its ownership and management of the Company's ownership of common shares on a combined basis being greater than 50%. As a result of the Arrangement there was a reduction in the ownership of Chilean. As such, the assets and liabilities assumed by Chilean, were originally recognized at the date of the acquisition at their historical costs as follows:

		February 3, 2025
Assets	$	1,022,855
Liabilities		(248,136)
Total	$	774,719
Distribution of 50% of Chilean Metals Inc.'s equity	**$**	**387,360**

6. Issued capital

a) Authorized share capital

At March 31, 2026, the authorized share capital consisted of an unlimited number of common shares, non-voting Class A preference shares with a par value of $4.00 and Class B preference shares with a par value of $20.00. The common shares do not have a par value. No Class A or Class B preference shares have been issued.

b) Common shares issued

	Number of Shares	Amount
Balance, December 31, 2024	**196,196,594**	**$ 99,522,339**
Private placement	21,030,000	49,999,800
Flow-through liability	-	(19,506,300)
Share issuance costs	-	(2,429,534)
Exercise of warrants (ii)	1,929,115	925,515
Exercise of options (i)	2,969,672	1,100,697
Balance, March 31, 2025	**222,125,381**	**$ 129,612,517**
Balance, December 31, 2025	**231,866,816**	**$ 137,498,226**
Exercise of warrants (iv)	200,000	105,938
Exercise of options (iii)	4,250,000	2,635,019
Balance, March 31, 2026	**236,316,816**	**$ 140,239,183**

(Expressed in Canadian Dollars)

6. Issued capital (continued)

b) Common shares issued (continued)

(i) During the three months ended March 31, 2025, 2,969,672 stock options were exercised with a weighted average exercise price of $0.29 and a black scholes value of $286,626.

(ii) During the three months ended March 31, 2025, 1,929,115 warrants were exercised with a weighted average exercise price of $0.34 and a black scholes value of $281,157.

(iii) During the three months ended March 31, 2026, 4,250,000 stock options were exercised with a weighted average exercise price of $0.33 and a black scholes value of $1,252,294.

(iv) During the three months ended March 31, 2026, 200,000 warrants were exercised with a weighted average exercise price of $0.28 and a black scholes value of $53,688.

(v) On February 27, 2025, the Company closed a private placement of 14,135,000 flow-through shares of the Company, at a price of $2.83 per flow-through shares, and 6,895,000 common shares at a price of $1.45 per share for aggregate gross proceeds of $49,999,800. The Company had share issuance costs including finder's fees of $2,429,534.

7. Stock options

The Company has implemented a stock option plan (“the Plan”) to be administered by the Board of Directors. Pursuant to the Plan the Board of Director’s has discretion to grant options for up to a maximum of 10% of the issued and outstanding common shares of the Company at the date the options are granted. The option price under each option shall be not less than, the discounted market price on the grant date. The expiry date of an option shall be set by the Board of Directors at the time the option is awarded, and shall not be more than ten years after the grant date. Options granted to directors, employees and consultants, other than consultants engaged in investor relations activities, will vest immediately upon granting, unless otherwise approved by the relevant regulatory authorities. Options granted to employees and consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

Power Metallic Inc. Stock Options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2024	**18,805,472**	**0.44**
Granted (i)(ii)(iii)	2,325,000	1.40
Exercised (note 6(b)(i))	(2,969,672)	0.29
Balance, March 31, 2025	**18,160,800**	**0.59**
Balance, December 31, 2025	**18,495,000**	**0.76**
Expired	(1,475,000)	1.63
Granted (v)	250,000	1.50
Exercised (note 6(b)(iii))	(4,250,000)	0.33
Balance, March 31, 2026	**13,020,000**	**0.81**

7. Stock options (continued)

Power Metallic Inc. Stock Options (continued)

(i) During the three months ended March 31, 2025, the Company granted stock options to consultants of the Company for the purchase of a total of 350,000 common shares, exercisable for two years from grant. The options have an exercise price of $0.99, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - $1.01; risk free interest rate – 3.15%; expected volatility – 77.7% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 years. During the three months ended March 31, 2026, the Company recorded share-based compensation of $nil (March 31, 2025 - $156,080) related to the grant in the unaudited condensed consolidated interim statements of loss and comprehensive loss.

(ii) During the three months ended March 31, 2025, the Company granted stock options to consultants of the Company for the purchase of a total of 500,000 common shares, exercisable for three years from grant. The options have an exercise price of $0.99, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - $1.01; risk free interest rate – 3.09%; expected volatility – 96.6% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 3 years. During the three months ended March 31, 2026, the Company recorded share-based compensation of $nil (March 31, 2025 - $312,920) related to the grant in the unaudited condensed consolidated interim statements of loss and comprehensive loss.

(iii) During the three months ended March 31, 2025, the Company granted stock options to consultants of the Company for the purchase of a total of 1,475,000 common shares, exercisable for one years from grant. The options have an exercise price of $1.63, and vest immediately. The fair value of these options at the date of grant was estimated using the Black-Scholes option pricing model with the following assumptions: share price - $1.63; risk free interest rate – 2.55%; expected volatility – 87.4% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 1 year. During the three months ended March 31, 2026, the Company recorded share-based compensation of $nil (March 31, 2025 - $832,730) related to the grant in the unaudited condensed consolidated interim statements of loss and comprehensive loss.
(iv) During the year ended December 31, 2025, the Company granted stock options to a consultants of the Company for the purchase of a total of 350,000 common shares, which quarterly over one year. The options have an exercise price of $1.45. The fair value of these options at the date of grant was $154,450 using an estimated using the weighted average Black-Scholes option pricing model with the following assumptions: share price - $1.20; risk free interest rate – 2.42%; expected volatility – 76% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 years. During the three months ended March 31, 2026, the Company recorded share-based compensation of $55,720 (March 31, 2025 - $nil) related to the grant in the unaudited condensed consolidated interim statements of loss and comprehensive loss.

(v) During the three months ended March 31, 2025, the Company granted stock options to a consultants of the Company for the purchase of a total of 250,000 common shares. The options have an exercise price of $1.50. The fair value of these options at the date of grant was $164,710 using an estimated using the weighted average Black-Scholes option pricing model with the following assumptions: share price - $1.50; risk free interest rate – 2.55%; expected volatility – 79.2% (which is based on historical volatility of the Company's share price); expected dividend yield - nil; expected life - 2 years. During the three months ended March 31, 2026, the Company recorded share-based compensation of $164,710 (March 31, 2025 - $nil) related to the grant in the unaudited condensed consolidated interim statements of loss and comprehensive loss.

(Expressed in Canadian Dollars)

7. Stock options (continued)

Power Metallic Inc. Stock Options (continued)

The following table reflects the stock options issued and outstanding as of March 31, 2026:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
May 24, 2026	0.61	0.15	370,000	370,000
July 2, 2026	0.78	0.25	1,000,000	1,000,000
August 16, 2026	0.63	0.38	300,000	300,000
August 25, 2026	1.45	0.40	650,000	650,000
November 27, 2026	0.74	0.66	600,000	600,000
January 14, 2027	0.99	0.79	350,000	350,000
August 25, 2027	1.45	1.40	250,000	250,000
September 17, 2027	1.45	1.47	600,000	600,000
November 3, 2027	1.45	1.59	350,000	-
November 28, 2027	0.19	1.66	450,000	450,000
January 13, 2028	1.63	1.79	250,000	250,000
January 15, 2028	0.99	1.79	500,000	500,000
June 15, 2028	0.24	2.21	1,600,000	1,600,000
July 26, 2029	0.63	3.32	4,000,000	4,000,000
September 9, 2029	0.63	3.45	600,000	600,000
August 25, 2030	1.45	4.41	1,150,000	1,150,000
	0.81	**2.24**	**13,020,000**	**12,670,000**

Chilean Metals Inc. Stock Options

The following table reflects the continuity of Chilean Metals Inc. stock options for the periods presented:

	Number of stock options	Weighted average exercise price ($)
Balance, December 31, 2024	**-**	**-**
Granted through plan of arrangement (i)	962,250	0.41
Exercised (note 6(b)(i))	(127,960)	0.23
Balance, March 31, 2025	**834,290**	**0.44**
Balance, December 31, 2025	**701,000**	**0.48**
Exercised	(192,500)	0.31
Balance, March 31, 2026	**508,500**	**0.58**

(i) In accordance with the Plan of Arrangement, the Company granted stock options to purchase a total of 962,250 common shares, exercisable for 0.04 - 4.48 years from the date of grant. The options have an exercise price of $0.20 - $1.00, and vest immediately. The fair value of these options at the date of grant was $10,803 estimated using the Black-Scholes option pricing model with the following weighted assumptions: share price - $0.07; risk free interest rate – 2.63%; expected volatility – 89.78% (which is based on historical volatility of Power Metallic's share price); expected dividend yield - nil; expected life - 0.04 - 4.48 years.

(Expressed in Canadian Dollars)

7. Stock options (continued)

Chilean Metals Inc. Stock Options (continued)

The following table reflects the stock options issued and outstanding as of March 31, 2026:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Options Outstanding	Number of Options Vested (Exercisable)
May 24, 2026	0.60	0.15	23,500	23,500
July 2, 2026	0.80	0.25	50,000	50,000
July 26, 2026	0.60	0.32	30,000	30,000
August 16, 2026	0.60	0.38	15,000	15,000
November 27, 2026	0.80	0.66	30,000	30,000
January 14, 2027	1.00	0.79	17,500	17,500
November 28, 2027	0.20	1.66	22,500	22,500
January 14, 2028	1.00	1.79	25,000	25,000
June 15, 2028	0.20	2.21	80,000	80,000
July 26, 2029	0.60	3.32	185,000	185,000
September 9, 2029	0.60	3.45	30,000	30,000
	0.58	**2.05**	**508,500**	**508,500**

8. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price ($)
Balance, December 31, 2024	**36,162,976**	**0.52**
Exercised (note 6(b)(ii))	(1,929,115)	0.34
Balance, March 31, 2025	**34,233,861**	**0.53**
Balance, December 31, 2025	**32,642,499**	**0.53**
Exercised (note 6(b)(iv))	(200,000)	0.28
Balance, March 31, 2026	**32,442,499**	**0.54**

The following table reflects the warrants outstanding as of March 31, 2026:

Expiry Date	Exercise Price ($)	Remaining Contractual Life (years)	Number of Warrants Outstanding	Grant date Fair Value ($)
October 23, 2026	0.50	0.56	2,000,000	249,850
November 14, 2026	0.50	0.62	1,050,000	151,733
December 29, 2026	0.50	0.75	1,880,000	128,487
June 10, 2027	0.80	1.19	250,000	95,570
June 21, 2027	1.25	1.22	8,024,999	4,288,060
November 22, 2027	0.20	1.65	16,350,000	799,220
March 30, 2028	0.50	2.00	621,500	133,570
April 25, 2028	0.50	2.07	1,650,000	368,237
May 4, 2028	0.50	2.10	516,000	120,015
August 14, 2028	0.25	2.38	100,000	12,000
	0.54	**1.42**	**32,442,499**	**6,346,742**

(Expressed in Canadian Dollars)

9. Net loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2026 was based on the loss attributable to common shareholders of $8,912,394 (three months ended March 31, 2025 - $8,378,043) and the weighted average number of common shares outstanding of 222,829,227 (three months ended March 31, 2025 - 175,461,228). Diluted loss per share did not include the effect of 13,020,000 options outstanding (three months ended March 31, 2025 - 18,160,800 options outstanding) or the effect of 32,442,499 warrants outstanding (three months ended March 31, 2025 - 34,233,861 warrants outstanding) as they are anti-dilutive.

10. Related party balances and transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

As at March 31, 2026 and December 31, 2025, the Company is not aware of any insiders that control a significant portion of the total common shares outstanding. To the knowledge of directors and officers of the Company, the remainder of the outstanding common shares are held by diverse shareholders. These holdings can change at any time at the discretion of the owner.

(a) The Company entered into the following transactions with related parties:

		Three months ended March 31, 2026	Three months ended March 31, 2025
Administration expense	(i)(iii)	**$ 330,625**	$ 942,500
Accounting expense	(ii)	**$ 12,337**	$ 29,208

(i) For the three months ended March 31, 2026, the Company incurred consulting fees from a company controlled by an officer and a director of $162,500 (March 31, 2025 - $487,500) and is recorded in administration fees.

(ii) For the three months ended March 31, 2026, the Company incurred accounting expenses from companies related to an officer of $12,337 (March 31, 2025 - $29,208) and is recorded in professional fees.

(iii) For the three months ended March 31, 2026, the Company incurred consulting fees from directors of $168,125 (three months ended March 31, 2025 - $455,000) and is recorded in administration fees.

(iv) As at March 31, 2026, included in amounts due from related parties, the Company has a receivable of $486,913 (December 31, 2025 - $435,033) from an officer and director. This amount is unsecured, non-interest bearing and due on demand.

(v) As at March 31, 2026, included in accounts payable and accrued liabilities is $nil (December 31, 2025 - $24,000) due to directors, these amounts are unsecured, non-interest bearing, and due on demand.

(vi) As at March 31, 2026, included in accounts payable and accrued liabilities is $nil (December 31, 2025 - $106,213) due to family members of an officer and director of the Company. As at March 31, 2026, included in amounts due from related parties is $53,430 (December 31, 2025 - $36,088) paid to these family members.

(vii) For the three months ended March 31, 2026, the Companies incurred consulting fees of $62,500 (December 31, 2025 - $nil), to companies controlled by family members of an officer and director of the Company, and they are recorded in professional fees.

(Expressed in Canadian Dollars)

10. Related party balances and transactions (continued)

(viii) For the three months ended March 31, 2026, the Companies incurred consulting fees of $51,564 (December 31, 2025 - $nil), to companies controlled by family members of an officer and director of the Company, and they are recorded in and administration fee.

(ix) As at March 31, 2026, the Company has a balance payable to shareholders of $7,000 (December 31, 2025 - $7,000). This amount is unsecured, due on demand, and non-interest bearing.

(x) See note 12.

Payments to directors and key management personnel of the Company include certain transactions with related parties in above, noted transactions are in the normal course of business and approved by the Board of Directors.

11. Segmented information

The Company operates in one industry segment, namely exploration of mineral resources in three geographic regions, Canada, Saudi Arabia, and Chile. Geographical segmentation of the Company's non-current assets is as follows:

March 31, 2026	**Canada**	**Chile**	**Saudi Arbia**	**Total**
Non-current assets	$ -	$ 8,794	$ 389,970	**$ 398,764**

December 31, 2025	**Canada**	**Chile**	**Saudi Arbia**	**Total**
Non-current assets	$ -	$ 9,508	$ 383,670	**$ 393,178**

12. Commitments and contingencies

<u>Consulting</u>

The Company has entered into five consulting agreements with a Director and companies controlled by Directors of the Company. The obligation under these agreements amounts to $950,000 per year.

<u>Flow-through</u>

The Company was obligated to spend $20,262,497 by December 31, 2025, and is obligated to spend $40,002,050 by December 31, 2026. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company has indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments. The Company does not have sufficient working capital to cover its flow-through commitment, and intends to cover its flow-through commitment through additional equity financing.

	Flow-through Liability ($)	**Flow-through commitment ($)**
Balance, December 31, 2024	$ 1,187,852	$ 14,389,351
Recognition of flow-through liability	19,506,300	40,002,050
De-recognition of flow-through liability	(5,364,983)	(22,915,467)
Balance, December 31, 2025	15,329,169	31,475,934
De-recognition of flow-through liability	(5,688,384)	(11,705,340)
Balance, March 31, 2026	$ 9,640,785	$ 19,770,594

(Expressed in Canadian Dollars)

12. Commitments and contingencies (continued)

Flow-through indemnification

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. Certain interpretations are required to assess the eligibility of flow-through expenditures that if changed, could result in the denial of renunciation. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments. If the Canadian Revenue Agency ("CRA") determined that the Company was not compliant with their flow-through expenditure commitments, the Company may be liable to indemnify subscribers for any related tax amounts. No provision has been recorded in these unaudited condensed consolidated interim financial statements related to this contingency as various triggering events have not taken place.

Environmental and legal

The Company's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact. At this time, to management's best knowledge, the Company's operations are in compliance with current laws and regulations.

The Company may be subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

Property taxes

As at March 31, 2026, the Company has unpaid property tax for various mineral exploration property claims totaling approximately 390,773,681 Chilean Pesos ($587,188) (December 31, 2025 - 392,773,681 Chilean Pesos ($598,925)) which has been included in accounts payable and accrued liabilities as at March 31, 2026. In the event that the claims are put up for tax auction, the Company expects to have a notice period to make the payment for the portion of this amount required (note 1). The property tax commitment for 2026 fiscal year is 146,714,392 Chilean Pesos ($220,457).

13. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation. This reclassification had no impact on total expenses or net loss for the comparative periods.

14. Non-Controlling Interest

Through the Plan of Agreement, Power Metallic acquired 50% of Chilean on February 3, 2025 (note 5). As of March 31, 2026, the Company has a 50.98% ownership interest in Chilean through its ownership of common shares. The non-controlling interest represents the Chilean Common Shares not attributable to the Company.

Reconciliation of non-controlling interest is as follows:

Balance, December 31, 2025	**$**	**128,304**
Change in ownership interest		33,144
Net loss attributable to NCI		(148,886)
Balance, March 31, 2026	**$**	**12,562**

(Expressed in Canadian Dollars)

14. Non-Controlling Interest (continued)

The unaudited condensed consolidated interim financial statements incorporate the assets and liabilities of Chilean as of March 31, 2026. The following is summarized financial information for Chilean, prepared in accordance with IFRS. The information is before inter-company eliminations with other companies in the Group.

Summarized statement of financial position	$
Current assets	704,874
Non-current assets	8,794
Current liabilities	(688,040)
Non-current liabilities	-
Net assets	**25,628**
Net assets attributable to NCI	12,562

	$
Net loss for the period ended March 31, 2026	303,751
Net loss attributable to NCI	148,886

	$
Net cash used in operating activities	(298,024)
Net cash provided by financing activities	62,425
Net increase in cash	(235,599)

15. Subsequent events

On May 29, 2026, the Company announced that it entered into an agreement with Red Cloud Securities Inc. (“Red Cloud”) pursuant to which Red Cloud will act as lead agent and sole bookrunner on behalf of a syndicate of agents (collectively, the “Agents”) in connection with a “best efforts” private placement (the “Marketed Offering”) for gross proceeds of up to $30,000,000 from the sale of up to 24,000,000 common shares of the Company (the “Offered Shares”) at a price of $1.25 per Offered Share (the “Offering Price”).

The Company also grants the Agents an option, exercisable in full or in part up to 48 hours prior to the closing of the Marketed Offering, to sell up to an additional 2,400,000 Offered Shares at the Offering Price for up to an additional $3,000,000 in gross proceeds (the “Agents’ Option”). The Marketed Offering and the issuance of securities upon exercise of the Agents’ Option shall be collectively referred to as the “Offering”.

The Offering is anticipated to close on June 10, 2026, or such other date as the Company and Red Cloud may agree (the “Closing Date”). Completion of the Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange.